DIAMOND ESTATES WINES & SPIRITS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTH PERIODS ENDED JUNE 30, 2016 AND 2015

(Unaudited - Prepared by Management)

(These unaudited interim condensed consolidated financial statements, prepared by management, have not been reviewed by the company's external auditors)

DIAMOND ESTATES WINES & SPIRITS INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2016 AND MARCH 31, 2016
(Unaudited - Prepared by Management)

	June 30 2016	March 31 2016
ASSETS		
Current:		
Cash (Note 7(b))	**$ 490,372**	$ -
Accounts receivable (Note 6)	**5,967,181**	4,031,973
Inventories	**16,284,476**	16,891,492
Biological assets	**8,740**	-
Prepaid expenses	**180,546**	151,735
	22,931,315	21,075,200
Long term:		
Property, plant and equipment	**13,978,262**	14,127,405
Intangible assets	**3,748,376**	3,831,904
	$ 40,657,953	$ 39,034,509
LIABILITIES		
Current:		
Bank indebtedness (Note 7)	**$ 11,482,181**	$ 10,217,851
Accounts payable and accrued liabilities	**6,194,139**	6,239,376
Deposits received	**-**	46,526
Loan payable - non-controlling interest	**298,881**	299,967
Current portion of term loans payable (Note 8)	**1,142,783**	10,386,559
	19,117,984	27,190,279
Long term:		
Term loans payable (Note 8)	**8,970,504**	-
	28,088,488	27,190,279
SHAREHOLDERS' EQUITY		
Common shares	**8,522,378**	8,522,378
Contributed surplus	**946,446**	937,413
Accumulated deficit	**(1,104,257)**	(1,711,121)
Non-controlling interest	**4,204,898**	4,095,560
	12,569,465	11,844,230
	$ 40,657,953	$ 39,034,509

Going concern (Note 1(b))

Subsequent event (Note 12)

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

Approved on behalf of the Board:

"David Beutel" Director *"Keith Harris"* Director

DIAMOND ESTATES WINES & SPIRITS INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME
THREE MONTH PERIODS ENDED JUNE 30, 2016 AND 2015
(Unaudited - Prepared by Management)

	June 30 2016	June 30 2015 Restated (Note 3)
Revenue	**$ 9,149,120**	$ 7,227,016
Cost of sales		
Change in inventories of finished goods and raw materials consumed	**4,862,665**	3,810,122
Freight in and other	**279,990**	135,144
Depreciation of property, plant and equipment used in production	**178,931**	200,908
	5,321,586	4,146,174
Gross profit	**3,827,534**	3,080,842
Expenses		
Employee compensation and benefits	**1,486,150**	1,474,123
General and administrative	**706,056**	701,269
Interest	**318,011**	330,895
Delivery and warehousing	**271,813**	215,809
Advertising and promotion	**240,352**	140,047
Loss (gain) on foreign exchange	**(28,420)**	5,802
Amortization of intangible assets	**83,528**	81,020
Depreciation of property, plant and equipment used in selling and administration	**24,809**	27,375
Share based compensation	**9,033**	45,263
	3,111,332	3,021,603
Net income and comprehensive income	**$ 716,202**	$ 59,239
Net income and comprehensive income attributable to:		
Shareholders	**$ 606,864**	$ 29,270
Non-controlling interest	**109,338**	29,969
	$ 716,202	$ 59,239
Basic and diluted income per share (Note 9**)**	**$ 0.01**	$ 0.00

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

DIAMOND ESTATES WINES & SPIRITS INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
PERIOD FROM APRIL 1, 2015 TO JUNE 30, 2016
(Unaudited - Prepared by Management)

