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**TIMIA CAPITAL CORP.**  
**(FORMERLY GREENANGEL ENERGY CORP.)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED**  
**AUGUST 31, 2016 AND 2015**  
**(UNAUDITED)**

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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 condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of 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 condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.



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James Pratt  
CFO and Director

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**TIMIA CAPITAL CORP. (FORMERLY GREENANGEL ENERGY CORP.)****CONDENSED INTERIM STATEMENTS OF NET ASSETS****AS AT AUGUST 31, 2016 AND NOVEMBER 30, 2015**(Expressed in Canadian Dollars)

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	<b>August 31, 2016</b>	<b>November 30, 2015</b>
	(Unaudited)	(Audited)
<b>ASSETS</b>		
Cash	\$ 253,069	\$ 409,871
Accounts receivable	63,411	20,689
Funds receivable (Note 4)	113,663	917,246
Current portion of royalty investments receivable (Note 3)	10,643	6,980
Prepaid expenses	25,691	4,657
	<u>466,477</u>	<u>1,359,443</u>
FUNDS RECEIVABLE (Note 4)	-	113,663
ROYALTY INVESTMENT (Note 3)	3,886,501	1,497,732
EQUITY INVESTMENT (Note 4)	660,856	1,120,856
	<u>\$ 5,013,834</u>	<u>\$ 4,091,694</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 9)	74,122	30,292
Amounts in escrow (Note 7)	200,000	-
Current portion of notes payable (Note 5)	-	7,302
	<u>274,122</u>	<u>37,594</u>
CONVERTIBLE DEBENTURES (Note 6)	1,975,657	1,692,257
DEBENTURES (Note 7)	889,573	-
NOTES PAYABLE (Note 5)	-	485,500
	<u>3,139,352</u>	<u>2,215,351</u>
<b>NET ASSETS</b>	<u>\$ 1,874,482</u>	<u>\$ 1,876,343</u>
<b>EQUITY</b>		
Share capital (Note 8)	\$ 3,117,439	\$ 3,102,739
Share subscriptions received	-	14,700
Share-based payment reserve	573,490	295,188
Equity component of convertible debentures (Note 6)	82,070	70,689
Deficit	(1,898,517)	(1,606,973)
	<u>\$ 1,874,482</u>	<u>\$ 1,876,343</u>

Nature of operations (Note 1)

Subsequent events (Note 12)

Approved on behalf of the Board of Directors:

/s/ "Michael Volker"

Michael Volker, Director

/s/ "James Pratt"

James Pratt, Director

(The accompanying notes are an integral part of these condensed interim financial statements)

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**TIMIA CAPITAL CORP. (FORMERLY GREENANGEL ENERGY CORP.)****CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)****FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2016 AND 2015**(Expressed in Canadian Dollars)

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	Three months ended August 31, 2016	Three months ended August 31, 2015	Nine months ended August 31, 2016	Nine months ended August 31, 2015
<b>REVENUE</b>				
Royalty and interest income	\$ 195,909	\$ 23,067	\$ 383,145	\$ 38,550
Advisory income	-	52,607	20,000	52,607
<b>TOTAL REVENUE</b>	<b>195,909</b>	<b>75,674</b>	<b>403,145</b>	<b>91,157</b>
<b>EXPENSES</b>				
Administrative, management, and directors fees (Note 9)	49,319	18,872	155,535	40,411
Accounting and legal	16,785	4,318	57,554	6,473
Share-based payments	9,142	8,956	37,238	19,193
Office, promotion, and miscellaneous	99,957	23,124	188,798	29,084
Interest expense	78,155	19,337	172,148	30,882
Transfer agent and regulatory fees	4,546	-	21,958	15,919
Loan loss provision	29,250	-	61,458	-
	287,154	74,607	694,689	141,962
<b>INCOME (LOSS) BEFORE OTHER ITEMS</b>	<b>(91,245)</b>	<b>1,067</b>	<b>(291,544)</b>	<b>(50,805)</b>
<b>OTHER ITEMS</b>				
Unrealized gain on investments	-	299,900	-	299,900
	-	299,900	-	299,900
<b>NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)</b>	<b>\$ (91,245)</b>	<b>\$ 300,967</b>	<b>\$ (291,544)</b>	<b>\$ 249,095</b>
<b>NET INCOME (LOSS) PER COMMON SHARE</b>				
<b>BASIC AND DILUTED</b>	<b>\$ (0.00)</b>	<b>\$ 0.02</b>	<b>\$ (0.01)</b>	<b>\$ 0.01</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>	<b>22,360,796</b>	<b>17,568,868</b>	<b>22,349,571</b>	<b>17,568,868</b>

(The accompanying notes are an integral part of these condensed interim financial statements)

**TIMIA CAPITAL CORP. (FORMERLY GREENANGEL ENERGY CORP.)**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)**  
**FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2016 AND 2015**  
(Expressed in Canadian Dollars)

