

Interim (unaudited) Consolidated Financial Statements of

ROCKY MOUNTAIN LIQUOR INC

March 31, 2015

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Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, 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 financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of Rocky Mountain Liquor Inc. (the "Company") have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

ROCKY MOUNTAIN LIQUOR INC

Interim Consolidated Statements of Financial Position

(unaudited)

As at	Note	Mar 31, 2015	Dec 31, 2014
ASSETS			
CURRENT			
Cash and cash equivalents		522,308	868,858
Accounts receivable		274,484	310,848
Inventory	5	7,534,199	5,989,612
Prepaid expenses and deposits		292,158	201,064
Goods and services tax receivable		49,557	-
Income taxes recoverable		286,690	179,932
		8,959,396	7,550,314
NON-CURRENT			
PROPERTY AND EQUIPMENT		3,898,486	3,990,902
GOODWILL	6	11,205,368	11,205,368
		24,063,250	22,746,584
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		747,644	640,109
Interest rate swap liability	3	22,743	45,977
Bank loan	7	6,807,418	5,232,183
Goods and services tax payable		-	73,411
		7,577,805	5,991,680
NON-CURRENT			
DEFERRED TAX LIABILITY		126,134	126,134
CONVERTIBLE DEBENTURES	9	9,108,702	9,057,885
		16,812,641	15,175,699
SHAREHOLDERS' EQUITY			
Equity component of convertible debenture	9	136,011	136,011
Share capital	11	4,774,481	4,774,481
Contributed surplus	13	937,532	937,532
Retained earnings		1,402,585	1,722,861
		7,250,609	7,570,885
		24,063,250	22,746,584

SUBSEQUENT EVENTS

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The accompanying notes form an integral part of these consolidated financial statements

Approved on behalf of the board:

Frank Coleman
Chair, Board of Directors

Robert Normandeau
Chair, Audit Committee

ROCKY MOUNTAIN LIQUOR INC

Interim Consolidated Statements of Changes in Shareholders' Equity

(unaudited)

	Note	Equity component of convertible debenture	Share capital	Warrants	Contributed surplus	Retained earnings	Total
Opening balance as at Jan 1, 2014		325,633	4,774,481	210,007	537,903	1,699,619	7,547,643
Maturity of debenture A	9	(189,622)	-	-	189,622	-	-
Expiry of warrants	12	-	-	(210,007)	210,007	-	-
Net comprehensive income for the year		-	-	-	-	23,242	23,242
Balance at Dec 31, 2014		136,011	4,774,481	-	937,532	1,722,861	7,570,885
Net comprehensive loss for the period		-	-	-	-	(320,276)	(320,276)
Balance at Mar 31, 2015		136,011	4,774,481	-	937,532	1,402,585	7,250,609

The accompanying notes form an integral part of these consolidated financial statements

ROCKY MOUNTAIN LIQUOR INC

Interim Consolidated Statements of Comprehensive Income

(unaudited)

For the 3 months ended March 31

	Note	2015	2014
SALES		10,435,548	11,670,046
COST OF SALES		7,761,474	9,095,609
		2,674,074	2,574,437
OPERATING AND ADMINISTRATIVE EXPENSES		2,670,550	2,677,008
INCOME (LOSS) FROM OPERATIONS		3,524	(102,571)
OTHER EXPENSES (INCOME)			
Finance costs	10	278,517	334,601
Depreciation		153,738	191,379
Loss on disposal of property and equipment		1,003	5,658
Business development costs		-	12,565
Other income		(2,700)	(2,775)
		430,558	541,428
LOSS BEFORE TAX		(427,034)	(643,999)
INCOME TAXES		(106,758)	(161,000)
NET COMPREHENSIVE LOSS		(320,276)	(482,999)
Basic loss per share	16	(0.01)	(0.01)
Diluted loss per share	16	(0.01)	(0.01)
Weighted average number of shares - basic		57,797,788	57,797,788
Weighted average number of shares - diluted		57,797,788	57,797,788

The accompanying notes form an integral part of these consolidated financial statements

ROCKY MOUNTAIN LIQUOR INC

Interim Consolidated Statements of Cash Flows

(unaudited)