	Note	Common shares Shares	Common shares Amount	Contributed surplus	Accumulated deficit	Shareholders' equity	Non-controlling interest	Total
As at April 1, 2015 (Restated)	**3**	**73,403,749**	**$ 39,578,798**	**$ 731,272**	**$ (34,108,334)**	**$ 6,201,736**	**$ 4,091,403**	**$ 10,293,139**
Proceeds on issuance of common shares		26,733,288	3,207,995	-	-	3,207,995	-	3,207,995
Share issuance costs		-	(160,383)	-	-	(160,383)	-	(160,383)
Net income and comprehensive income		-	-	-	29,270	29,270	29,969	59,239
Share based compensation		-	-	45,263	-	45,263	-	45,263
As at June 30, 2015 (Restated)	**3**	**100,137,037**	**42,626,410**	**776,535**	**(34,079,064)**	**9,323,881**	**4,121,372**	**13,445,253**
Net loss and comprehensive loss		-	-	-	(1,736,089)	(1,736,089)	(68,312)	(1,804,401)
Share based compensation		-	-	160,878	-	160,878	-	160,878
Reduction of stated capital and deficit		-	(34,104,032)	-	34,104,032	-	-	-
Property, plant and equipment contributed by non-controlling interest		-	-	-	-	-	42,500	42,500
As at March 31, 2016		**100,137,037**	**8,522,378**	**937,413**	**(1,711,121)**	**7,748,670**	**4,095,560**	**11,844,230**
Net income and comprehensive income		-	-	-	606,864	606,864	109,338	716,202
Share based compensation		-	-	9,033	-	9,033	-	9,033
As at June 30, 2016		**100,137,037**	**$ 8,522,378**	**$ 946,446**	**$ (1,104,257)**	**$ 8,364,567**	**$ 4,204,898**	**$ 12,569,465**

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

DIAMOND ESTATES WINES & SPIRITS INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTH PERIODS ENDED JUNE 30, 2016 AND 2015
(Unaudited - Prepared by Management)

	June 30 2016	June 30 2015 Restated (Note 3)
Operating activities		
Net income	**$ 716,202**	$ 59,239
Add (deduct) items not affecting cash		
Depreciation of property, plant and equipment	**203,740**	228,283
Amortization of intangible assets	**83,528**	81,020
Share based compensation	**9,033**	45,263
Interest expense	**318,011**	330,895
Interest paid	**(328,586)**	(330,895)
	1,001,928	413,805
Change in non-cash working capital items		
Accounts receivable	**(1,935,208)**	(1,547,563)
Inventories	**607,017**	1,572,751
Biological assets	**(8,740)**	(10,175)
Prepaid expenses	**(28,811)**	36,041
Accounts payable and accrued liabilities	**(34,663)**	(1,246,546)
Deposits received	**(46,526)**	(27,955)
	(445,003)	(809,642)
Investing activities		
Purchase of property, plant and equipment	**(54,597)**	(24,523)
Financing activities		
Net proceeds from issuance of common shares	**-**	3,047,612
Bank indebtedness	**1,264,330**	(952,231)
Proceeds from (repayment of) loan payable - non-controlling interest	**(1,086)**	(520,979)
Repayment on term loans payable	**(273,272)**	(740,237)
	989,972	834,165
Change in cash	**490,372**	-
Cash, beginning of period	**-**	-
Cash, end of period	**$ 490,372**	$ -

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

1. NATURE OF OPERATIONS AND GOING CONCERN

(a) Nature of operations

Diamond Estates Wines & Spirits Inc. ("Diamond" or the "Company") is a public company listed on the TSX-V whose shares trade under the symbol "DWS.V". Its principal business activities include the operation and consolidation of wineries, wine, spirit, and beer distribution agencies, and sales and brand development. The address of the Company's registered office and principal place of business is 1067 Niagara Stone Road, Niagara-On-The-Lake, Ontario, L0S 1J0. The operations and principal place of business of Kirkwood Diamond Canada Partnership are located at 1155 North Service Road West, Oakville, Ontario, L6M 3E3.

(b) Going concern

The accompanying unaudited interim condensed consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") (as issued by the International Accounting Standard Board ("IASB")) applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business as they come due in the foreseeable future and at amounts different from those in the accompanying unaudited interim condensed consolidated financial statements.