	Three months ended August 31, 2016	Three months ended August 31, 2015	Nine months ended August 31, 2016	Nine months ended August 31, 2015
<b>OPERATING ACTIVITIES</b>				
Net income (loss)	\$ (91,245)	\$ 300,967	\$ (291,544)	\$ 249,095
Items not involving cash:				
Unrealized gain on investments	-	(299,900)	-	(299,900)
Share-based payments	9,142	8,956	37,238	19,193
Interest revenue	(15,278)	(8,443)	(53,890)	(8,443)
Interest accretion	14,719	4,398	21,918	4,398
Loan loss provision	29,250	-	61,458	-
	(53,412)	5,978	(224,820)	(35,657)
Change in non-cash working capital items				
Funds receivable	(24,648)	-	874,524	-
Amounts in escrow	200,000	-	200,000	-
Prepaid expenses	12,724	-	(21,034)	-
Accounts payable and accrued liabilities	41,701	(91,833)	43,830	(65,488)
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	176,365	(85,855)	872,500	(101,145)
<b>INVESTING ACTIVITY</b>				
Purchase of investments	(1,250,000)	(500,000)	(2,425,000)	(500,000)
Investment income	-	14,824	-	32,181
<b>CASH USED IN INVESTING ACTIVITIES</b>	(1,250,000)	(485,176)	(2,425,000)	(467,819)
<b>FINANCING ACTIVITIES</b>				
Proceeds from convertible debentures issued	-	563,492	283,500	563,492
Proceeds from issuance of Series C Debentures (Note 7)	250,000	-	1,120,000	-
Proceeds from common shares issued	-	246,139	-	246,139
Redemption of promissory notes	-	-	(7,802)	-
<b>CASH PROVIDED BY FINANCING ACTIVITIES</b>	250,000	809,631	1,395,698	809,631
<b>CHANGE IN CASH DURING THE PERIOD</b>	(823,635)	238,600	(156,802)	240,667
<b>CASH, BEGINNING OF PERIOD</b>	1,076,704	16,717	409,871	14,650
<b>CASH, END OF PERIOD</b>	\$ 253,069	\$ 255,317	\$ 253,069	\$ 255,317
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>				
Income taxes paid	\$ -	\$ -	\$ -	\$ -

(The accompanying notes are an integral part of these condensed interim financial statements)

**TIMIA CAPITAL CORP. (FORMERLY GREENANGEL ENERGY CORP.)**

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)**

**FOR THE NINE MONTHS ENDED AUGUST 31, 2016 AND 2015**

(Expressed in Canadian dollars)

	Common Shares		Share subscription received	Equity component of convertible debentures	Share-based payment reserve	Deficit	Total
	Issued	Amount					
As at December 1, 2014	17,213,796 \$	2,862,280 \$	- \$	- \$	254,960 \$	(1,998,663)	\$ 1,118,577
Common shares issued	5,000,000	250,000	-	-	-	-	250,000
Share issuance costs	-	(3,861)	-	-	-	-	(3,861)
Convertible debentures issued	-	-	-	84,438	-	-	84,438
Share-based payments	-	-	-	-	19,193	-	19,193
Net income and comprehensive income	-	-	-	-	-	249,095	249,095
<b>As at August 31, 2015</b>	<b>22,213,796 \$</b>	<b>3,108,419 \$</b>	<b>- \$</b>	<b>84,438 \$</b>	<b>274,153 \$</b>	<b>(1,749,568)</b>	<b>\$ 1,717,442</b>
As at December 1, 2015	22,213,796 \$	3,102,739 \$	14,700 \$	70,689 \$	295,188 \$	(1,606,973)	\$ 1,876,343
Equity component of convertible debentures	-	-	-	11,381	-	-	11,381
Share-based payments	-	-	-	-	37,238	-	37,238
Warrants exercised	147,000	14,700	(14,700)	-	-	-	-
Warrants issued on debentures	-	-	-	-	241,064	-	241,064
Net loss and comprehensive loss	-	-	-	-	-	(291,544)	(291,544)
<b>As at August 31, 2016</b>	<b>22,360,796 \$</b>	<b>3,117,439 \$</b>	<b>- \$</b>	<b>82,070 \$</b>	<b>573,490 \$</b>	<b>(1,898,517)</b>	<b>\$ 1,874,482</b>

(The accompanying notes are an integral part of these condensed interim financial statements)

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**TIMIA CAPITAL CORP. (FORMERLY GREENANGEL ENERGY CORP.)****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2016 AND 2015**

(Expressed in Canadian dollars)

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**1. NATURE OF OPERATIONS**

TIMIA Capital Corp. (formerly GreenAngel Energy Corp.) (the “Company”) was incorporated under the Business Corporations Act of British Columbia on October 26, 2007 under the name Angelwest Capital Corp. The Company changed its name to GreenAngel Energy Corp. on October 27, 2009 and then to TIMIA Capital Corp. on September 23, 2015 and is listed on the TSX Venture Exchange (the “TSX-V”) trading under the symbol “TCA”. The Company primarily focuses on providing financing to Canadian technology companies in exchange for royalties based on a percentage of the debtors’ revenues. The Company’s head office and principal place of business is Suite 206 - 415 West Cordova Street, Vancouver, British Columbia, Canada.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies used in the presentation of these condensed interim financial statements are set out below. These policies have been consistently applied to all the years presented.

**Statement of compliance**

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the audited annual financial statements for the year ended November 30, 2015.

These condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on October 17, 2016.

