

*Interim (unaudited) Consolidated Financial Statements of*

**ROCKY MOUNTAIN LIQUOR INC**

*June 30, 2016*

**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 Company's management.

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

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# ROCKY MOUNTAIN LIQUOR INC

## Interim Consolidated Statements of Financial Position

(unaudited)

As at	Note	Jun 30, 2016	Dec 31, 2015
<b>ASSETS</b>			
CURRENT			
Cash and cash equivalents		661,232	862,726
Accounts receivable		433,389	209,452
Inventory		6,713,746	6,458,838
Prepaid expenses and deposits		311,729	180,914
Current portion of loans receivable		13,416	13,085
		<b>8,133,512</b>	<b>7,748,676</b>
NON-CURRENT			
LOANS RECEIVABLE		66,427	73,219
PROPERTY AND EQUIPMENT		3,535,424	3,572,541
GOODWILL		11,099,633	11,099,633
		<b>22,834,996</b>	<b>22,494,069</b>
<b>LIABILITIES</b>			
CURRENT			
Accounts payable and accrued liabilities		1,051,225	673,188
Bank loan	5	7,974,408	5,574,285
Current portion of convertible debentures	6	-	8,258,477
Goods and services tax payable		8,280	37,632
Income taxes payable		2,510	-
		<b>9,036,423</b>	<b>14,543,582</b>
NON-CURRENT			
DEFERRED TAX LIABILITY		555,582	160,065
CONVERTIBLE DEBENTURES	6	5,537,229	-
		<b>15,129,234</b>	<b>14,703,647</b>
<b>SHAREHOLDERS' EQUITY</b>			
Equity component of convertible debentures	6	1,008,123	117,657
Share capital	8	4,667,442	4,682,551
Contributed surplus	9	1,095,226	979,412
Accumulated deficit	10	(1,603,086)	-
Retained earnings		2,538,057	2,010,802
		<b>7,705,762</b>	<b>7,790,422</b>
		<b>22,834,996</b>	<b>22,494,069</b>

### SUBSEQUENT EVENTS

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*The accompanying notes form an integral part of these interim 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)

		Equity component of convertible debenture	Share capital	Contributed surplus	Accumulated deficit	Retained earnings	Total
	Note						
Opening balance as at Jan 1, 2015		136,011	4,774,481	937,532	-	1,722,861	7,570,885
Repurchase of debentures	6	(18,354)	-	-	-	-	(18,354)
Repurchase of shares	8, 9	-	(91,930)	41,880	-	-	(50,050)
Net comprehensive income for the year		-	-	-	-	287,941	287,941
Balance at Dec 31, 2015		117,657	4,682,551	979,412	-	2,010,802	7,790,422
Repurchase of debentures	6	(3,901)	-	-	-	-	(3,901)
Repurchase of shares	8, 9	-	(15,109)	8,009	-	-	(7,100)
Deferred issuance costs	6, 9	(9,727)	-	-	-	-	(9,727)
Convertible debenture extinguishment	6, 9	(104,029)	-	104,029	-	-	-
Convertible debenture issuance	6	1,603,086	-	-	(1,603,086)	-	-
Partial redemption of convertible debenture	6	(236,465)	-	-	-	-	(236,465)
Deferred income taxes	9	(358,498)	-	3,776	-	-	(354,722)
Net comprehensive loss for the period		-	-	-	-	527,255	527,255
Balance at Jun 30, 2016		1,008,123	4,667,442	1,095,226	(1,603,086)	2,538,057	7,705,762

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

## ROCKY MOUNTAIN LIQUOR INC

### Interim Consolidated Statements of Comprehensive Income (Loss)

(unaudited)