For the 3 months ended March 31

	Note	2015	2014
OPERATING ACTIVITIES			
Net comprehensive income		(320,276)	(482,999)
Items not affecting cash			
Unrealized gain on interest rate swap	3	(23,234)	(22,505)
Depreciation of property and equipment		153,738	191,379
Loss on disposal of property and equipment		1,003	5,658
Net accretive interest	8,9	10,454	27,382
Amortization of convertible debenture costs	9	40,363	40,812
		(137,952)	(240,273)
Changes in non-cash working capital	17	(1,721,508)	(53,689)
Cash flow used in operating activities		(1,859,460)	(293,962)
INVESTING ACTIVITIES			
Purchase of property and equipment		(62,825)	(276,176)
Proceeds on disposal of property and equipment		500	11,041
Cash flow used in investing activities		(62,325)	(265,135)
FINANCING ACTIVITIES			
Proceeds from long-term debt	7	1,575,235	-
Proceeds from bank indebtedness		-	1,244,307
Repayment of promissory note	8	-	(100,000)
Repayment of convertible debenture	9	-	(809,140)
Cash flow from financing activities		1,575,235	335,167
DECREASE IN CASH		(346,550)	(223,930)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD		868,858	1,123,004
CASH AND CASH EQUIVALENTS - END OF PERIOD		522,308	899,074
CASH FLOWS SUPPLEMENTARY INFORMATION			
Interest paid		75,124	130,828
Income taxes paid		-	8,000

The accompanying notes form an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS

Rocky Mountain Liquor Inc. ("Rocky Mountain Liquor" or "RML") is incorporated under the Canada Business Corporations Act, and is a tier one issuer with its common shares listed on the TSX Venture Exchange (under the initials "RUM"). The Company's registered corporate office is located at 11478 149 Street, Edmonton, Alberta, T5M 1W7.

Rocky Mountain Liquor is the parent to wholly owned subsidiary, Andersons Liquor Inc. ("Andersons"), acquired through a reverse takeover ("RTO") on Dec 1, 2008.

As at Mar 31, 2015 Andersons operated 46 retail liquor stores in Alberta, selling beer, wine, spirits, ready to drink products, as well as ancillary items such as juice, ice, soft drinks and giftware as well as one convenience store.

These consolidated financial statements have been approved for issue by the Board of Directors on May 12, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). They have been prepared using the accounting policies that were described in Note 2 to the Company's annual consolidated financial statements for the year ended Dec 31, 2014, except as described below. These interim consolidated financial statements should be read in conjunction with the Company's 2014 annual consolidated financial statements.

The preparation of these interim consolidated financial statements, in conformity with IFRS, requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. However, uncertainties about these assumptions and estimates could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future.

Estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In preparing these interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended Dec 31, 2014.

The Company's operations are seasonal in nature, and results for any quarter are not necessarily indicative of the results that may be expected for the full year due to seasonal variations in sales levels. The Company historically experiences a higher level of sales in the third and fourth quarters, while the first and second quarters experience lower sales due to shopping patterns. Occupancy related expenses; certain general and administrative expenses, depreciation and amortization, and interest expense remain relatively steady throughout the year.

Certain comparative figures have been changed to conform to the current years' presentation.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting standards issued but not yet in effect

New standards have been issued but are not yet effective for the period ended Mar 31, 2015, and accordingly, have not been applied in preparing these consolidated financial statements.

Financial Instruments

The IASB has completed a final version of IFRS 9, "Financial Instruments" ("IFRS 9"), which replaces IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). The replacement of IAS 39 is a multi-phase project with the objective of improving and simplifying the reporting for financial instruments and the issuance of IFRS 9 is part of the first phase. This standard is effective for annual periods beginning on or after Jan 1, 2018 and must be applied retrospectively. The Company does not believe this will have a significant impact on its disclosure.

Revenue from Contracts with Customers

The IASB issued IFRS 15, "Revenue from Contracts with Customers" ("IFRS 15"), which supersedes the IASB's current revenue recognition and guidance including IAS 18 "Revenue" and IAS 11 "Construction Contracts". It provides a single principle-based five-step model to use when accounting for revenue arising from contracts with customers. This standard is effective for annual periods beginning on or after Jan 1, 2017. The Company does not believe this will have an impact on its recognition of revenue.

3. INTEREST RATE SWAP

Mark to market value Dec 31, 2013	\$ (138,408)
Unrealized gain	92,431
Mark to market value Dec 31, 2014	\$ (45,977)
Unrealized gain	23,234
Mark to market value Mar 31, 2015	\$ (22,743)

The Company entered into a five year Interest Rate Swap Agreement ("SWAP") on Apr 6, 2010 expiring Apr 5, 2015 with a Canadian chartered bank ("SWAP Counterparty") to mitigate the interest rate risk associated with the bank indebtedness and long term debt. The notional amount of the SWAP is equal to \$4,500,000 of the outstanding principal balance on the bank loan.