**Basis of presentation**

The condensed interim financial statements have been prepared using the historical cost convention except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out below. All amounts are expressed in Canadian dollars unless otherwise stated.

**Significant accounting judgements and estimates**

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim financial statements and reported amounts of revenues and expenses during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The information about significant areas of judgement and estimation uncertainty considered by management in preparing the condensed interim financial statements are:

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Significant accounting judgements and estimates (continued)

- Expected cash flows of royalty investments;
- Fair value of investment in securities not quoted in an active market;
- Recognition of deferred tax assets; and
- Calculation of share-based payments expense.

The information about significant areas of judgement considered by management in preparing the interim financial statements are:

- Assessment of the Company's ability to continue as a going concern;
- The classification of financial instruments; and
- The valuation of financial assets and liabilities recorded on the statement of net assets which are derived from a variety of valuation techniques.

### Cash

Cash in the statement of net assets comprise cash at banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

### Financial instruments

All financial instruments are initially measured at fair value and categorized as either held-to-maturity, fair value through profit or loss ("FVTPL"), loans and receivables, available-for-sale or other financial liabilities.

**Held-to-maturity** financial assets are measured at amortized cost using the effective interest method. Impairment losses are charged to net earnings in the period in which they arise.

**FVTPL** financial instruments are measured at fair value with changes in fair value charged or credited to earnings in the period in which they arise.

**Loans and receivables** are subsequently measured at amortized cost using the effective interest method. Impairment losses are charged to net earnings in the period in which they arise.

**Available-for-sale** financial instruments are measured at fair value with changes in fair value charged or credited to other comprehensive income. Impairment losses are reclassified from other comprehensive income and charged to net earnings in the period in which they arise.

**Other financial liabilities** are initially measured at fair value less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Royalty investments**

Royalty investments consist of royalty interests in the revenue generated by Canadian technology companies. Royalty investments are recognized as non-derivative financial assets and are classified as loans and receivables. After initial measurement, royalty investments are subsequently measured at amortized cost using the effective interest method. When the original cash flows have been revised the resulting adjustment to the amortized cost is reflected as either income or expense in the statement of comprehensive income and loss. Any losses arising from impairment are recognized in the statement of comprehensive income and loss.

The Company assesses at each reporting date whether there is any objective evidence that a royalty investment is impaired. A royalty investment is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact of the estimated future cash flows of the royalty investment that can be reliably estimated. Evidence of impairment may include indications that the investee is experiencing significant financial difficulty, default, or delinquency in interest or royalty payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows and this loss is recorded in the statement of comprehensive income and loss.

### **Equity investments**

Equity investments consist of common shares, preferred shares, partnership units and warrants held in non-public companies that are focused on the production or conservation of energy or energy efficiency improvements. At the end of each financial reporting period, the Company's management estimates fair value of its investments based on the criteria below and records such valuations in the financial statements. Options and warrants of non-public companies are carried at \$nil.

Equity Investments are initially recorded at cost, being the fair value at the time of acquisition. At each reporting period thereafter, the fair value of an investment may, depending on circumstances, be adjusted by taking into account the following circumstances:

- There has been a significant subsequent equity financing provided by outside investors at a valuation above or below the current fair value of the investee company, in which case the fair value of the investment is adjusted to the value at which the financing took place; or
- Based on financial information received from the investee company it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward; The investee company is placed into receivership or bankruptcy; or
- There have been significant corporate, political, operating or economic events affecting the investee company that, in the Company's opinion, have a positive or negative impact on the investee company's prospects and, therefore, its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be ultimately realized or realizable. Such events include, without limitation: receipt or denial by the investee company of necessary approvals that allow or prevent the investee company to proceed with its project(s);



**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Equity investments (continued)**

- receipt or denial by the investee company of necessary approvals that allow or prevent the investee company to proceed with its project(s);
- release by the investee company of positive or negative technical results, which either proves or disproves its technical prospects; and
- management changes by the investee company that the Company's management believes will have a very positive or negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

In addition to the circumstances described above, the Company will take into account general market conditions when determining if an adjustment to the fair value of an investment is warranted at the end of each reporting period. Absent the occurrence of any of these events, or any significant change in general market conditions, the fair value of the investment is left unchanged.

Application of the valuation techniques described above may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized. The amount at which an investment could be disposed of may differ from its carrying value due to the availability and/or reliability of information available to, and determinations reached by, the Company. Any fair value estimated by the application of these techniques may not ultimately be realized.

Transaction costs incurred in the purchase and sale of investments are recorded as an expense in the statement of comprehensive loss.

**Revenue recognition**

*Interest income and royalty payment income*

Royalty and interest income are determined using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating the income over the life of the asset. The effective interest rate is the rate that exactly discounts estimated future cash flows to the initial carrying amount.

*Advisory income*

Revenue for marketing activities and corporate and advisory services are recognized when persuasive evidence of an arrangement exists, services have been rendered, the price is determinable, and collectability is reasonably assured.

From time to time, the Company may receive payment in the form of common or preferred shares for corporate or advisory services rendered. In order to record revenue, the Company uses the estimated fair values of the equity instruments received at such time that the services have been rendered.

