SPARTA CAPITAL LTD.

Calgary, Alberta

CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015

Independent Auditors' Report

To: The Shareholders of **Sparta Capital Ltd.**

We have audited the accompanying consolidated financial statements of Sparta Capital Ltd., which comprise the consolidated statements of financial position as at September 30, 2015 and 2014 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sparta Capital Ltd. as at September 30, 2015 and 2014, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that at September 30, 2015 the Company had a working capital deficiency of $71,882. This condition, along with other matters as set forth in Note 2; indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

January 28, 2016

Kenway Mack Slusarchuk Stewart LLP

Calgary, Alberta

Chartered Accountants

Sparta Capital Ltd.

Consolidated Statements of Financial Position

As at September 30,	Note	2015	2014
		$	$
Assets			
Current assets			
Cash		196,381	-
Accounts receivable		36,364	24,587
Prepaid expenses		10,857	-
		243,602	24,587
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		302,484	358,930
Loans and borrowings	8	13,000	13,000
		315,484	371,930
Shareholders' deficit			
Share capital	6	6,612,247	6,043,542
Share subscriptions receivable	6	(27,500)	-
Warrants	6	144,340	-
Contributed surplus		612,741	520,341
Deficit		(7,413,710)	(6,911,226)
Total equity attributable to the equity holders of the Company		(10,843)	(347,343)
Equity attributable to non-controlling interest	15	(61,039)	-
		(71,882)	(347,343)
		243,602	24,587

Going concern (note 2)

Approved on behalf of the Board:

Signed: *"John O'Bireck"* Signed: *"Alyn D. Patterson"*

John O'Bireck, Director Alyn D. Patterson CPA CA, CFO

See accompanying notes to the consolidated financial statements.

Sparta Capital Ltd.

Consolidated Statements of Comprehensive Loss

For the year ended September 30,	Note	**2015**	**2014**
		$	**$**
Sales		10,340	-
Cost of sales		5,507	-
Gross margin		4,833	-
Expenses			
Consulting fees		138,174	63,999
Stock based compensation	6	92,400	-
Professional fees		76,407	9,283
Travel, promotion and office		60,543	9,961
Salaries and benefits		55,842	-
Marketing fees		47,128	-
Licenses and fees		24,171	17,602
Insurance		7,595	6,434
Interest and bank charges		5,057	1,909
Product development		-	25,100
Amortization		-	3,930
		507,317	138,218
Net loss and comprehensive loss for the year		(502,484)	(138,218)
Net loss and comprehensive loss attributable to:			
Shareholders		(441,445)	-
Non-controlling interests	15	(61,039)	-
		(502,484)	(138,218)
Loss and comprehensive loss per share			
Basic and diluted	12	(0.004)	(0.002)

See accompanying notes to the consolidated financial statements.

Sparta Capital Ltd.

Consolidated Statements of Changes in Equity

	Number of common shares	Share capital $	Contributed surplus $	Warrants $	Share subscription receivable $	Deficit $	Total $	Non-controlling interest $	Total $
Balance, September 30, 2014	62,530,140	6,043,542	520,341	-	-	(6,911,226)	(347,343)	-	(347,343)
Issue on acquisition of Newport Environmental Technologies Ltd.	62,000,000	2,002	-	-	-	-	2,002	-	2,002
Private Placement	12,664,000	506,560	-	126,640	-	-	633,200	-	633,200
Private Placement	1,770,000	70,800	-	17,700	(27,500)	-	61,000	-	61,000
Share issue costs	-	(10,657)	-	-	-	-	(10,657)	-	(10,657)
Stock options issuance	-	-	92,400	-	-	-	92,400	-	92,400
Loss for year	-	-	-	-	-	(502,484)	(502,484)	(61,039)	(441,445)
Balance, September 30, 2015	138,964,140	6,612,247	612,741	144,340	(27,500)	(7,413,710)	(71,882)	(61,039)	(10,843)
Balance, September 30, 2013	62,530,140	6,043,542	513,487	6,854	-	(6,773,008)	(209,125)	-	(209,125)
Warrants expired	-	-	6,854	(6,854)	-	-	-	-	-
Loss for year	-	-	-	-	-	(138,218)	(138,218)	-	(138,218)
Balance, September 30, 2014	62,530,140	6,043,542	520,341	-	-	(6,911,226)	(347,343)		(347,343)

See accompanying notes to the consolidated financial statements.