While the Company has generated a profit in the three month period ended June 30, 2016 of $716,202 (three month period ended June 30, 2015 - $59,239), it has incurred repeated losses as net loss and comprehensive loss for the year ended March 31, 2016 was $1,745,162 (year ended March 31, 2015 - $1,710,255) and reported a working capital deficiency as at March 31, 2016 of $6,115,079. The operations and net loss for the year ended March 31, 2016 resulted in the Company being in breach of one of its financial covenants under the terms of its current credit agreement with Meridian Credit Union ("MCU"), its primary lender *(see note 7(c))*. This covenant breach required the non-current portion of the MCU term loans of $9,264,045 as at March 31, 2016 to be classified as a current liability under IFRS *(see note 8)*. As of July 19, 2016, MCU had indicated in writing that it was prepared to waive the default, subject to no further defaults occurring and the expectation that the covenant in default would be met at the next stipulated reporting period, being June 30, 2016. The Company is now in compliance with the terms of this financial covenant as at June 30, 2016, such that the non-current portion of the MCU term loans has been classified appropriately as long term. These circumstances still lend significant doubt as to the ability of the company to continue as a going concern and, accordingly, the appropriateness ultimately of the use of accounting principles applicable to the going concern assumption.

The Company's ability to meet the covenant measurements under the terms of its credit agreements with its lender is still dependent upon continued improvements in profitable commercial operations and continued funding support from shareholders and lenders. However, there is no assurance these initiatives will be successful or sufficient. These unaudited interim condensed consolidated financial statements do not include any adjustments to the carrying value of assets or liabilities to the recoverable amounts or the reported expenses and unaudited interim condensed consolidated balance sheet classifications that would be necessary if the going concern assumption were inappropriate. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the IASB, and accordingly do not include all the information required for full annual financial statements by IFRS. They have been prepared using the same accounting policies that were described in note 2 to the Company's annual consolidated financial statements for the year ended March 31, 2016 which were prepared in accordance with IFRS as issued by the IASB.

The note disclosures for these unaudited interim condensed consolidated financial statements only present material changes to the disclosure found in the Company's audited consolidated financial statements for the years ended March 31, 2016 and 2015.

The unaudited interim condensed consolidated financial statements have not been reviewed by the Company's external auditors. They were authorized for issuance by the Board of Directors on August 18, 2016.

These unaudited interim condensed consolidated financial statements are presented in Canadian dollars, unless otherwise stated.

3. RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS AND RESTATEMENT

(a) Early adoption of IAS 16: "Property, Plant, and Equipment" and IAS 41: "Agriculture"

During May 2014 the IASB issued amendments to IAS 16 – Property, Plant, and Equipment and IAS 41 – Agriculture, which requires bearer plants to be classified as property, plant, and equipment and accounted for under IAS 16. The amended standards are effective for annual periods beginning on or after January 1, 2016.

The Company controls bearer plants consisting of grape vines and has elected to apply these amendments effective April 1, 2015, which is prior to the mandatory effective date. The earliest comparative period presented in the financial statements after adopting the amended standards began on April 1, 2014. The Company has elected to measure bearer plants using their fair value on that date as their deemed cost.

The following tables summarize the impact of adopting amended IAS 16 – Property, Plant, and Equipment and IAS 41 – Agriculture on the unaudited interim condensed consolidated statements of net income and comprehensive income and cash flows for the three month period ended June 30, 2015. The impact of adopting these standards on the consolidated statements of financial position has previously been reported upon in the audited consolidated financial statements for the year ended March 31, 2016.

3. RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS AND RESTATEMENT, CONTINUED

(a) Early adoption of IAS 16: "Property, Plant, and Equipment" and IAS 41: "Agriculture", continued

Impact on consolidated statements of net income and comprehensive income	**Three months ended June 30, 2015 (as reported) $**	**Impact of IAS 16 and IAS 41 changes $**	**Three months ended June 30, 2015 (as restated) $**
Depreciation of property, plant and equipment	227,207	1,076	228,283
Net income and comprehensive income	60,315	(1,076)	59,239
Net income per share: basic and diluted	0.00	-	0.00