**Functional currency**

The financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income taxes**

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the period-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. Management considers the scheduled reversal of future income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

**Basic and diluted income (loss) per share**

The Company presents basic and diluted income (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted income (loss) per share is determined by adjusting the income (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. However, the calculation of diluted income (loss) per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

**Share-based payment transactions**

The share option plan allows Company employees and consultants to acquire shares of the Company. All options granted are measured at fair value and are recognized in expenses as share-based payments with a corresponding increase in equity reserves. An individual is classified as an employee when the individual is an employee or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of employee options is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model ("Black-Scholes Model") taking into account the terms and conditions upon which the options were granted. Share options granted to nonemployees or consultants are measured at the fair value of goods or services received. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Convertible debentures

Convertible debentures, where applicable, are separated into their liability and equity components using the effective interest rate method. The fair value of the liability component at the time of issue was determined based on an estimated interest rate of the debentures without the conversion feature. The fair value of the equity component was determined as the difference between the face value and the fair value of the liability component.

### Accounting standards adopted during the year

The mandatory adoption of the following new and revised accounting standards on December 1, 2014 had no significant impact on the Company's financial statements for the years presented.

*IAS 1 Presentation of Financial Statements* - In June 2011, the IASB issued an amendment to IAS 1, which requires entities to separately present items in other comprehensive income based on whether or not they may be reclassified to profit or loss in future periods.

*IAS 32 Financial Instruments: Presentation* – In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7.

*IAS 36 Impairment of Assets* – In May 2013, the IASB issued an amendment to address the disclosure of information about the recoverable amount of impaired assets or a cash-generating unit (“CGU”) for periods in which an impairment loss has been recognized or reversed. The amendments also address disclosure requirements applicable when an asset's or a CGU's recoverable amount is based on fair value less costs of disposal.

*IAS 39 Financial Instruments: Recognition and Measurement* – In June 2013, the IASB issued a narrow scope amendment to IAS 39. Under the amendment, there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided that certain criteria are met.

Certain new accounting standards and interpretations have been published that are not mandatory for the quarter ended August 31, 2016. These standards have been assessed to not have a significant impact on the Company's financial statements.

*IAS 1 Presentation of Financial Statements* - In December 2014, the IASB issued an amendment to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The changes clarify that materiality considerations apply to all parts of the financial statements and the aggregation and disaggregation of line items within the financial statements.

*IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets* - In May 2014, the IASB issued amendments to IAS 16 and IAS 38. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Accounting standards and amendments issued but not yet effective**

*The following accounting standards will be adopted by the Company effective December 1, 2018:*

*IFRS 15 Revenue from Contracts with Customers* - In May 2014, the IASB issued IFRS 15 which replaces IAS 11 – *Construction Contracts*, IAS 18 – *Revenue*, IFRIC 13 – *Customer Loyalty Programmes*, IFRIC 15 – *Agreements for the Construction of Real Estate*, IFRIC 18 – *Transfers of Assets from Customers*, and SIC 31 – *Revenue – Barter Transactions Involving Advertising Services*. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

*IFRS 9 – Financial Instruments* – IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 was subsequently amended in November 2013 to add new general hedge accounting requirements. The final version of IFRS 9 was issued in July 2014 and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

Management is currently evaluating any impact that the above standards may have on the Company's financial statements and this assessment has not yet been finished.

## **3. ROYALTY INVESTMENTS**

On July 31, 2015, the Company entered into a royalty investment agreement with Lambda Solutions Inc. ("Lambda"). Under the terms of the agreement, the Company paid \$500,000 to Lambda and will receive monthly royalty payments based on a prescribed percentage of Lambda's monthly revenue. The royalty term will end on the earlier of the full payment of \$1,000,000 or eight years from July 31, 2015.

On October 30, 2015, the Company entered into a royalty investment agreement with QuickMobile Inc. ("QuickMobile"). Under the terms of the agreement, the Company paid \$1,000,000 to QuickMobile and will receive monthly royalty payments based on a prescribed percentage of QuickMobile's monthly software license revenue. The royalty term will end on the earlier of the full payment of \$2,000,000 or eight years from October 30, 2015.

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**TIMIA CAPITAL CORP. (FORMERLY GREENANGEL ENERGY CORP.)****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2016 AND 2015**(Expressed in Canadian dollars)

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**3. ROYALTY INVESTMENTS (continued)**

On February 5, 2016, the Company closed a royalty investment into Predictable Revenue Inc. The investment was for \$400,000 upon the closing date and an additional \$600,000 in subsequent tranches at both parties' option. In exchange for this financing, the Company will receive a monthly royalty on a prescribed percentage of gross revenue excluding certain consulting revenue.

On April 4, 2016, the Company closed a royalty investment into iCompass Technologies Inc. ("iCompass"). The investment was for total financing of \$1,250,000, with \$750,000 being closed in the first tranche. In exchange for this financing, the Company will receive a monthly royalty on total revenue until a defined maximum amount has been reached.

On June 29, 2016, the Company closed a \$1,000,000 follow-on investment into QuickMobile. In exchange for this follow-on financing, the Company will receive an additional monthly royalty on gross software license revenue until a defined maximum amount has been reached. This is in addition to the monthly royalty received on gross software license revenue under the first tranche of the investment.