Sparta Capital Inc.
Consolidated Statements of Cash Flows

As at September 30, 2015	Note	2015	2014
		$	$
Cash provided by (used in):			
Operations:			
Net loss and comprehensive loss from operations		(502,484)	(138,218)
Items not involving cash:			
Stock based compensation	6	92,400	-
Amortization		-	3,930
Change in non-cash working			
Accounts receivable		29,330	8,991
Prepaid expenses		(10,857)	30,100
Accounts payable and accrued liabilities		(57,290)	87,143
Cash flows used in operations		(448,901)	(8,054)
Financing:			
Proceeds from share issuance	6	694,200	-
Share issue costs	6	(10,657)	-
Cash acquired in purchase of Newport Environmental	5	309,239	-
Repayment of demand loans assumed in purchase of Newport Environmental	8	(347,500)	-
Cash flows from financing		645,282	-
Increase in cash		196,381	8,054
Cash, beginning of year		-	-
Cash, end of year		196,381	-

See accompanying notes to the consolidated financial statements.

1. Reporting Entity and Nature of Operations

Sparta Capital Ltd. (the "Corporation" or "Sparta") was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on February 24, 1988. The Corporation maintains its head office at 303, 6707 Elbow Drive SW Calgary, Alberta, T2V 0E5 and registered office at Suite 1600, Dome Tower, 333 - 7th Avenue S.W. Calgary, Alberta, T2P 2Z1. The Corporation is publicly listed on the NEX board of the TSX Venture Exchange under the symbol "SAY.H".

The Corporation seeks to leverage its expertise in product development, manufacturing, distribution, sales and service across a range of complementary products designed to achieve reduced emissions and increased operating efficiency of carbon fuel powered equipment.

During the year, the Corporation expanded its offering into four distinct environmentally centered market verticals; transportation, mining, construction and energy (through biomass conversion). This has been accomplished through the formation of majority controlled corporations and/or exclusive licensing agreements.

During the year, the Corporation announced the formation of a number of new divisions:

- Illumineris Inc. ("Illumineris") is focused on meeting an important niche in the construction industry. With that goal, Illumineris entered into a distribution agreement with Jessup Manufacturing of McHenry IL. Jessup Manufacturing manufactures products that illuminate important safety routes without the use of electricity through a specialized photoluminescent technology that reduces the consumption of carbon based electricity.

- ReECO Tech Conversion Technologies Ltd. is a biomass division with a focus on helping develop environmentally sustainable economies by converting biomass waste into consumables for markets such as waste-to-energy products.

- Sparta Technologies 4 Mining Ltd. is a mining division with a focus on the development of an emission free underground vehicle propulsion system. This mining division is looking to expand its offering to include a number of above ground vocational vehicle platforms.

- The Corporation signed a licensing agreement with SuperNova Performance Technologies Ltd. for sales of their unique TreeFrog Transport Optimization™ systems. The systems offer carbon-reducing technologies for the transportation sector.

2. Going concern

These financial statements have been prepared on a going concern basis which assumes that the Corporation will realize its assets and discharge its liabilities in the normal course of business.

The Corporation has incurred a net loss from operations of $502,484 and negative cash flow from operations of $448,901 for the year ended September 30, 2015. As at September 30, 2015, the Corporation has a shareholders' deficiency of $71,882.

In order to meet the Corporation's future working capital requirements it will be required to attract additional funds through the issue of debt or equity. The Corporation's management will continue to consider various alternatives to finance the Corporation's operations and activities within the context of existing market conditions. Additional capital requirements are dependent on uncertain future events, including but not limited to the results of the evaluation of other business growth opportunities, the level of growth in product sales and distribution.