	Note	3 months ended Jun 30, 2016	6 months ended Jun 30, 2016	3 months ended Jun 30, 2015	6 months ended Jun 30, 2015
SALES		12,583,440	22,126,805	13,658,721	24,094,269
COST OF SALES	4	9,555,419	16,794,891	10,154,949	17,916,423
		3,028,021	5,331,914	3,503,772	6,177,846
OPERATING AND ADMINISTRATIVE EXPENSES	11	2,567,352	5,147,089	2,661,568	5,332,118
INCOME FROM OPERATIONS		460,669	184,825	842,204	845,728
DEPRECIATION		165,005	315,068	160,487	314,225
OTHER EXPENSES (INCOME)					
Finance costs	7	268,887	505,116	296,453	574,970
Gain on extinguishment of convertible debenture	6	(1,121,560)	(1,121,560)	-	-
Gain on repurchase of convertible debenture	6	(2,000)	(42,213)	(54,430)	(54,430)
Loss on disposal of property and equipment		3,438	10,604	21,664	22,667
Bad debt expense		500	500	647	647
Store closure expenses		-	-	10,125	10,125
Other income		(42,180)	(45,945)	(2,700)	(5,400)
		(892,915)	(693,498)	271,759	548,579
INCOME (LOSS) BEFORE TAX		1,188,579	563,255	409,958	(17,076)
INCOME TAXES		36,000	36,000	102,489	(4,269)
NET COMPREHENSIVE INCOME (LOSS)		1,152,579	527,255	307,469	(12,807)
Basic income (loss) per share	12	0.02	0.01	0.01	(0.00)
Diluted income (loss) per share	12	0.02	0.01	0.01	(0.00)
Weighted average number of shares - basic		56,811,217	56,811,217	57,797,788	57,797,788
Weighted average number of shares - diluted		56,811,217	56,811,217	57,797,788	57,797,788

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

**ROCKY MOUNTAIN LIQUOR INC****Interim Consolidated Statements of Cash Flows**

(unaudited)

		3 months ended	6 months ended	3 months ended	6 months ended
	Note	Jun 30, 2016	Jun 30, 2016	Jun 30, 2015	Jun 30, 2015
<b>OPERATING ACTIVITIES</b>					
Net comprehensive income		1,152,579	527,255	307,469	(12,807)
Items not affecting cash					
Depreciation		165,005	315,068	160,487	314,225
Loss on disposal of property and equipment		3,438	10,604	21,664	22,667
Gain on extinguishment of convertible debenture	6	(1,121,560)	(1,121,560)	-	-
Gain on repurchase of convertible debenture	6	(2,000)	(42,213)	(54,430)	(54,430)
Net accretive interest	6	42,237	49,472	14,693	25,147
Deferred tax expense		-	40,795	-	-
Amortization of convertible debenture issue costs	6	-	-	40,812	81,175
Change in fair value of interest rate swap		-	-	(22,743)	(45,977)
Changes in non-cash working capital	14	20,230	(234,804)	728,339	(993,169)
Cash flow provided (used in) by operating activities		259,929	(455,383)	1,196,291	(663,169)
<b>INVESTING ACTIVITIES</b>					
Purchase of property and equipment		(173,389)	(289,055)	(94,360)	(157,185)
Proceeds on disposal of property and equipment		500	500	-	500
Cash flow used in investing activities		(172,889)	(288,555)	(94,360)	(156,685)
<b>FINANCING ACTIVITIES</b>					
Repayment of loans receivable		3,251	6,461	-	-
Net proceeds from bank loan		328,153	2,400,123	(751,227)	824,008
Repurchase of convertible debenture	6	(1,710,253)	(1,857,040)	(188,570)	(188,570)
Repurchase of shares	8	-	(7,100)	-	-
Cash flow (used in) provided by financing activities		(1,378,849)	542,444	(939,797)	635,438
(DECREASE) INCREASE IN CASH		(1,291,809)	(201,494)	162,134	(184,416)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD		1,953,041	862,726	522,308	868,858
CASH AND CASH EQUIVALENTS - END OF PERIOD		661,232	661,232	684,442	684,442
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>					
Interest paid		325,383	401,354	442,909	518,033
Income taxes paid		11,700	58,000	25,868	25,868

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

ROCKY MOUNTAIN LIQUOR INC  
Notes to Interim Consolidated Financial Statements  
June 30, 2016  
(Unaudited)

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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 symbol "RUM"). The Company's registered corporate office is located at 11478 149 Street, Edmonton, Alberta, T5M 1W7.

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

As at Jun 30, 2016 Andersons operated 43 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 interim consolidated financial statements have been approved for issue by the Board of Directors on Aug 29, 2016.

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, 2015. These interim consolidated financial statements should be read in conjunction with the Company's 2015 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, 2015.

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.

ROCKY MOUNTAIN LIQUOR INC  
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3. RELATED PARTY TRANSACTIONS

Transactions with Related Parties

During the three month period the Company paid rents of \$15,240 (2015 - \$15,240), and \$30,480 for the six month period (2015 - \$30,480) in respect of two (2015 – 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.