On August 12, 2016, the Company closed a \$250,000 follow-on investment into Predictable Revenue. In exchange for this follow-on financing, the Company will receive an increased monthly royalty on gross revenue until a defined maximum amount has been reached. This is in addition to the monthly royalty received on gross revenue under the first tranche of the investment.

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	August 31, 2016	November 30, 2015
Opening balance	\$ 1,512,129	\$ -
Acquisition of royalty investments	2,400,000	1,500,000
Interest revenue	381,158	64,129
Royalty payments	(327,268)	(52,000)
Closing balance	3,966,019	1,512,129
Less: current portion	(10,643)	(6,980)
Non-current portion	\$ 3,955,376	\$ 1,505,149

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	August 31, 2016	November 30, 2015
Loan loss provision, opening balance	\$ (7,417)	\$ -
Add: loan loss provision for outstanding royalty investments	(61,458)	(7,417)
Less: loan loss applied	-	-
Loan loss provision, closing balance	\$ (68,875)	\$ (7,417)

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	August 31, 2016	November 30, 2015
Royalty Investment, Non-current portion	\$ 3,955,376	\$ 1,505,149
Loan loss provision, closing balance	(68,875)	(7,417)
Royalty Investment, net of loan loss, Non-current portion	\$ 3,886,501	\$ 1,497,732

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On a quarterly basis, the Company carries out a credit quality review of the portfolio of royalty investments. The review considers delinquency trends, sales volumes and the investee's ability to maintain its financial condition. Although no specific loan losses have been provided for, a general loan loss provision of 3% of the weighted average Royalty Investments outstanding has been accrued (\$61,458) and is included in the amounts presented above.

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**TIMIA CAPITAL CORP. (FORMERLY GREENANGEL ENERGY CORP.)****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2016 AND 2015**(Expressed in Canadian dollars)

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**4. EQUITY INVESTMENTS**

As at August 31, 2016, the Company held the following equity investments:

<b>Investees</b>	<b>Common Shares</b>	<b>Preferred Shares</b>	<b>Partnership Units</b>	<b>Cost</b>	<b>Fair Value</b>
Delaware Power Sys Corp.	965,000	-	-	\$ 414,500	\$ -
Mazza Innovation Ltd.	480,000	-	-	120,000	120,000
Moj.io Inc.	427,998	-	-	43	130,257
CamDo Solutions Inc.	1,062,500	-	-	25,100	410,599
				<b>\$ 559,643</b>	<b>\$ 660,856</b>

As at November 30, 2015, the Company held the following equity investments:

<b>Investees</b>	<b>Common Shares</b>	<b>Preferred Shares</b>	<b>Partnership Units</b>	<b>Cost</b>	<b>Fair Value</b>
Delaware Power Systems Corp	965,000	-	-	\$ 414,500	\$ -
Espresso Capital Limited Partnership (Note 5)	-	-	485	485,000	485,000
Light-Based Technologies Inc.	960,000	600,000	-	390,000	-
Mazza Innovation Ltd.	480,000	-	-	120,000	120,000
Moj.io Inc.	427,998	-	-	43	130,257
CamDo Solutions Inc.	1,000,000	-	-	100	385,599
				<b>\$ 1,409,643</b>	<b>\$ 1,120,856</b>

On November 30, 2015, the Company completed the sale of its common shares of dPoint Technologies Inc. for total proceeds of \$1,030,909 and recorded a realized gain on the sale of \$680,909. The total proceeds were included in funds receivable at November 30, 2015. Out of the total proceeds of \$1,030,909, \$917,246 was received during the period ended August 31, 2016 and \$113,663 is currently being held in escrow and will be distributed to the Company 16 months after the completion date of the sale. Therefore the portion of the funds receivable representing this escrow balance was classified as a current asset as of August 31, 2016.

The Company's investment in Mazza Innovation Ltd. is subject to the following vesting conditions: 120,000 common shares vest immediately upon grant (November 30, 2012) and the remaining shares vest daily over three years. During fiscal 2015, \$3,196 vested (2014 - \$7,663) and was recorded as financing revenue in the statements of comprehensive income and loss.

The Company's investment in CamDo Solutions Inc. is subject to the following vesting conditions: 250,000 common shares vest immediately upon grant (May 1, 2015) and the remaining shares vest daily over 25 months.

During the year ended November 30, 2015, the Company disposed of its investments in Habitat Enterprises Ltd. and Paradigm Environmental Technologies Inc. and recorded a realized loss on the disposals of \$677,675.

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**TIMIA CAPITAL CORP. (FORMERLY GREENANGEL ENERGY CORP.)****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2016 AND 2015**

(Expressed in Canadian dollars)

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**4. EQUITY INVESTMENTS (continued)**

During the nine months ended August 31, 2016, the Company invested an additional \$25,000 into CamDo Solutions Inc.

The Company's investment in Espresso Capital Limited Partnership was redeemed on March 31, 2016 at the Company's option in accordance with the underlying agreement. The full amount of the investment, \$485,000 was received as well as interest owing to the date of the redemption.

**5. NOTES PAYABLE**

On December 17, 2013, the Company entered into an agreement with Espresso Capital Management Partnership ("ECMP") to acquire up to \$2,000,000 in Limited Partner Units ("LP Units") in an investment fund operated by ECMP. According to the terms of the agreement, the Company will raise up to \$2,000,000 through the issuance of promissory notes for the investment in the LP Units.