There can be no assurance that capital will be available as necessary to meet these continuing development costs or, if the capital is available, that it will be on terms acceptable to the Corporation. The issuances of additional equity securities by the Corporation may result in significant dilution to the equity interests of its current shareholders. If the Corporation is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected.

These conditions raise significant doubt about the Corporation's ability to continue as a going concern without additional financing. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, and the balance sheet classifications used could be material.

3. Basis of Presentation

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

These financial statements are in compliance with IFRS and were authorized for issue by the Corporation's Board of Directors on January 28, 2016.

Consolidation

These consolidated financial statements incorporate the financial statements of the Corporation and its subsidiaries. Sparta Capital Ltd. is the ultimate parent company of the consolidated group. Subsidiaries are consolidated from the date on which the Corporation obtains control and continue to be consolidated until control ceases. Control is established when the Corporation has the power to govern the financial and operating policy decisions of the entity so as to obtain benefits from the entity's activities, and generally exists where more than 50% of the voting power of the entity is held by the Corporation. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All material intercompany transactions and balances are eliminated in full upon consolidation.

Where the ownership of a subsidiary is less than 100%, and a non-controlling interest exists, any losses of that subsidiary are attributed to the non-controlling interest even if it results in a deficit. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The subsidiaries of the Company and their principal activities as at September 30, 2015 were as follows:

	Ownership interest at September 30,		
Name of subsidiary	2015	2014	Principal activity
Newport Environmental Technologies Ltd.	100%	-	Inactive
Illumineris Inc.	51%	-	Product distribution
ReECO Tech Conversion Technologies Ltd.	100%	-	Product development and distribution
Sparta Technologies 4 Mining Ltd.	100%	-	Product development

Sparta owns 51% of Illumineris Inc., with the remaining shares held by an external trustee for future issuance to employees and consultants.

Basis of measurement

The financial statements have been prepared on the historical cost basis and are presented in Canadian dollars, which is the Corporation's functional currency.

Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

(i) Estimates

Estimates and underlying assumptions 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. Key areas with estimate uncertainties are as follows:

- Stock based compensation - estimates for forfeiture rates, volatility and expected life of options.

(ii) Judgments

Judgments in applying accounting policies are as follows:

- Going concern – the ability of the Corporation to continue as a going concern.

4. Significant Accounting Policies

a) Cash

The Company considers all investments with maturities of three months or less and demand bank loans that are utilized periodically for day to day operations to be cash equivalents.

b) Foreign Currency Translation

Monetary assets and liabilities are translated into Canadian dollars at the rate of exchange prevailing at the balance sheet date, if any. All other assets and liabilities are translated at the exchange rates applicable at the time of the relevant transaction. Revenues and expenses are translated at the average exchange rate during the year.

c) Inventory

Inventory is recorded at the lower of cost and net realizable value on a specific item basis and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing the items to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Previous write-downs to net realizable value are reversed to the extent there is a subsequent increase in the net realizable value of the inventories.

The inventory is recorded in profit and loss when the product is completed and the substantial risks and rewards of ownership have been transferred to the customer.

Non-refundable deposits received in excess of installation costs incurred for inventory units installed on a trial basis are recorded as a reduction of inventory carrying values.

d) Equipment

Property, plant and equipment are stated at cost. Amortization is provided using the declining balance method at the following annual rates:

Computer Hardware	30%
Equipment	20%

One half of the normal amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal.

e) Revenue Recognition

Revenue is recognized at the time persuasive evidence of an agreement exists, price is fixed and determinable, product is delivered to the external customer and collectability is reasonably assured.

f) Income Taxes

Income taxes are calculated using the liability method of tax allocation accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying value on the balance sheet are used to calculate deferred income tax liabilities or assets. Deferred income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

g) Stock Based Compensation

The compensation expense related to incentive options issued to employees is recognized using the grant date fair value over the vesting period of the stock options whereas consultant's warrants and options issued to non-employees are recognized at the current fair value as earned under the terms of the agreement. The fair value of stock options is determined using the Black-Scholes option pricing model.