Key Management Personnel Compensation

The remuneration of Directors and other members of key management personnel during the period are as follows:

	<b>3 months ended</b>	<b>6 months ended</b>	3 months ended	6 months ended
	<b>Jun 30, 2016</b>	<b>Jun 30, 2016</b>	Jun 30, 2015	Jun 30, 2015
Wages and salaries	\$ 82,250	\$ 164,500	\$ 119,151	\$ 275,151
Other	579	1,013	737	1,442
	<b>\$ 82,829</b>	<b>\$ 165,513</b>	<b>\$ 119,888</b>	<b>\$ 276,593</b>

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.

4. INVENTORY

The cost of inventory recognized as an expense and included in cost of sales for the three month period was \$9,555,419 (2015 - \$10,154,949) and \$16,794,891 (2015 - \$17,916,423) for the six month period. No inventory write downs were recognized in 2016 or 2015

5. BANK LOAN

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 Jun 30, 2016 there was \$nil in overdraft (Dec 2015 – \$nil).

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 payments are due monthly, secured by a general security agreement representing a first charge on all assets. As at Jun 30, 2016 there was \$7,974,408 drawn on the bank loan (Dec 31, 2015 - \$5,574,285). These amounts are disclosed on the interim consolidated statements of cash flows on a net basis as the facility acts as an operating line.

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Notes to Interim Consolidated Financial Statements  
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(Unaudited)

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6. CONVERTIBLE DEBENTURES

On Apr 1, 2016 the Company received debenture holder approval to restructure the terms of the debentures originally issued in 2011 (the "original debentures"). The Company restructured the \$8,076,000 outstanding unsecured subordinated convertible debenture (the "Debenture") on Apr 30, 2016 as follows; the maturity date of the Debenture is Apr 30, 2021; the interest rate payable semi-annually was reduced to 7.50%; and the Debenture is convertible to common shares of the Company at a conversion price of \$0.25 per common share.

The restructuring was accounted for as an extinguishment, which resulted in a gain on extinguishment of \$1,121,560 after deducting related transaction costs of \$481,526. The original debentures were derecognized and the revised Debenture was measured at fair value on the date of restructuring with an effective interest rate of 13.17%. The fair value of the Debenture of \$6,472,914 was estimated using discounted future cash flows of the principal amount. The difference of \$1,603,086 less deferred tax of \$358,498 was allocated to the equity component as the conversion feature. This resulted in an accumulated deficit as described in Note 10.

On Jun 10, 2016 the Company exercised its option to partially redeem \$1,211,000 of the Debenture at face value. The equity component of the Debenture was decreased by \$236,465 as a result.

On May 13, 2016 the Company announced a normal course issuer bid ("NCIB"). The Company is authorized to repurchase for cancellation up to \$807,600 of the principal amount, representing 10% of the original debentures issued and outstanding. The NCIB began May 13, 2016 and expires on May 12, 2017. There have been no Debentures repurchased under the current NCIB.

Under the NCIB in effect from Dec 15, 2015 to Apr 30, 2016, for the three month period ended Jun 30, 2016 the Company repurchased and cancelled \$10,000 (2015 - \$243,000) principal amount of original debentures for aggregate consideration of \$8,367 (2015 - \$191,034). \$9,802 (2015 - \$238,189) was a reduction to the liability component, \$198 (2015 - \$4,811) was recorded as a reduction to the equity component, \$367 (2015 - \$2,464) was charged to interest expense and \$2,000 (2015 - \$54,430) was recorded as a gain to the interim consolidated statement of comprehensive income (loss).

For the six month period ended Jun 30, 2016 the Company repurchased and cancelled \$197,000 (2015 - \$243,000) principal amount of original debentures for aggregate consideration of \$160,333 (2015 - \$191,034). \$193,099 (2015 - \$238,189) was a reduction to the liability component, \$3,901 (2015 - \$4,811) was recorded as a reduction to the equity component, \$5,546 (2015 - \$2,464) was charged to interest expense and \$42,213 (2015 - \$54,430) was recorded as a gain to the interim consolidated statement of comprehensive income (loss).

