

*Interim (unaudited) Consolidated Financial Statements of*

**ROCKY MOUNTAIN LIQUOR INC**

*September 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	Sep 30, 2016	Dec 31, 2015
<b>ASSETS</b>			
CURRENT			
Cash and cash equivalents		530,532	862,726
Accounts receivable		203,274	209,452
Inventory		6,292,260	6,458,838
Prepaid expenses and deposits		296,617	180,914
Current portion of loans receivable		13,584	13,085
Income taxes recoverable		9,190	23,661
		<b>7,345,457</b>	<b>7,748,676</b>
NON-CURRENT			
LOANS RECEIVABLE		62,968	73,219
PROPERTY AND EQUIPMENT		3,133,457	3,572,541
GOODWILL		11,099,633	11,099,633
		<b>21,641,515</b>	<b>22,494,069</b>
<b>LIABILITIES</b>			
CURRENT			
Accounts payable and accrued liabilities		725,528	673,188
Bank loan	5	7,520,778	5,574,285
Goods and services tax payable		12,302	37,632
Current portion of convertible debentures	6	-	8,258,477
		<b>8,258,608</b>	<b>14,543,582</b>
NON-CURRENT			
DEFERRED TAX LIABILITY		555,582	160,065
CONVERTIBLE DEBENTURES	6	5,588,923	-
		<b>14,403,113</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		2,070,697	2,010,802
		<b>7,238,402</b>	<b>7,790,422</b>
		<b>21,641,515</b>	<b>22,494,069</b>

*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)

	Note	Equity component of convertible debenture	Share capital	Contributed surplus	Accumulated deficit	Retained earnings	Total
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
<b>Balance at Dec 31, 2015</b>		<b>117,657</b>	<b>4,682,551</b>	<b>979,412</b>	<b>-</b>	<b>2,010,802</b>	<b>7,790,422</b>
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, 10	1,603,086	-	-	(1,603,086)	-	-
Partial redemption of convertible debenture	6	(236,465)	-	-	-	-	(236,465)
Deferred income taxes		(358,498)	-	3,776	-	-	(354,722)
Net comprehensive income for the period		-	-	-	-	59,895	59,895
<b>Balance at Sep 30, 2016</b>		<b>1,008,123</b>	<b>4,667,442</b>	<b>1,095,226</b>	<b>(1,603,086)</b>	<b>2,070,697</b>	<b>7,238,402</b>

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 Sep 30, 2016	9 months ended Sep 30, 2016	3 months ended Sep 30, 2015	9 months ended Sep 30, 2015
SALES		12,210,492	34,337,297	13,295,174	37,389,443
COST OF SALES	4	9,217,317	26,012,208	9,771,624	27,688,047
		2,993,175	8,325,089	3,523,550	9,701,396
OPERATING AND ADMINISTRATIVE EXPENSES	11	2,572,649	7,719,740	2,722,093	8,054,211
INCOME FROM OPERATIONS		420,526	605,349	801,457	1,647,185
DEPRECIATION		168,844	483,912	181,008	495,233
OTHER EXPENSES (INCOME)					
Finance costs	7	258,136	763,252	235,442	810,412
Gain on extinguishment of convertible debenture	6	-	(1,121,560)	-	-
Gain on repurchase of convertible debenture	6	-	(42,213)	(57,834)	(112,264)
Loss (Gain) on disposal of property and equipment		352,608	363,212	(114,756)	(92,089)
Bad debt expense		-	500	13,679	14,326
Store closure expenses		111,980	111,980	30,218	40,343
Other income		(3,684)	(49,629)	(3,073)	(8,473)
		719,040	25,542	103,676	652,255
INCOME (LOSS) BEFORE TAX		(467,358)	95,895	516,773	499,697
INCOME TAXES		-	36,000	136,269	132,000
NET COMPREHENSIVE INCOME (LOSS)		(467,358)	59,895	380,504	367,697
Basic income (loss) per share	12	(0.01)	0.00	0.01	0.01
Diluted income (loss) per share	12	(0.01)	0.00	0.01	0.01
Weighted average number of shares - basic		56,811,217	56,811,217	57,752,864	57,782,649
Weighted average number of shares - diluted		56,811,217	56,811,217	57,752,864	57,782,649

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

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

(unaudited)