h) Private placement units

When the Corporation issues private placement units, the value attributed to the warrants is measured using the residual method. This method allocates value first to the more easily measureable component based on fair value and the residual to the less easily measureable component, if any. The Company considers the fair value of its shares to be the more easily measureable component and is valued with reference to the market price. The residual value is attributed to the warrants, if any is recorded as a separate component of equity.

i) Earnings (Loss) Per Share

Earnings (Loss) per share is computed by dividing the net loss for the year by the weighted average of shares outstanding during the reporting year. Diluted earnings/loss per share is calculated using the treasury stock method to determine the dilutive effect from the exercise of stock options and share purchase warrants. This assumes that any proceeds received from in-the-money options and share purchase warrants would be used to buy back common shares at the average market price for the period.

j) Financial instruments

All financial assets and liabilities are accounted for using one of five available accounting categories, being held-to-maturity, available-for-sale, held-for-trading, loans and receivables and other liabilities. All financial instruments classified as available-for-sale, held-for-trading, and derivative financial instruments meeting certain recognition criteria, are carried at fair value except available for sale investments in equity instruments for which there is no quoted market value which are recorded at cost. Changes in the fair value of financial instruments designated as held-for-trading and recognized derivative financial instruments are charged or credited to the statement of operations for the current period, while changes in the fair value of financial instruments designated as available-for-sale are charged or credited to other comprehensive income and charged or credited to the statement of operations when the instrument is sold. Financial assets and liabilities designated as held-to-maturity, loans and receivables and liabilities are initially recognized at their fair values, with any resulting premium or discount from the fair value being amortized to income or expense using the effective interest method.

Financial assets and liabilities are recognized when the Corporation becomes a party to the provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss recognized in other comprehensive income is recognized in profit or loss. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or upon expiration. On derecognition of a financial liability, the difference between the carrying amount of the liability extinguished or transferred to another party and the amount paid is included in profit or loss.

The following hierarchy is used to determine and disclose fair value of financial instruments:

Level 1: quoted prices in active markets for the same instruments (i.e. without modification or repackaging);

Level 2: inputs are other than quoted prices in active markets for the similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which no significant input is based on observable market data.

k) Impairment - Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the fair value or estimated future cash flows of an asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the statement of comprehensive loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in the statement of comprehensive loss.

l) Application of new and revised International Financial Reporting Standards

At the date of authorization of these financial statements, the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") has issued the following new and revised standards, amendments and interpretations which are not yet effective during the year ended September 30, 2015.

IFRS 7 (Amendment) 'Financial Instruments: Disclosures' is effective for periods beginning on or after January 1, 2015 and provides more extensive quantitative disclosures for financial instruments which are offset in the statement of financial position.

IFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition. IFRS 9 is expected to be published in three parts. The first part, Phase 1 – classification and measurement of financial instruments sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. Phase 1 simplifies the measurement of financial assets by classifying all financial assets as those being recorded at amortized cost or being recorded at fair value. The effective date is for periods beginning on or after January 1, 2018, earlier adoption is allowed. Except for certain additional disclosures, the adoption of this standard is not expected to have an impact on the Company's financial statements.

In May 2014, the IASB published IFRS 15, "Revenue from Contracts with Customers" ("IFRS 15"), replacing IAS 11, "Construction Contracts" and IAS 18, "Revenue" and several revenue-related interpretations. IFRS 15 establishes a single revenue recognition framework that applies to contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to the purchaser. Disclosure requirements have also been expanded. The new standard is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The standard may be applied retrospectively or using a modified retrospective approach. The Corporation is currently evaluating the impact of adopting IFRS 15 on the financial statements.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

5. Acquisition of Newport Environmental Technologies Ltd.

On November 25, 2014 Sparta Capital Ltd. announced the completion of the acquisition of all the issued and outstanding shares of Newport Environmental Technologies Ltd. ("Newport") for common shares of Sparta on a one-for-one basis, resulting in Newport becoming a wholly-owned subsidiary of Sparta. The transaction was completed pursuant to the terms of the Share Purchase Agreement among Sparta and the shareholders of Newport. Sparta issued 62,000,000 common shares to the shareholders of Newport.