During the year ended November 30, 2014, the Company issued \$285,500 in promissory notes. The promissory notes mature two years from the date of issuance. The promissory notes bear interest at the lesser of 9% per annum or the note holder's pro-rata share of interest in the distributions from the LP Units received by the Company. The proceeds from the promissory notes issued were invested in the LP Units (see Note 4).

During the year ended November 30, 2015, the Company issued \$200,000 in promissory notes to bring the total of the notes outstanding to \$485,500. The promissory notes mature two years from the date of issuance. The promissory notes bear interest at the lesser of 9% per annum or the note holder's prorated share of interest in the distributions from the LP Units received by the Company. The promissory notes outstanding as at November 30, 2015 mature between February 2016 and February 2017. At the option of the Company the maturity date can be extended for a period of up to one year. The proceeds from the promissory notes issued were invested in the LP Units (see Note 4).

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	August 31, 2016	November 30, 2015
Opening balance	\$ 492,802	\$ 285,500
Proceeds from notes payable	-	200,000
Redemption of notes payable	(492,802)	-
Interest accretion	-	40,180
Interest paid	-	(32,878)
Closing balance	-	492,802
Less: current portion	-	(7,302)
Non-current portion	\$ -	\$ 485,500

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On April 11, 2016 the Company redeemed all \$485,000 of Notes Payable outstanding and paid all interest owing to that date.

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**TIMIA CAPITAL CORP. (FORMERLY GREENANGEL ENERGY CORP.)****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2016 AND 2015**

(Expressed in Canadian dollars)

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**6. CONVERTIBLE DEBENTURES**

During December 2015 and January 2016 the Company closed an additional offering of convertible debentures for gross proceeds of \$283,500 bringing the total amount of convertible debentures raised to \$2,051,000.

During the year ended November 30, 2015, the Company closed an offering of convertible debentures (the "Converts") for gross proceeds of \$1,767,500 (the "Principal"). The issue costs were \$6,656 resulting in net proceeds of \$1,760,844. The Converts bear interest from the date of issuance at 8% per annum, payable monthly in arrears. The Converts have a maturity date of five years from the date of issuance (the "Maturity Date"). The debenture holders may elect at any time to convert all, but not less than all, of their outstanding Principal amount prior to the Maturity Date into common shares of the Company at a conversion price of \$0.14 per common share.

For accounting purposes, the Converts are separated into their liability and equity components using the effective interest method. The fair value of the liability component at the time of issue was determined based on an estimated rate of 9% for Converts without the conversion feature. The fair value of the equity component was determined as the difference between the face value of the Converts and the fair value of the liability component.

The Converts are not redeemable before the third anniversary from the issuance date. On or after the third anniversary of the issuance date, but prior to the Maturity Date, the Company may, at its option, redeem the Converts, in whole or in part, at a price equal to the principal amount of the Converts plus all accrued and unpaid interest up to but excluding the date of redemption.

The Company is not permitted to grant any lien on the Company or its assets as long as the Converts are outstanding except with the permission of more than 67 percent of the Convert holders.

The Converts, and any common shares issuable upon conversion thereof, will be subject to a four month hold period in accordance with applicable securities laws.

The following table summarizes the outstanding balance and changes in the amounts recognized in the liability and equity during the period ended August 31, 2016:

<b>Principal</b>	
Advanced during the period	\$ 2,051,000
<b>Liability</b>	
Gross proceeds received	2,051,000
Issue costs	(6,656)
Equity component less issue costs allocated	(82,070)
Liability component initially recognized	1,962,274
Accretion expense	13,383
<b>Balance, August 31, 2016</b>	<b>1,975,657</b>
<b>Equity</b>	
Equity component recognized	82,070
<b>Balance, August 31, 2016</b>	<b>\$ 82,070</b>

**7. DEBENTURES**

During the period ended August 31, 2016, the Company closed an offering of \$1,120,000 in debentures.



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**TIMIA CAPITAL CORP. (FORMERLY GREENANGEL ENERGY CORP.)****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2016 AND 2015**

(Expressed in Canadian dollars)

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**7. DEBENTURES (continued)**

The debentures will be unsecured, will pay annual interest of 8 per cent (paid monthly) and will mature five years from the date of issuance, with an option for early redemption by the company after three years. The debentures also have 50-per-cent warrant coverage on the common shares of the company. The warrants will have a five-year term with a strike price of 20 cents. The debentures, the warrants and any common shares issuable upon exercise thereof will be subject to a four-month hold period in accordance with applicable securities laws. Using Black-Scholes warrant pricing model, the warrants were valued at fair value of \$241,064 and have been recorded against the value of the debentures and will be accreted over the expected life of the debentures. During the period ended August 31, 2016, \$10,637 has been recognized as accretion expense.

The Company is not permitted to grant any lien on the Company or its assets as long as the Debentures are outstanding except with the permission of more than 67 percent of the debenture holders, except for Permitted Senior Indebtedness, primarily being commercially available credit lines, not to exceed 25% of the assets of the Company and not to exceed a 10% annual interest rate.

The Debentures, and any common shares issuable upon the exercise of the related warrants, will be subject to a four month hold period in accordance with applicable securities laws.