Impact on consolidated statements of cash flows (ii)	**Three month periods ended June 30, 2015 (as reported) $**	**Impact of IAS 16 and IAS 41 changes $**	**Three month periods ended June 30, 2015 (as restated) $**
Net income for period	60,315	(1,076)	59,239
Depreciation of property, plant and equipment	227,207	1,076	228,283
Cash flow from operating activities	(809,742)	-	(809,742)

(i) Under the amended standards, grape vines are within the scope of property, plant, and equipment rather than biological assets. The Company elected to measure the grape vines at fair value at April 1, 2014 and to use this measurement basis as the deemed cost when applying IAS 16 after this date. In applying IAS 16, the Company amortizes grape vines on owned property over a 20 year period. Prior to adoption of the amended standards, the grape vines were measured at fair value less cost to sell at each reporting period and revaluation adjustments were recorded in change in inventories of finished goods and raw materials consumed in the consolidated statements of net income and comprehensive income.

(ii) Certain items within operating activities in the consolidated statements of cash flows have been reclassified as a result of adopting the IAS 16 and IAS 41 amendments as illustrated above. Other than presentation, there was no impact on the consolidated statements of cash flows as a result of the adoption of the amendments to IAS 16 and IAS 41.

(b) Early adoption of IAS 1:

The Company has chosen to early adopt the provisions of IAS 1 to assist users in better understanding the Company's financial performance, namely through the use of sub-totals (in the statement of net income and comprehensive income) to present cost of goods sold and gross profit calculations. The comparative numbers have been reclassified to conform to the presentation adopted in the current year with no impact to previously reported equity, net income and comprehensive income or cash flows.

3. RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS AND RESTATEMENT, CONTINUED

(c) Restatement of comparative balances

The comparative financial statements and notes thereto for the three month period ended June 30, 2015 have been restated to reflect a correction in classification of certain costs relating to revenue recognition. The Company has reviewed its financial statement presentation of various costs, including customer incentive programs (such as Air Miles), discount programs and product returns, previously included in advertising and promotion and excise taxes included in change in inventories of finished goods and warehousing and receiving. Following this review, management has determined that these costs are better presented as deductions from revenue.

The impact of the restatement of the statements of net income and comprehensive income for the three month period ended June 30, 2015 is a reduction of $332,271 in revenues and offsetting reductions of $266,550 in advertising and promotion, $39,982 in change in inventories of finished goods and raw materials consumed and $25,739 in delivery and warehousing. There was no impact to previously reported equity, net income and comprehensive income or cash flows.

4. NEW AND REVISED IFRS STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

As at the date of authorization of these unaudited interim condensed consolidated financial statements, the IASB has issued the following new or revised standards which are not yet effective:

(a) **IFRS 9: "Financial Instruments"** was issued by the IASB on November 12, 2009 and will replace IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

(b) **IFRS 15: "Revenue from Contracts with Customers"** provides new requirements for recognizing revenue. The new standard's core principle is for a company to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. IFRS 15 also included a cohesive set of disclosure requirements that would result in an entity providing comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new standard provides guidance for transactions that were not previously addressed comprehensively and improves guidance for multiple element arrangements. The IASB has decided to propose to defer the effective date to January 1, 2018 from the previously expected effective date of January 1, 2017.

4. NEW AND REVISED IFRS STANDARDS AND INTERPRETATIONS NOT YET ADOPTED, CONTINUED

(c) **IFRS 16 "Leases"** was issued in January 2016 and will ultimately replace IAS 17, "Leases". IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessees accounting model, requiring lessees to recognize assets and liability for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The standard is effective for annual periods beginning on or after January 1, 2019 and must be applied retrospectively.

The Company has not early adopted any of these standards, but management is currently assessing the impact of their application in the unaudited interim condensed consolidated financial statements and intends to adopt these standards at their effective dates.

5. SEASONALITY

Revenue is subject to seasonal variation in demand from its customers for beverage alcohol products. For example, export sales are clustered in the spring and fall when climate conditions are optimal for intermodal transportation. The fourth quarter is traditionally the lowest for revenue in all major sales channels due to softness in demand during the winter months.