The transaction was recognized as capital transaction for accounting purposes.

The following summarized the amount of assets and liabilities acquired at the acquisition date, the sum of which has been recorded to share capital.

Assets acquired and liabilities assumed:

Cash	$309,239
Accounts receivable	41,107
Accounts Payable	(844)
Loan Payable	(347,500)
Net assets attributable to owners of the company	**$2,002**

6. Share Capital

Authorized

The authorized share capital of the Corporation consists of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares, issuable in series. The rights, privileges, restrictions and conditions attached to the preferred shares are to be determined by the Directors of the Corporation at time of issuance. There are no preferred shares issued or outstanding as at September 30, 2015.

Issued

On March 6, 2015 the Corporation completed the first tranche of an 18,800,000 unit offering by issuing 12,664,000 units at $0.05 per unit for gross proceeds of $633,200. Each unit is comprised of one common share and one share purchase warrant of the Corporation. Each warrant entitles the holder to acquire an additional common share at a price of $0.05 per common share for up to twelve months from the date of issuance. If the volume weighted average trading price of the common shares is greater than $0.14 for 20 consecutive business days prior the warrant expiry date, the warrant expiry date may be accelerated, in the Corporation's sole discretion, to 30 business days from the date acceleration event.

On May 6, 2015 the Corporation completed the second tranche of an 18,800,000 unit offering by issuing 1,770,000 units at $0.05 per unit for gross proceeds of $88,500. Each unit is comprised of one common share and one share purchase warrant of the Corporation. Each warrant entitles the holder to acquire an additional common share at a price of $0.05 per common share for up to twelve months from the date of issuance. If the volume weighted average trading price of the common shares is greater than $0.14 for 20 consecutive business days prior the warrant expiry date, the warrant expiry date may be accelerated, in the Corporation's sole discretion, to 30 business days from the date acceleration event. As of September 30, 2015 the share subscription receivable was $27,500.

Options

A summary of the Corporation's outstanding stock options as at September 30, 2015 and 2014, and the changes for the years then ended, is as follows:

	Number of options	Weighted average exercise price
		$
Balance, September 30, 2013	**4,100,000**	**0.13**
Granted	-	-
Forfeited or expired	(875,000)	(0.12)
Balance, September 30, 2014	**3,225,000**	**0.12**
Granted	2,800,000	0.05
Expired	(650,000)	(0.18)
Balance, September 30, 2015	**5,375,000**	**0.08**

On March 23, 2015, the Corporation granted stock options to officers and directors of the Corporation for the purchase of 2,800,000 common shares at an exercise price of $0.05 per common share with an expiry date five years from the date of grant. The options vested immediately.

The stock-based compensation expense of $92,400 was calculated based on the fair value of the stock options on the date of grant using the Black-Scholes option pricing model. The assumptions applied by the Corporation in this calculation for the fair value of the options at the date of grant were: a) dividend yield 0%, b) volatility 186.19%, c) risk-free rate 0.72%, d) forfeiture rate of 0%, e) expected life of 5 years.

As at September 30, 2015 and 2014, the Corporation had the following options outstanding:

2015

Exercise Price	Options Outstanding	Options Vested	Weighted Average Remaining Contractual Life (Years)
$0.05	2,800,000	2,800,000	4.48
$0.10	2,575,000	2,575,000	2.14
	5,375,000	**5,375,000**	**3.36**

2014

Exercise Price	Options Outstanding	Options Vested	Weighted Average Remaining Contractual Life (Years)
$0.10	2,725,000	2,725,000	2.86
$0.20 - $0.25	500,000	-	.41
	3,225,000	**2,725,000**	**2.59**

Warrants

A summary of the Corporation's share purchase warrants and the changes for the years then ended, is as follows:

	Number of Warrants	Amount $
Balance, September 30, 2013	**23,181,120**	**6,854**
Expired	(387,500)	(6,854)
Balance, September 30, 2014	**22,793,620**	**-**
Granted	14,434,000	144,340
Expired	(22,793,620)	-
Balance, September 30, 2015	**14,434,000**	**144,340**

7. Related Party Transactions and Balances

For the year ended September 30, 2015, the Corporation incurred consulting fees of $39,500 (2014-$18,000) with companies controlled by the President. Included in accounts payable and accrued liabilities is $nil (2014-$20,475).