The Company is obligated to pay the Swap Counterparty an amount based upon a 3.35% interest rate plus spread. The Swap Counterparty is obligated to pay the floating interest rate. The Company will continue to pay the credit spread over Bankers Acceptances on its loans as set by the lending institution.

Fair value of the SWAP was determined using estimated future discounted cash flows using a comparable current market rate of interest.

4. RELATED PARTY TRANSACTIONS

Transactions with Related Parties

During the period the Company paid rents of \$15,240 (2014 - \$14,797), in respect of two retail liquor stores, to privately held companies in which Peter J. Byrne, CEO of RML is a significant shareholder. The rent is at market rates.

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4. RELATED PARTY TRANSACTIONS (continued)

Key Management Personnel Compensation

The remuneration of Directors and other members of key management personnel during the period ended Mar 31, 2015 are as follows:

	Mar 31, 2015	Mar 31, 2014
Wages and salaries	\$ 156,000	\$ 102,250
Other	705	568
	\$ 156,705	\$ 102,818

Other includes health plan and fitness premiums paid on behalf of members of key management. There are no other short-term, long-term, termination or post-retirement benefits extended to any directors and other members of key management personnel of the Company.

5. INVENTORY

The cost of inventory recognized as an expense and included in cost of sales for the period ended Mar 31, 2015 was \$7,761,474 (2014 - \$9,095,609). No inventory write downs were recognized in 2015 or 2014.

6. GOODWILL

Balance Jan 1, 2014	\$ 11,205,368
Goodwill acquired	-
Balance Dec 31, 2014	11,205,368
Goodwill acquired	-
Balance Mar 31, 2015	\$ 11,205,368

The annual goodwill impairment review was performed at Dec 31, 2014 and no impairment was recognized.

7. BANK INDEBTEDNESS AND BANK LOAN

Bank Indebtedness

The Company has an available overdraft limit of \$50,000 with Beaumont Credit Union which bears interest at prime plus 1%, per annum and is secured by a guarantee and postponement from a significant shareholder. At Mar 31, 2015 there was \$nil in bank indebtedness (Dec 2014 - \$nil).

Bank Loan

Through its credit agreement with The Toronto-Dominion Bank, effective Oct 6, 2014, the Company has an available facility up to a maximum \$10,000,000 due upon demand, bearing interest at prime plus 1.25% or bankers acceptances plus 2.75% per annum, interest only payment due monthly. Secured by a general security agreement representing a first charge on all assets, with bank act security representing a first charge on inventory. Prior terms of the agreement were interest at prime plus 1.5% or bankers acceptances plus 3.0% per annum. As at March 31, 2015 there was \$6,807,418 drawn on the bank loan (Dec 31, 2014 - \$5,232,183).

8. PROMISSORY NOTES

As a result of store acquisitions in 2010 and 2011, two unsecured non-interest bearing promissory notes for \$300,000 each were issued in lieu of cash payment. The notes matured Sep 1, 2013 and Feb 9, 2014. Net accretive interest for the 3 month period ended Mar 31, 2015 was \$nil (Mar 2014 - \$12,603).

9. CONVERTIBLE DEBENTURES

In 2009 the Company issued an \$809,140 unsecured convertible debenture, ("Debenture A") which was due and paid in full on Mar 16, 2014.

Interest expense for Debenture A was calculated on the face value of the convertible debentures. Notional accretive interest expense is reflected at Mar 31, 2015 in the amount of \$nil (Mar 2014 - \$27,260), which represents the accretive interest for the 3 month period.

Debt Component

Dec 31, 2013	\$	809,479
Accretive interest		21,260
Coupon interest *		(21,599)
Repayment of debenture		(809,140)
Dec 31, 2014 and Mar 31, 2015	\$	-

* Coupon interest is the cash interest paid to the debenture holder.

Equity Component

Balance Dec 31, 2013	\$	189,622
Transferred to contributed surplus at maturity		(189,622)
Dec 31, 2014 and Mar 31, 2015	\$	-

In 2011 the Company issued a \$9,200,000 unsecured convertible debenture ("Debenture B") due on Apr 30, 2016. Debenture B is interest bearing at 7.75% payable semi-annually. Debenture B is convertible to common shares of the Company at a conversion price of \$0.500 per common share.