		<b>3 months ended</b>	<b>9 months ended</b>	3 months ended	9 months ended
	<b>Note</b>	<b>Sep 30, 2016</b>	<b>Sep 30, 2016</b>	Sep 30, 2015	Sep 30, 2015
<b>OPERATING ACTIVITIES</b>					
Net comprehensive (loss) income		<b>(467,358)</b>	<b>59,895</b>	380,504	367,697
Items not affecting cash					
Depreciation		<b>168,844</b>	<b>483,912</b>	181,008	495,233
Loss on disposal of property and equipment		<b>352,608</b>	<b>363,212</b>	(114,756)	(92,089)
Gain on extinguishment of convertible debenture	6	-	<b>(1,121,560)</b>	-	-
Gain on repurchase of convertible debenture	6	-	<b>(42,213)</b>	(57,834)	(112,264)
Net accretive interest	6	<b>51,694</b>	<b>101,166</b>	6,609	31,756
Deferred tax expense		-	<b>40,795</b>	-	-
Amortization of convertible debenture issue costs	6	-	-	1,852	83,027
Change in fair value of interest rate swap		-	-	-	(45,977)
Changes in non-cash working capital	14	<b>333,338</b>	<b>98,534</b>	879,971	(113,198)
Cash flow provided (used in) by operating activities		<b>439,126</b>	<b>(16,259)</b>	1,277,354	614,185
<b>INVESTING ACTIVITIES</b>					
Purchase of property and equipment		<b>(120,587)</b>	<b>(409,640)</b>	(111,154)	(268,339)
Proceeds on disposal of property and equipment		<b>1,100</b>	<b>1,600</b>	78,500	79,000
Cash flow used in investing activities		<b>(119,487)</b>	<b>(408,040)</b>	(32,654)	(189,339)
<b>FINANCING ACTIVITIES</b>					
Repayment of loans receivable		<b>3,291</b>	<b>9,752</b>	1,052	1,052
Net proceeds from bank loan		<b>(453,630)</b>	<b>1,946,493</b>	(1,362,668)	(538,660)
Repurchase and redemption of convertible debenture	6	-	<b>(1,857,040)</b>	(133,166)	(321,736)
Repurchase of shares	8	-	<b>(7,100)</b>	(9,230)	(9,230)
Cash flow (used in) provided by financing activities		<b>(450,339)</b>	<b>92,105</b>	(1,504,012)	(868,574)
DECREASE IN CASH		<b>(130,700)</b>	<b>(332,194)</b>	(259,312)	(443,728)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD		<b>661,232</b>	<b>862,726</b>	684,442	868,858
CASH AND CASH EQUIVALENTS - END OF PERIOD		<b>530,532</b>	<b>530,532</b>	425,130	425,130
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>					
Interest paid		<b>77,020</b>	<b>478,373</b>	58,049	576,082
Income taxes paid		<b>11,700</b>	<b>69,700</b>	25,326	51,194

*The accompanying notes form an integral part of these interim 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 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 Sep 30, 2016 Andersons operated 42 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 Nov 24, 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.

3. RELATED PARTY TRANSACTIONS

Transactions with Related Parties

During the three month period the Company paid rents of \$15,240 (2015 - \$15,240), and \$45,720 for the nine month period (2015 - \$45,720) 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>9 months ended</b>	3 months ended	9 months ended
	<b>Sep 30, 2016</b>	<b>Sep 30, 2016</b>	Sep 30, 2015	Sep 30, 2015
Wages and salaries	\$ 82,250	\$ 246,750	\$ 155,375	\$ 448,026
Other	1,002	2,015	1,043	2,485
	<b>\$ 83,252</b>	<b>\$ 248,765</b>	<b>\$ 156,418</b>	<b>\$ 450,511</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 \$9,217,317 (2015 - \$9,771,624) and \$26,012,208 (2015 - \$27,688,047) for the nine 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 Sep 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 Sep 30, 2016 there was \$7,520,778 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.

ROCKY MOUNTAIN LIQUOR INC  
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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.

	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	-	101,166	-
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 Sep 30, 2016	<b>\$ 6,865,000</b>	<b>\$ 5,588,923</b>	<b>\$ 1,008,123</b>

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 Sep 30, 2016 the Company repurchased and cancelled \$nil (2015 - \$191,000) principal amount of original debentures for aggregate consideration of \$nil (2015 - \$138,073). \$9,802 (2015 - \$187,403) was a reduction to the liability component, \$nil (2015 - \$3,782) was recorded as a reduction to the equity component, \$nil (2015 - \$4,722) was charged to interest expense and \$nil (2015 - \$57,834) was recorded as a gain to the interim consolidated statement of comprehensive income (loss).

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6. CONVERTIBLE DEBENTURES (continued)

For the nine month period ended Sep 30, 2016 the Company repurchased and cancelled \$197,000 (2015 - \$434,000) principal amount of original debentures for aggregate consideration of \$160,333 (2015 - \$328,922). \$193,099 (2015 - \$425,407) was a reduction to the liability component, \$3,901 (2015 - \$8,593) was recorded as a reduction to the equity component, \$5,546 (2015 - \$7,186) was charged to interest expense and \$42,213 (2015 - \$112,264) was recorded as a gain to the interim consolidated statement of comprehensive income (loss).