For the year ended September 30, 2015, the Corporation incurred consulting fees of $47,500 (2014-$18,000) with companies controlled by a Director of the Company. Included in accounts payable and accrued liabilities is $nil (2014-$32,067).

Key management compensation

Key management includes the Corporation's Directors, the CEO, CFO and President.

As at September 30,	**2015**	**2014**
Consulting fees	87,000	56,000
Stock based compensation	57,750	-
	144,750	**56,000**

8. Loans and Borrowings

	Amount ($)
Balance, September 30, 2013 and 2014	13,000
Loans assumed in the purchase of Newport	347,500
Proceeds from loans	27,500
Repayment of loans	(375,000)
Balance, September 30, 2015	**13,000**

The outstanding loan bears interest at 12% per annum with monthly interest payments, is unsecured and payable on demand.

9. Financial Instruments

The carrying values of the financial assets and liabilities included in the statement of financial position are as follows:

As at September 30,	2015	2014
Financial Assets	$	$
Held for trading financial assets:		
Cash	196,381	-
Accounts receivable	36,364	24,587
Financial Liabilities		
Other financial liabilities :		
Accounts payable and accrued liabilities	302,484	358,930
Loans and borrowings	13,000	13,000

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to the relatively short period to maturity of the instruments. The carrying amount of loans and borrowings approximate fair value as the interest rates are consistent with the current market rates.

10. Capital Management

The Corporation’s objectives when managing capital is to safeguard its ability to continue as a going concern by providing adequate working capital and maintaining cash on hand. The Corporation defines capital as the Corporation’s shareholders’ equity and loans and borrowings. At September 30, 2015 shareholders’ equity was at a deficit of $71,882 (2014 – $347,343 deficit) and loans and borrowings were at $13,000 (2014 - $13,000). The Corporation manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Corporation may purchase shares for cancellation pursuant to normal course issuer bids, issue new shares or obtain debt financing. The Corporation is not currently subject to any externally imposed capital requirements.

Management anticipates that, based on the amount required to fund expenses associated with the execution of the Corporation’s current business plan, taking into account the present working capital deficiency and the Corporation’s projected level of future income, the Corporation is expected to require an injection of capital through debt or equity financing to meet its normal operating requirements for the next 12 months. Additional capital requirements are dependent on the extent of future revenues and expenses related to product development, manufacturing, sales and promotion and in consideration of results of the evaluation of other business growth opportunities and associated capital requirements. Additional liquid capital may be sourced from the issuance of share capital, debt financing or from potential government funding in support of development of export markets.

11. Financial Risk Management

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized as follows:

Credit Risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's trade receivables.

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities. The Corporation's objective in managing liquidity risk is to maintain sufficient liquidity to meet liabilities when due by holding sufficient cash and cash equivalents to settle current liabilities and meet its anticipated 2015 working capital requirements. The Corporation had a cash balance at September 30, 2015 of $196,381 (2014 – $Nil) and a working capital deficit balance of $71,882 (2014 – $347,343).

In order to meet the Corporation's anticipated working capital requirements it will be required to attract additional funds through the issue of debt, equity or other business means to further the development of the Corporation's products and to provide sufficient working capital. The Corporation monitors its working capital position and makes changes or reductions in expenditures to help sustain sufficient liquidity to meet liabilities on a timely basis.

Market Risk

a) Interest rate risk

The Corporation has fixed interest-bearing debt and therefore is not exposed to interest rate risk.

b) Foreign currency risk

The Corporation is currently not exposed to significant foreign currency risk since all of its assets and liabilities are denominated in Canadian dollars; however certain nonrecurring operating expenses are denominated in foreign currencies. The Corporation has maintained sufficient resources to make payment denominated in foreign currencies in a timely manner thereby limiting the exposure.