Debenture B was initially recorded on the Statement of Financial Position at a fair value of \$9,004,684, calculated as the present value of the required interest payments discounted at a rate approximating the interest rate that would have been applicable to non-convertible subordinated debt at the time the loan was issued. Debenture issue costs relating to the debt portion of the debenture of \$690,211 are being amortized over the term of the debenture. Debenture B will be accreted to the principal amount as additional interest over the term of the loan. The difference of \$195,316 between the face amount and the estimated fair value of the debt component, less related issue costs of \$13,968, less adjustment for deferred tax is reflected as the equity component of Debenture B.

The carrying value of debenture B is being increased such that the liability at maturity will be equal to the face value of \$9,200,000. Interest expense for Debenture B is calculated on the face value. Notional accretive interest expense is reflected at Mar 31, 2015 in the amount of \$188,255 (Mar 2014 - \$185,466), which represents the accretive interest for the period.

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9. CONVERTIBLE DEBENTURES (continued)

Debt Component

Dec 31, 2013	\$ 8,853,884
Accretive interest	753,754
Coupon interest *	(713,000)
Amortization of issue costs	163,247
Dec 31, 2014	\$ 9,057,885
Accretive interest	186,262
Coupon interest *	(175,808)
Amortization of issue costs	40,363
Mar 31, 2015	\$ 9,108,702

* Coupon interest is the cash interest paid to the debenture holder.

Equity Component

Balance Dec 31, 2013, 2014 and Mar 31, 2015	\$ 136,011
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10. FINANCE COSTS

	Note	Mar 31, 2015	Mar 31, 2014
Interest expense		\$ 261,388	\$ 316,294
Change in fair value of interest rate swap	3	(23,234)	(22,505)
Convertible debenture issue costs	9	40,363	40,812
		\$ 278,517	\$ 334,601

11. SHARE CAPITAL

Authorized - Unlimited common shares

	Number	Amount
Balance at Dec 31, 2013, 2014 and Mar 31, 2015	57,797,788	\$ 4,774,481

12. WARRANTS

	# of warrants	Exercise price	Estimated fair value of warrants
Outstanding Dec 31, 2013	1,000,000	\$ 0.3765	\$ 210,007
Expired Nov 24, 2014	(1,000,000)	(0.3765)	(210,007)
Outstanding Dec 31, 2014 and Mar 31, 2015	-	-	-

The 1,000,000 warrants, which expired on Nov 24, 2014, were issued to Roynat Capital as a result of a financing agreement.

13. CONTRIBUTED SURPLUS

The table below summarizes the changes in contributed surplus:

	Note	Amount
Balance at Dec 31, 2013		\$ 537,903
Maturity of Debenture A	9	189,622
Expiry of warrants	12	210,007
Balance at Dec 31, 2014 and Mar 31, 2015		\$ 937,532

14. STOCK OPTION PLANS

(a) Stock option plan ("Option Plan")

The maximum number of common shares that may be reserved for issuance under the Option Plan is 2,500,000 shares.

The exercise price of each option is determined on the basis of the market price at the time the option is granted. If the option has a discount to market price as an incentive for early redemption the exercise price may not be less than the discounted market price as defined by the policies of the TSX Venture Exchange ("TSXV"). For options that have no early redemption incentives, the exercise price may not be less than the closing price of a Rocky Mountain Liquor common share on the TSXV on the last trading day before the day the option is granted. The shares purchased on the exercise of an option must be paid for in full at the time of exercise. The Company operates equity-settled compensation plans. When the options vest in installments over the vesting period, each installment is accounted for as a separate arrangement.

Directors Options

750,000 options were issued to directors under the Option Plan, representing 1.3% of the outstanding common shares, with none outstanding at Mar 31, 2015.

	# of options	Exercise price	Estimated fair value of options
Outstanding Dec 31, 2013	150,000	\$ 0.220	\$ 28,980
Expired Oct 12, 2014	(150,000)	(0.220)	(28,980)
Outstanding Dec 31, 2014 and Mar 31, 2015	-	\$ -	\$ -

Share based compensation expense of \$nil was recognized for the period ended Mar 31, 2015 and 2014.