7. FINANCE COSTS

	Note	3 months ended Sep 30, 2016	9 months ended Sep 30, 2016	3 months ended Sep 30, 2015	9 months ended Sep 30, 2015
Bank loan interest		\$ 77,020	\$ 227,108	\$ 53,328	\$ 215,711
Convertible debenture interest		129,422	434,978	173,653	525,895
Accretive interest	6	51,694	101,166	6,609	31,756
Deferred issuance costs	6	-	-	1,852	83,027
Change in fair value of interest rate swap		-	-	-	(45,977)
		<b>\$ 258,136</b>	<b>\$ 763,252</b>	<b>\$ 235,442</b>	<b>\$ 810,412</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 expired on Sep 2, 2016.

During the three month period, the Company repurchased and cancelled nil (2015 - 162,000) common shares for aggregate consideration of \$nil (2015 - \$9,665). \$nil (2015 - \$17,237) was a reduction to share capital and \$nil was recorded as an addition to contributed surplus (2015 - \$8,007).

During the nine month period the Company repurchased and cancelled 142,000 (2015 - 162,000) common shares for aggregate consideration of \$7,100 (2015 - \$9,665). \$15,109 (2015 - \$17,237) was a reduction to share capital and \$8,009 was recorded as an addition to contributed surplus (2015 - \$8,007).

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 Sep 30, 2016	<b>56,791,788</b>	<b>\$ 4,667,442</b>

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 Sep 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 Sep 30, 2016		<b>\$ (1,603,086)</b>

11. EXPENSES BY NATURE

	3 months ended Sep 30, 2016	9 months ended Sep 30, 2016	3 months ended Sep 30, 2015	9 months ended Sep 30, 2015
Wages and employee benefits	\$ 1,372,763	\$ 4,085,924	\$ 1,425,559	\$ 4,212,896
Lease and premise costs	856,967	2,637,462	927,844	2,792,668
Other	342,919	996,354	368,690	1,048,647
	<b>\$ 2,572,649</b>	<b>\$ 7,719,740</b>	<b>\$ 2,722,093</b>	<b>\$ 8,054,211</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 Sep 30, 2016 was based on the interim net comprehensive loss of \$467,358 (2015 – income \$380,504) and a weighted average number of shares outstanding of 56,811,217 (2015 – 57,752,864).

The calculation of basic earnings per common share for the nine month period ending Sep 30, 2016 was based on the interim net comprehensive income of \$59,895 (2015 – \$367,697) and a weighted average number of shares outstanding of 56,811,217 (2015 – 57,782,649).

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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 ending Sep 30, 2016 was based on the interim net comprehensive loss of \$467,358 (2015 – income \$380,504) and a weighted average number of shares outstanding after adjustment for the effects of all dilutive potential shares of 56,811,217 (2015 – 57,752,864).

The calculation of diluted net earnings per common share for the nine month period ending Sep 30, 2016 was based on the interim net comprehensive income of \$59,895 (2015 – \$367,697) and a weighted average number of shares outstanding after adjustment for the effects of all dilutive potential shares of 56,811,217 (2015 – 57,782,649).

The potential shares issuable in exchange for convertible debentures have been excluded due to their anti-dilutive effect for the periods ended Sep 30, 2016 and Sep 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 Sep 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>Sep 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	\$ 530,532	\$ 530,532	\$ 862,726	\$ 862,726
Loans and receivables				
Accounts receivable	203,274	203,274	209,452	209,452
Loans receivable	76,552	76,552	86,304	86,304
Other financial liabilities				
Bank loan	7,520,778	7,520,778	5,574,285	5,574,285
Accounts payable and accrued liabilities	725,528	725,528	673,188	673,188
Convertible debentures	5,588,923	5,588,923	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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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:

	Sep 30, 2016	Level 1	Level 2	Level 3
Fair value through profit or loss				
Cash and cash equivalents	\$ 530,532	\$ 530,532		
	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

	<b>3 months ended</b>	<b>9 months ended</b>	3 months ended	9 months ended
	<b>Sep 30, 2016</b>	<b>Sep 30, 2016</b>	Sep 30, 2015	Sep 30, 2015
Cash provided by (used in)				
Accounts receivable	\$ 230,115	\$ 6,178	\$ 24,377	\$ 75,422
Inventory	421,486	166,578	604,019	(487,180)
Prepaid expenses and deposits	15,112	(115,703)	63,554	(28,412)
Income tax recoverable	(11,700)	14,471	111,230	265,064
Accounts payable and accrued liabilities	(325,697)	52,340	79,685	106,387
Goods and services tax payable	4,022	(25,330)	(2,894)	(44,479)
	<b>\$ 333,338</b>	<b>\$ 98,534</b>	<b>\$ 879,971</b>	<b>\$ (113,198)</b>