6. ACCOUNTS RECEIVABLE

On June 29, 2016, the Company obtained export insurance coverage from Export Development Canada on sales to a significant export customer to a maximum of $500,000 at any one time.

The balance at June 30, 2016 includes $228,000 accrued in the quarter for severance in lieu of notice from one of its suppliers in the agency division. The amount represents management's estimate of the minimum amount that the Company will receive from the supplier.

7. BANK INDEBTEDNESS

On March 31, 2016, the Company signed a new credit agreement with Meridian Credit Union ("MCU"), its primary lender, to replace the previous agreements dated January 12, 2015 and amended on March 25, 2015. In addition, on January 23, 2015, KDC entered into a credit agreement with MCU to provide a dedicated working capital facility for the Partnership *(see note 7(b))*.

(a) ***Covenant measurement: breach and subsequent compliance***

As at March 31, 2016, the Company was not in compliance with the covenant relating to minimum effective net worth. This covenant breach required the non-current portion of the MCU term loans of $9,264,045 as at March 31, 2016 to be classified as a current liability under IFRS *(see notes 1(b) and 8)*. As of July 19, 2016, MCU had indicated in writing that it was prepared to waive the default, subject to no further defaults occurring and the expectation that the covenant in default would be met at the next stipulated reporting period, being June 30, 2016. The Company was in compliance with the covenant relating to minimum effective net worth as at June 30, 2016.

7. BANK INDEBTEDNESS, CONTINUED

(b) *Kirkwood Diamond Canada credit facility: Meridian Credit Union*

On April 7, 2016, KDC entered into a new credit agreement with CIBC *(see note 7(c))*. The transaction closed on June 2, 2016 and existing obligations to MCU were repaid in full. As at June 30, 2016, there were still funds on deposit with MCU of $490,372.

(c) *Kirkwood Diamond Canada credit facility: Canadian Imperial Bank of Commerce*

The CIBC credit agreement includes the following major components: (i) various CAD and USD credit facilities to a maximum of CAD $4,500,000, (ii) conventional margining on accounts receivable and 70% of eligible inventory value (to a maximum of $2,250,000) (iii) bears interest at the CAD prime rate plus 1.25% and/or USD base rate plus 1.25%, and (iv) secured by (a) a first-priority security in all present and future property of KDC and (b) assignments and postponements of claim from the corporate partners.

The financial covenants included are: (i) ratio of total liabilities less postponed debt to effective tangible net worth is not to exceed 3.00|1.00 at any time, tested quarterly, and (ii) fixed charge coverage ratio ("FCCR") of not less than 1.10|1.00 at any time, tested quarterly, calculated on a trailing twelve month basis. The FCCR is defined as the ratio of EBITDA (defined as earnings before interest, income taxes, depreciation and amortization) to the sum of debt service requirements, capital withdrawals, advances to affiliates and unfunded capital expenditures.

8. TERM LOANS PAYABLE

As more fully described in note 7(a), the Company has various term loans with MCU under the terms of its credit agreement dated March 31, 2016. As at June 30, 2016, the amounts outstanding were as follows:

	June 30 2016	March 31 2016
Meridian Credit Union term loans:		
Non-revolving loan #1 (Note 7(a)(i))	**$ 8,395,367**	$ 8,563,784
Non-revolving loan #2 (Note 7(a)(ii))	**1,340,083**	1,370,684
Non-revolving loan #3 (Note 7(a)(iii))	**377,837**	452,091
	10,113,287	10,386,559
Less: current portion	**(1,142,783)**	(1,122,514)
Remaining portion classified as current due to covenant breach	**-**	(9,264,045)
	$ 8,970,504	$ -

As at March 31, 2016, the Company was not in compliance with the MCU covenant relating to minimum effective net worth. This covenant breach required the non-current portion of the MCU term loans of $9,264,045 as at March 31, 2016 to be classified as a current liability under IFRS at that date *(see notes 1(b) and 7(a))*. As of July 19, 2016, MCU had indicated in writing that it was prepared to waive the default, subject to no further defaults occurring and the expectation that the covenant in default would be met at the next stipulated reporting period, being June 30, 2016. The Company is in compliance with the terms of this financial covenant as at June 30, 2016, such that the non-current portion of the MCU term loans has been classified appropriately as long term.