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ROCKY MOUNTAIN LIQUOR INC  
Notes to Interim Consolidated Financial Statements  
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6. CONVERTIBLE DEBENTURES (continued)

	Liability Component		Equity Component
	Face Value	Carrying Value	Carrying Value
Balance Dec 31, 2014	\$ 9,200,000	\$ 9,057,885	\$ 136,011
Accretive interest	-	26,211	-
Deferred issuance costs	-	83,027	-
Repurchased and cancelled	(927,000)	(908,646)	(18,354)
Balance Dec 31, 2015	\$ 8,273,000	\$ 8,258,477	\$ 117,657
Accretive interest	-	49,472	-
Repurchased and cancelled	(197,000)	(193,099)	(3,901)
Deferred issuance costs	-	-	(9,727)
Extinguishment of original debentures	(8,076,000)	(8,076,000)	(104,029)
Issuance of convertible debentures	8,076,000	6,472,914	1,603,086
Partial redemption	(1,211,000)	(974,535)	(236,465)
Deferred tax	-	-	(358,498)
Balance Jun 30, 2016	<b>\$ 6,865,000</b>	<b>\$ 5,537,229</b>	<b>\$ 1,008,123</b>

7. FINANCE COSTS

	Note	3 months ended Jun 30, 2016	6 months ended Jun 30, 2016	3 months ended Jun 30, 2015	6 months ended Jun 30, 2015
Bank loan interest		\$ 79,297	\$ 150,088	\$ 87,259	\$ 162,383
Convertible debenture interest	6	147,353	305,556	176,431	352,241
Accretive interest	6	42,237	49,472	14,693	25,147
Deferred issuance costs	6	-	-	40,812	81,175
Change in fair value of interest rate swap		-	-	(22,743)	(45,977)
		<b>\$ 268,887</b>	<b>\$ 505,116</b>	<b>\$ 296,452</b>	<b>\$ 574,969</b>

8. SHARE CAPITAL

On Sep 1, 2015 the Company announced an NCIB to repurchase its common shares. The Company is authorized to repurchase for cancellation up to 5% of the issued and outstanding common shares which equals 2,889,889 common shares. The NCIB began Sep 3, 2015 and expires on Sep 2, 2016. During the three month period, the Company repurchased and cancelled nil (2015 – nil) common shares. During the six month period the Company repurchased and cancelled 142,000 (2015 – nil) common shares for aggregate consideration of \$7,100. \$15,109 was a reduction to share capital and \$8,009 was recorded as an addition to contributed surplus (2015 - \$nil).

Authorized - Unlimited common shares

	Number	Amount
Balance at Dec 31, 2014	57,797,788	\$ 4,774,481
Repurchased and cancelled	(864,000)	(91,930)
Balance at Dec 31, 2015	56,933,788	\$ 4,682,551
Repurchased and cancelled	(142,000)	(15,109)
Balance at Jun 30, 2016	<b>56,791,788</b>	<b>\$ 4,667,442</b>

ROCKY MOUNTAIN LIQUOR INC  
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9. CONTRIBUTED SURPLUS

The table below summarizes the changes in contributed surplus:

	Note	Amount
Balance Dec 31, 2014		\$ 937,532
Repurchase of common shares		41,880
Balance Dec 31, 2015		\$ 979,412
Extinguishment of convertible debenture	6	104,029
Extinguishment of deferred tax		3,776
Repurchase of common shares	8	8,009
Balance Jun 30, 2016		<b>\$ 1,095,226</b>

10. ACCUMULATED DEFICIT

Accumulated deficit arose on the set up of the equity component of the Debentures issued on Apr 30, 2016. The table below summarizes the changes in accumulated deficit:

	Note	Amount
Balance Dec 31, 2014 & Dec 31, 2015		\$ -
Equity component of debentures	6	(1,603,086)
Balance Jun 30, 2016		<b>\$ (1,603,086)</b>

11. EXPENSES BY NATURE

	3 months ended Jun 30, 2016	6 months ended Jun 30, 2016	3 months ended Jun 30, 2015	6 months ended Jun 30, 2015
Wages and employee benefits	\$ 1,350,421	\$ 2,713,161	\$ 1,384,414	\$ 2,787,337
Lease and premise costs	870,217	1,780,495	925,973	1,864,824
Other	346,714	653,433	351,181	679,957
	<b>\$ 2,567,352</b>	<b>\$ 5,147,089</b>	<b>\$ 2,661,568</b>	<b>\$ 5,332,118</b>

12. EARNINGS PER COMMON SHARE

Basic Net Earnings per Common Share

The calculation of basic earnings per common share for the three month period ending Jun 30, 2016 was based on the interim net comprehensive income of \$1,152,579 (2015 – \$307,469) and a weighted average number of shares outstanding of 56,811,217 (2015 – 57,797,788).