15. EMPLOYEE BENEFITS

The Employee Share Savings Plan was terminated effective Nov 19, 2014 as approved by shareholders at their annual general meeting. The plan, established Jan 1, 2011, permitted employees with more than six months service with the Company to have the Company match one half of an employee's purchase of the Company's shares, up to a maximum of 10% of the employee's annual income. All shares automatically vested at termination date.

No compensation expense in excess of Company cash contributions was recognized under this plan. \$nil was paid by the Company to the plan for the period ended Mar 31, 2015 (Mar 2014 - \$3,865).

The Company pays 50% of Alberta Blue Cross health premiums for certain employees. For the period ended Mar 31, 2015 the total premiums paid by the Company was \$10,240 (Mar 2014 - \$11,484).

16. EARNINGS PER COMMON SHARE

Basic Net Earnings per Common Share

The calculation of basic earnings per common share for the period ended Mar 31, 2015 was based on the interim consolidated net comprehensive loss of \$320,276 (Mar 2014 – loss \$482,999) and a weighted average number of shares outstanding of 57,797,788 (Mar 2014 – 57,797,788).

Diluted Net Earnings per Common Share

The calculation of diluted net earnings per common share for the period ended Mar 31, 2015 was based on the interim consolidated net comprehensive loss of \$320,276 (Mar 2014 – loss \$482,999) and a weighted average number of shares outstanding after adjustment for the effects of all dilutive potential shares of 57,797,788 (Mar 2014 – 57,797,788).

17. CHANGES IN NON-CASH WORKING CAPITAL ITEMS

	Mar 31, 2015	Mar 31, 2014
Cash provided by (used in)		
Accounts receivable	\$ 36,364	\$ 83,765
Inventory	(1,544,587)	(100,384)
Prepaid expenses and deposits	(91,094)	(76,295)
Income taxes recoverable	(106,758)	(169,000)
Accounts payable and accrued liabilities	107,535	282,941
Goods and services tax payable	(122,968)	(74,716)
	\$ (1,721,508)	\$ (53,689)

18. CAPITAL

The Company's objectives when managing capital are:

- To ensure the Company has capital to support its growth strategy, and operations
- To safeguard the Company's ability to continue as a going concern
- To ensure compliance with all covenants
- To maintain a strong capital base so as to maintain investor, creditor and market confidence

The Company considers capital to include shareholders' equity, long-term debt, bank loan, convertible debentures and bank indebtedness offset by cash and cash equivalents.

	Mar 31, 2015	Dec 31, 2014
Convertible debentures	\$ 9,108,702	\$ 9,057,885
Bank loan	6,807,418	5,232,183
Cash and cash equivalents	(522,308)	(868,858)
Net debt	\$ 15,393,812	\$ 13,421,210
Shareholders' equity	7,250,609	7,570,885
Total capital	\$ 22,644,421	\$ 20,992,095

The Company's capital structure is developed to focus on its growth strategy. Management monitors the adequacy of capital and will adjust the structure accordingly by accessing credit facilities or issuing debt instruments. The Company meets its objectives for managing capital through strategic long-term planning and the annual budgeting process.

19. FINANCIAL INSTRUMENTS

For cash and cash equivalents, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, promissory note and bank loan, the carrying value approximates fair value due to the short-term nature of the instruments.

The interest rate swap has a fair value equivalent to the carrying value and is calculated on a mark to market basis.

The convertible debenture has a fair value equivalent to the carrying value, as the discount rate remains unchanged.

As at Mar 31, 2015 and Dec 31, 2014 the classification of the Company's financial instruments as well as their carrying amounts and fair values, are shown in the table below.

	Mar 31, 2015		Dec 31, 2014	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Fair value through profit or loss				
Cash and cash equivalents	\$ 522,308	522,308	\$ 868,858	868,858
Interest rate swap	22,743	22,743	45,977	45,977
Loans and receivables				
Accounts receivable	274,484	274,484	310,848	310,848
Other financial liabilities				
Bank loan	6,807,418	6,807,418	5,232,183	5,232,183
Accounts payable and accrued liabilities	747,644	747,644	640,109	640,109
Convertible debentures	9,108,702	9,108,702	9,057,885	9,057,885

Fair value measurements

For financial instruments recognized in the Statement of Financial Position at fair value, the Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Company's financial instruments recognized in the consolidated balance sheet at fair value:

	Mar 31, 2015		Dec 31, 2014	
		Level 1	Level 2	Level 3
Fair value through profit or loss				
Cash and cash equivalents	\$ 522,308	\$ 522,308		
Interest rate swap liability	\$ 22,743		\$ 22,743	
Fair value through profit or loss				
Cash and cash equivalents	\$ 868,858	\$ 868,858		
Interest rate swap liability	\$ 45,977		\$ 45,977	

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19. FINANCIAL INSTRUMENTS (continued)

The Interest rate swap liability Level 2 inputs used include quoted prices for similar instruments in active markets, and market interest rates. The liability is valued using the market approach, based upon the mid-market levels at the close of business on Mar 31, 2015.