During August, 2016, the Company received \$200,000 subscriptions for the debenture and is holding the proceeds in escrow pending closure of the financing.

**8. SHARE CAPITAL**

(a) Authorized:

An unlimited number of common voting shares without par value.

(b) Issued and outstanding:

	Number	Common Shares Amount
Balance, August 31, 2016	22,360,796	\$ 3,117,439

During the year ended November 30, 2015, the Company issued 5,000,000 Units at a price of \$0.05 per unit for gross proceeds of \$250,000. Each Unit consists of one common share of the Company and one non-transferrable common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at \$0.06 per share for a period of two years. Share issue costs of \$9,541 were incurred on the share issuance.

On December 21, 2015, the Company issued 147,000 common shares for the exercise of 147,000 warrants at an exercise price of \$0.10 per warrant for proceeds of \$14,700. The proceeds received were included as share subscriptions received at November 30, 2015.

(c) Stock options:

The Company has adopted an incentive share option plan for granting options to directors, employees and consultants, under which the total outstanding options are limited to 10% of the outstanding common shares of the Company at any one time. Under the plan, the exercise price of an option shall not be less than the discounted market price at the time of granting, or as permitted by the policies of TSX-V. Options granted may not exceed a term of five years from the grant date. Options granted to consultants conducting investor relation activities vest 25% upon grant, and 25% every three months thereafter. The vesting period for all other options will be determined by the Board of Directors at the time of each grant.

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**TIMIA CAPITAL CORP. (FORMERLY GREENANGEL ENERGY CORP.)****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2016 AND 2015**(Expressed in Canadian dollars)

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**8. SHARE CAPITAL (continued)**

(c) Stock options (continued)

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2014	1,725,000	\$ 0.14
Granted	1,560,000	0.05
Cancelled	(680,000)	0.16
Expired	(400,000)	0.20
Balance, November 30, 2015 and August 31, 2016	2,205,000	\$ 0.07

Additional information regarding stock options outstanding as at August 31, 2016 is as follows:

Exercise Price	Outstanding			Exercisable	
	Number of Options	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
\$ 0.10	300,000	1.67	\$ 0.100	258,630	\$ 0.100
0.10	345,000	2.63	0.100	187,151	0.100
0.05	880,000	3.93	0.050	94,831	0.050
\$ 0.06	680,000	4.05	0.060	46,575	0.060
	2,205,000	3.46	\$ 0.070	587,187	\$ 0.090

Option-pricing requires the use of highly subjective estimates and assumptions including the expected stock price volatility. The expected volatility used in valuing stock options is based on volatility observed in historical periods. Changes in the underlying assumptions can materially affect the fair value estimates. The fair value of the options re-priced and granted to officers, directors, consultants, and employees was calculated using the Black-Scholes option pricing model with following weighted average assumptions and resulting grant date fair value:

	2015	2014
Weighted average assumptions:		
Risk-free interest rate	0.78%	1.68%
Expected dividend yield	-	-
Expected option life (years)	5.00	5.00
Expected stock price volatility	137%	171%
Weighted average fair value at grant date	\$0.05	\$0.07
Expected forfeiture rate	-	-

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**TIMIA CAPITAL CORP. (FORMERLY GREENANGEL ENERGY CORP.)****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2016 AND 2015**(Expressed in Canadian dollars)

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**8. SHARE CAPITAL (continued)**

(d) Warrants:

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2015	5,000,000	\$ 0.06
Issued	2,800,000	0.20
Balance, August 31, 2016	7,800,000	\$ 0.17

Additional information regarding warrants outstanding and exercisable as at August 31, 2016 is as follows:

Exercise Price	Number of Warrants	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price
\$0.06	5,000,000	0.95	\$0.06
\$0.20	2,175,000	4.75	\$0.20
\$0.20	625,000	4.89	\$0.20

**9. RELATED PARTY TRANSACTIONS AND EXECUTIVE COMPENSATION**

The Company had the following related party transactions:

- As at August 31, 2016, there was \$nil promissory notes payable (November 30, 2015: \$108,000) due to a company controlled by the family member of a director and officer and \$nil (November 30, 2015: \$35,000) due to an officer of the Company.
- As at August 31, 2016, there was \$920,500 (November 30, 2015: \$807,500) due to directors, officers, family members of directors and officers and a company controlled by a family member of a director and officer identified as key management personnel. Convertible debenture of \$5,000 (2015: \$807,500) was issued to a director of the Company. Debentures of \$108,000 (2015: \$nil) were issued to directors, officers, family members of directors and officers and a company controlled by a family member of a director and officer identified as key management personnel.
- Accounts payable of \$8,812 (November 30, 2015: \$5,439) was due to directors and officer identified as key management personnel as at August 31, 2016 for expenses paid on behalf of the Company.
- The Company invested in 1,062,500 common shares of CamDo Solutions Inc. The Company and CamDo Solutions Inc. have a director in common.

The Company considers the Chief Executive Officer, Chief Financial Officer, Chief Investment Officer and directors as key management personnel. Key management compensation for the nine months period ended August 31, 2016 and 2015 were as follows:

- Directors fees of \$37,589 (2015: \$31,000) were accrued or paid during the nine months period ended August 31, 2016.
- Management fees of \$116,326 (2015: \$nil) were accrued or paid during the nine months period ended August 31, 2016.
- Share-based payments of \$37,238 (2015: \$19,193) were recorded for directors and certain officers identified as key management personnel for the nine months period ended August 31, 2016.