12. Loss Per Share

Basic and diluted loss per share have been calculated based on the net loss divided by the weighted average number of common shares outstanding for the year ended September 30, 2015 and 2014. The weighted average number of common shares basic and diluted is as follows:

As at September 30,	2015	2014
Weighted average common shares	123,156,814	62,530,140
Effect of stock options and warrants	-	-
Balance, year end	123,156,814	62,530,140

For the year ended September 30, 2015 the weighted average outstanding calculation excludes 5,375,000 options (2014 – 3,225,000) and 14,434,000 warrants (2014 – 22,793,620) that are anti-dilutive.

13. Income Taxes

Income tax expense varies from the amounts that would be computed by applying the basic federal and provincial income tax rates, aggregating 27.0% (2014 – 25.0%), to the loss before income taxes, as shown in the following table:

As at September 30,	2015	2014
	$	$
Net loss and comprehensive loss for the year before income taxes per financial statements	(502,484)	(138,218)
Application of basic tax rates on loss	(135,671)	(34,555)
Increase (decrease) in taxes resulting from:		
Share issuance costs	(2,877)	-
Non-deductible stock based compensation	24,948	-
Unrecognized deferred tax asset	113,600	33,572
Other items	-	(983)
	-	-

The deferred income tax asset is comprised of the following:

As at September 30,	2015	2014
	$	$
Non-capital losses carried forward	1,225,773	1,046,857
Capital losses carried forward	458,765	404,411
Tax basis in excess of costs for:		
Long term investment	13,571	11,149
Share issue costs	4,271	3,635
	1,702,380	1,466,052
Total unrecognized deferred tax asset	(1,702,380)	(1,466,052)
	-	-

At September 30, 2015, the Corporation has $1,810,796 (2014 - $1,810,796) of allowable capital losses available to reduce future taxable capital gains. These capital losses do not expire. The Corporation has non-capital losses carried forward for income tax purposes in the amount of $4,539,899 (2014 - $4,028,040). These non-capital losses expire as follows:

2015	266,374
2026	272,723
2027	407,073
2028	289,673
2029	308,312
2030	440,447
2031	591,058
2032	720,311
2033	590,537
2034	141,532
2035	511,859
	$ 4,539,899

Due to the uncertainty of future taxable income, the potential income tax benefit of these losses has not been recorded in these financial statements.

14. Commitments

On March 26, 2015 the Corporation entered into an exclusive ten year agent and licensing agreement with SuperNova Performance Technologies Ltd. (“SuperNova”) for their TreeFrog Transport Optimization™ systems. The exclusive agreement is such that SuperNova retains all of the intellectual property rights in connection with the product and will share the gross revenues on a pay for performance shared savings model with Sparta. The Corporation agreed to pay a $1,000,000 licensing fee to Supernova out of future sales.

On June 1, 2015 Illumineris entered into distribution agreement with Jessup Manufacturing of McHenry IL. to become a distributor of Jessup Manufacturing products. The sales territory is Canada and the initial term of the agreement is two years which automatically renews for successive one year periods. Under the terms of the agreement, Illumineris is limited to distributing Jessup products and will refrain from offering any competing products. In connection with the distribution agreement, Illumineris signed a General Security Agreement which gives Jessup Manufacturing a charge over any and all assets of Illumineris.

15. Interests in subsidiaries

A reconciliation of the Corporation and its material subsidiary, Illumineris Inc., as at September 30, 2015 is as follows:

	Illumineris Inc.	Sparta Capital Ltd.	Total
	$	$	$
Current assets	15,623	227,979	243,602
Non-current assets	-	-	-
Current liabilities	(14,475)	(301,009)	(315,484)
Inter-company balances	(124,718)	124,718	-
Net assets (liabilities)	(123,570)	51,668	(71,882)
Sales, less cost of sales	4,833	-	4,833
Expenses	129,403	377,914	507,317
Net loss and comprehensive loss	(124,570)	(377,914)	(502,484)
Net loss and comprehensive loss attributable to shareholders	63,531	377,914	441,445
Net loss and comprehensive loss attributable to non-controlling interest	61,039	-	61,039

All inter-company balances have been fully eliminated upon consolidation.