Risk Management

The Company is exposed to various risks associated with its financial instruments. These risks are categorized as credit risk, liquidity risk, and market risk. The significant risks for the Company's financial instruments are discussed below.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages its credit risk for its cash and cash equivalents by maintaining bank accounts with Canadian banks.

The Company in its normal course of business is exposed to credit risk from its customers. The Company manages the risk associated with accounts receivables by credit management policies. All accounts receivable are due from organizations in Alberta's hospitality industry.

Amounts are considered past due when payment has not been received in accordance with a customer agreement, which is typically 60 days. Amounts are considered to be impaired when the Company has exhausted all collection efforts. Maximum exposure to credit risk is \$274,484 (Dec 31, 2014 - \$310,848). \$67,985 (Dec 31, 2014 - \$42,614) are over 60 days, but not considered impaired.

For the period ending Mar 31, 2015 and 2014 \$nil in bad debts was recorded.

At Mar 31, 2015 there are no financial assets that the Company deems to be impaired.

Liquidity Risk

The Company's financial liabilities at Mar 31, 2015 and 2014 have maturities which are summarized below:

Mar 31, 2015	Note	Maturity Date	Current	Non-current
Accounts payable and accrued liabilities			\$ 747,644	\$ -
Bank loan	7		6,807,418	-
Convertible debenture B	9	Apr 30, 2016	-	9,108,702
			\$ 7,555,062	\$ 9,108,702

Dec 31, 2014	Note	Maturity Date	Current	Non-current
Accounts payable and accrued liabilities			\$ 640,109	\$ -
Goods and services tax payable		Jan 31, 2015	73,411	-
Bank loan	7		5,232,183	-
Convertible debenture B	9	Apr 30, 2016	-	9,057,885
			\$ 5,945,703	\$ 9,057,885

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19. FINANCIAL INSTRUMENTS (continued)

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The purpose of liquidity risk management is to maintain sufficient amounts of cash and cash equivalents, and authorized credit facilities, to fulfill obligations associated with financial liabilities.

To manage liquidity risk, the Company prepares budgets and cash forecasts, and monitors its performance against these. The Company also monitors liquidity risk through comparisons of current financial ratios with financial covenants contained in its credit facilities.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Company is comprised of interest rate risk. The Company does not have any significant currency risk, or other price risk.

Interest Rate Risk

The Company is subject to interest rate risk as its bank indebtedness and bank loan bear interest rates that vary in accordance with prime borrowing rates. Assuming outstanding loan balance of \$6,807,418, a one percent change in interest rates would have an immaterial effect on net comprehensive income. The Company manages its interest rate risk through credit facility negotiations and interest rate swaps when advantageous.

20. ECONOMIC DEPENDENCE

The Company is required to purchase all alcohol-based products from the Alberta Gaming and Liquor Commission ("AGLC"). As the majority of the Company's income is derived from the sale of alcohol based products, its ability to continue operations is dependent upon the relationship with and the sustainability of AGLC. The alcohol-based products are distributed through Connect Logistics Services Inc. and Brewers Distributor Ltd. Any significant disruption in the supply chain for either of these businesses could result in a material adverse effect on the operations of the Company.

21. SEASONAL NATURE OF THE BUSINESS

The Company's results for any quarter are not necessarily indicative of the results that may be expected for the full year due to seasonal variations in sales levels. The Company historically experiences a higher level of sales in the third and fourth quarters, while the first and second quarters experience lower sales due to shopping patterns. Occupancy related expenses, certain general and administrative expenses, depreciation and amortization, and interest expense remain relatively steady throughout the year.

22. SUBSEQUENT EVENTS

On April 6, 2015 the Company's \$4.5 million SWAP expired, and the related TD Bank loan remains outstanding with interest fixed at a rate of 3.75%.

On May 4, 2015 the Company closed an underperforming retail store in Central Alberta.