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**TIMIA CAPITAL CORP. (FORMERLY GREENANGEL ENERGY CORP.)****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2016 AND 2015**(Expressed in Canadian dollars)

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**10. FINANCIAL INSTRUMENTS AND RISK****Financial Instruments**

The following table summarizes information regarding the carrying values and classification of the Company's financial instruments:

	<b>August 31, 2016</b>	<b>November 30, 2015</b>
Cash – FVTPL	\$ 253,069	\$ 409,871
Funds receivable – Loans and receivables	177,074	1,051,598
Royalty investments – Loans and receivables	3,897,144	1,504,712
Equity investments – FVTPL	660,856	1,120,856
Accounts payable – Other financial liabilities	74,122	30,292
Amounts in escrow	200,000	-
Notes payable – Other financial liabilities	-	492,802
Convertible debentures – Other financial liabilities	1,975,657	1,692,257
Debentures – Other financial liabilities	\$ 889,573	\$ -

The estimated fair values of cash and accounts payable approximate their respective carrying values due to their nature and short terms to maturity. Investments are carried at their fair value. Notes payable and royalty investments are carried at amortized cost.

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- (c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The following table presents the Company's financial instruments, measured at fair value on the statements of net assets and categorized into levels of the fair value hierarchy:

	Balance at August 31, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 253,069	\$ 253,069	\$ -	\$ -
Equity investments	\$ 660,856	\$ -	\$ 660,856	\$ -

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**TIMIA CAPITAL CORP. (FORMERLY GREENANGEL ENERGY CORP.)****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2016 AND 2015**

(Expressed in Canadian dollars)

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**10. FINANCIAL INSTRUMENTS AND RISK (continued)****Financial Instruments (continued)**

The investment operations of the Company's business involve the purchase and sale of securities, and accordingly, a portion of the Company's assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, a discussion of which is provided below.

There were no transfers from Level 1 to 2 or Level 2 to 1 during the periods ended August 31, 2016 and November 30, 2015.

**Credit Risk**

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and royalty investments. The Company limits exposure to credit risk by maintaining its cash with financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and royalty investments.

In monitoring credit risk the Company performs ongoing credit evaluations of its investees' financial condition. The evaluation considers delinquency trends, sales volumes and the investee's ability to maintain its financial condition. Included in the amounts presented is a loan loss provision of \$68,875.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash balances to meet current working capital requirements. The Company is dependent on obtaining regular financings in order to continue as a going concern. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash consists of cash deposited in business accounts held by high credit quality financial institutions. The Company is not invested in any asset backed commercial paper.

	Carrying amount	Contractual cash flows	Within 1 year	Within 2 years	Within 5 years
	\$	\$	\$	\$	\$
Accounts payable	74,122	74,122	74,122	-	-
Amounts in escrow	200,000	200,000	-	-	200,000
Convertible debentures	1,975,657	2,051,000	-	-	2,051,000
Debentures	889,573	1,120,000	-	-	1,120,000
Total	3,139,352	3,445,122	74,122	-	3,371,000

**Foreign Exchange Risk**

The Company does not have significant foreign exchange risk as all of its transactions are in Canadian dollars.

**Interest Rate Risk**

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. The Company's practice has been to invest cash at floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders.

## **10. FINANCIAL INSTRUMENTS AND RISK (continued)**

### **Market Risk**

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. Additionally, the Company adjusts its investments to fair value at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which could have a significant unfavourable effect on the Company's financial position. The Company manages market risk by having a portfolio of investments not singularly exposed to any one issuer; however, its investment activities are currently concentrated primarily in the technology and energy sectors. The Company also manages its market risk by reviewing commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## **11. MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to identify and to invest in investments with strong cash-flow and long-term growth potential, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long-term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity.

The Company manages and adjusts the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets.

The Company's investment policy is to invest in software companies that have strong revenue growth and gross margins. Management looks to invest in assets that will create routine monthly cash-flow, as well as periodic gains when the investments are sold or achieve an initial public offering.

If the Company does not receive sufficient cash distributions from its portfolio companies or from its activities, it may have to undertake a private placement to cover its cash outflows.

## **12. SUBSEQUENT EVENT**

On September 19, 2016, the Company completed a follow-on investment into iCompass Technologies Inc. This additional investment of \$250,000 brings the total amount of revenue financing advanced to iCompass to \$1,000,000. In exchange for this follow-on financing, the Company will receive an increase to its current monthly royalty on revenue until a defined maximum amount has been reached.

On October 3, 2016 the Company announced the closure of a private placement in conjunction with the addition of Mr. Andrew Abouchar to its management team in the role of Executive Vice President - Underwriting. The private placement of \$128,800 is for Units of TIMIA Capital Corp., comprised of common shares at \$0.10 per share and one share purchase warrant. Each warrant gives the holder the right to subscribe for one common share of TIMIA at \$0.115 for two years from the date of closing. Mr. Abouchar, a company insider, has subscribed for the full offering of 1,288,000 Units.