9. INCOME PER SHARE

Basic income per share is computed using the weighted average number of common shares outstanding. The weighted average number of common shares outstanding for the three month period ended June 30, 2016 was 100,137,037 (2015 - 91,617,638).

As at June 30, 2016, the following potentially dilutive equity instruments were all outstanding: (1) Nil warrants (2015 - 288,220), (2) 6,682,400 options (2015 - 6,682,400), and (3) 819,133 deferred share units (2015 - Nil). The fully diluted number of common shares outstanding for the three month periods ended June 30, 2016 and 2015 were 107,638,570 and 107,107,657 respectively.

10. DEFERRED SHARE UNITS ("DSUS")

On June 21, 2016, the Board of Directors approved an increase in the maximum number of common shares reserved for issuance under the DSU Plan from 1,000,000 to 2,000,000, which is approximately 2.0% of the current issued and outstanding. The DSU Plan provides that the maximum number of DSUs issuable to insiders (as that term is defined by the Exchange) pursuant to the DSU Plan, together with any common shares issuable pursuant to any other security-based compensation arrangement of the Company, will not exceed 10% of the total number of outstanding common shares.

11. SEGMENTED INFORMATION

Business segments

The Company operates in two business segments, namely the (i) sales of manufactured wines and (ii) agency sales. The following table presents selected financial information associated with each of these segments for the three month periods ended June 30, 2016 and 2015:

	Three month period ended June 30, 2016		
	Agency	**Manufactured wines**	**Consolidated**
	$	**$**	$
Gross revenue	**4,374,361**	**4,921,631**	**9,295,992**
Inter-segment revenue	**(146,872)**	**-**	**(146,872)**
Net revenue	**4,227,489**	**4,921,631**	**9,149,120**
Gross profit	**1,860,039**	**1,967,495**	**3,827,534**
Interest on bank indebtedness	**53,621**	**264,390**	**318,011**
Depreciation and amortization	**95,118**	**192,150**	**287,268**
Additions of property, plant and equipment and intangible assets	**-**	**54,597**	**54,597**
Intangible assets	**2,987,725**	**760,651**	**3,748,376**
Total assets	**12,416,839**	**28,241,114**	**40,657,953**
Total liabilities	**7,323,670**	**20,764,818**	**28,088,488**

	Three month period ended June 30, 2015		
	Agency	**Manufactured wines**	**Consolidated**
	$	**$**	$
Gross revenue	3,713,276	3,641,451	7,354,727
Inter-segment revenue	(127,711)	-	(127,711)
Net revenue	3,585,565	3,641,451	7,227,016
Gross profit	1,734,690	1,346,152	3,080,842
Interest on bank indebtedness	67,312	263,583	330,895
Depreciation and amortization	93,495	215,808	309,303
Additions of property, plant and equipment and intangible assets	-	24,523	24,523
	Statement of financial position balances as at March 31, 2016		
Intangible assets	3,069,155	762,749	3,831,904
Total assets	10,390,824	28,643,685	39,034,509
Total liabilities	5,570,368	21,619,911	27,190,279

Transactions between segments are measured at the exchange amount, which approximates fair value.

11. SEGMENTED INFORMATION, CONTINUED

Geographic information

	2016	2015
Revenue		
Canada	**$ 7,008,443**	$ 6,126,709
China and other	**2,140,677**	1,100,307
	$ 9,149,120	$ 7,227,016

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

12. SUBSEQUENT EVENT

On July 27, 2016, the Company announced the issuance of an aggregate of 305,749 deferred share units ("DSUs") to non-executive directors under the Company's deferred share unit plan (the "DSU Plan") in settlement of $41,063 of deferred directors' compensation. The DSUs are to be settled in common shares of the Company when the director retires from all positions with the Company.