The calculation of basic earnings per common share for the six month period ending Jun 30, 2016 was based on the interim net comprehensive income of \$527,255 (2015 – loss \$12,807) and a weighted average number of shares outstanding of 56,811,217 (2015 – 57,797,788).

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ROCKY MOUNTAIN LIQUOR INC  
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12. EARNINGS PER COMMON SHARE (continued)

Diluted Net Earnings per Common Share

The calculation of diluted net earnings per common share for the three month period ending Jun 30, 2016 was based on the interim net comprehensive income of \$1,152,579 (2015 – \$307,469) and a weighted average number of shares outstanding after adjustment for the effects of all dilutive potential shares of 56,811,217 (2015 – 57,797,788).

The calculation of diluted net earnings per common share for the six month period ending Jun 30, 2016 was based on the interim net comprehensive income of \$527,255 (2015 – loss \$12,807) and a weighted average number of shares outstanding after adjustment for the effects of all dilutive potential shares of 56,811,217 (2015 – 57,797,788).

The potential shares issuable in exchange for convertible debentures have been excluded due to their anti-dilutive effect for the periods ended Jun 30, 2016 and Jun 30, 2015.

13. FINANCIAL INSTRUMENTS

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

The loans receivable have a fair value equivalent to the carrying value, and are carried at the prevailing interest rate. The convertible debenture has a fair value equivalent to the carrying value, as the discount rate remains unchanged.

As at Jun 30, 2016 and Dec 31, 2015 the classification of the Company's financial instruments as well as their carrying amounts and fair values, are shown in the table below.

	<u>Jun 30, 2016</u>		<u>Dec 31, 2015</u>	
	<u>Carrying Value</u>	<u>Estimated Fair Value</u>	<u>Carrying Value</u>	<u>Estimated Fair Value</u>
Fair value through profit or loss				
Cash and cash equivalents	\$ 661,232	\$ 661,232	\$ 862,726	\$ 862,726
Loans and receivables				
Accounts receivable	433,389	433,389	209,452	209,452
Loans receivable	79,843	79,843	86,304	86,304
Other financial liabilities				
Bank loan	7,974,408	7,974,408	5,574,285	5,574,285
Accounts payable and accrued liabilities	1,051,225	1,051,225	673,188	673,188
Convertible debentures	5,537,229	5,537,229	8,258,477	8,258,477

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;

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ROCKY MOUNTAIN LIQUOR INC  
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13. FINANCIAL INSTRUMENTS (continued)

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 interim consolidated statement of financial position at fair value:

	Jun 30, 2016	Level 1	Level 2	Level 3
Fair value through profit or loss				
Cash and cash equivalents	\$ 661,232	\$ 661,232		
	Dec 31, 2015	Level 1	Level 2	Level 3
Fair value through profit or loss				
Cash and cash equivalents	\$ 862,726	\$ 862,726		

14. CHANGES IN NON-CASH WORKING CAPITAL

	3 months ended Jun 30, 2016	6 months ended Jun 30, 2016	3 months ended Jun 30, 2015	6 months ended Jun 30, 2015
Cash provided by (used in)				
Accounts receivable	\$ (223,426)	\$ (223,937)	\$ 14,681	\$ 51,045
Inventory	(243,174)	(254,908)	453,388	(1,091,199)
Prepaid expenses and deposits	(34,971)	(130,815)	(872)	(91,966)
Income tax recoverable	113,266	26,171	260,592	153,834
Accounts payable and accrued liabilities	408,208	378,037	(80,833)	26,702
Goods and services tax payable	327	(29,352)	81,383	(41,585)
	<b>\$ 20,230</b>	<b>\$ (234,804)</b>	<b>\$ 728,339</b>	<b>\$ (993,169)</b>

15. SUBSEQUENT EVENTS

On Jul 2, 2016 the Company closed a store in Southern Alberta. The Company has entered into an agreement to sell the fixed assets of the store by the end of the year.