SPARTA CAPITAL LTD.

Calgary, Alberta

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

December, 2014 and 2013

NOTICE: The accompanying unaudited interim condensed consolidated financial statements and notes thereto for the three months ended December 31, 2014 and 2013 have been prepared by management. These financial statements have not been reviewed by the Corporation's external auditors.

Sparta Capital Inc.
Condensed Consolidated Interim Statements of Financial Position

As at,	**December 31, 2014 $**	**September 30, 2014 $**
Assets		
Current assets		
Cash	314,635	-
Accounts receivable	40,515	24,587
	355,150	24,587
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	348,284	358,930
Loans and borrowings	388,000	13,000
	736,284	371,930
Shareholders' deficit		
Share capital (note 10)	6,045,544	6,043,542
Warrants	-	-
Contributed surplus	520,341	520,341
Deficit	(6,947,019)	(6,911,226)
	(381,134)	(347,343)
	355,150	24,587

Going concern (note 1)

Approved on behalf of the Board:

Signed: *"Tom Brown"*
Tom Brown, Director

Signed: *"Martin Marshall"*
Martin Marshall, Director

See accompanying notes to the consolidated financial statements.

Sparta Capital Inc.

Condensed Consolidated Interim Statements of Comprehensive Loss

For the three month period ending,	December 31, 2014 $	December 31, 2013 $
Expenses		
Professional fees	17,890	5,000
Consulting fees (note 9)	9,000	19,000
Licenses and fees	4,982	2,277
Office and supplies	2,170	1,200
Interest on loans and borrowings	1,751	466
Amortization	-	168
Product development	-	12,500
Insurance	-	5,602
	35,793	46,213
Net and comprehensive loss for the period	(35,793)	(46,213)
Basic and diluted net loss per share	(0.000)	(0.001)

See accompanying notes to the consolidated financial statements.

Sparta Capital Inc.

Condensed Consolidated Interim Statements of Changes in Equity

	Number of common shares	Share capital $	Contributed surplus $	Warrants $	Total capital $	Deficit $	Total $
Balance, October 1, 2014	62,530,140	6,043,542	520,341	-	6,563,883	(6,911,226)	(347,343)
Issue on acquisition of Newport Environmental Technologies Ltd.	62,000,000	2,002	-	-	2,002	-	2,002
Loss for period	-	-	-	-	-	(35,793)	(35,793)
Balance, December 31, 2014	124,530,140	6,045,544	520,341	-	6,565,885	(6,947,019)	(381,134)
Balance, October 1, 2013	62,530,140	6,043,542	513,487	6,854	6,563,883	(6,773,008)	(209,125)
Warrants expired (note 4)	-	-	6,854	(6,854)	-	-	-
Loss for period	-	-	-	-		(46,213)	(46,213)
Balance, December 31, 2013	62,530,140	6,043,542	520,341	-	6,563,883	(6,819,221)	(255,338)

See accompanying notes to the consolidated financial statements.

Sparta Capital Inc.
Statement of Cash Flows

For the three month period ending,	December 31, 2014 $	December 31, 2013 $
Operating activities		
Loss	(35,793)	(46,213)
Items not affecting cash		
Amortization	-	168
Change in non-cash working capital items		
Accounts receivable	(688)	(1,169)
Prepaid expenses	-	12,500
Accounts payable and accrued liabilities	14,377	23,798
	(22,104)	(10,916)
Investing activities		
Cash acquired in purchase of Newport Environmental Technologies Ltd. (note 3)	309,239	-
	309,239	-
Financing activities		
Proceeds from demand loans	27,500	-
	27,500	-
Change in cash	314,635	(10,916)
Cash (bank indebtedness), beginning of period	-	8,054
Cash (bank indebtedness), end of period	314,635	(2,862)

See accompanying notes to the consolidated financial statements.

1. Reporting Entity, Nature of Operations and Going Concern

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-traded listed on the NEX board of the TSX Venture Exchange under the symbol "SAY.H".

Sparta seeks to leverage its expertise in product development, manufacturing, distribution, sales and service across a growing range of complementary products designed to achieve reduced emissions and increased operating efficiency of on-road and off-road diesel powered equipment. In that regard, the Corporation continues to identify and evaluate further business growth opportunities.

The Corporation holds the exclusive world-wide manufacturing and distribution license to an automated fuel additive injection system subject to certain sales performance criteria. The product under license is currently marketed under the brand name AddecoTech SS10L.

Going concern

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") accounting principles applicable to a going concern which assumes that the Corporation will realize its assets and discharge its liabilities in the normal course of business.

At December 31, 2014 the Corporation had a working capital deficiency of $381,134. In order to meet the Corporation's anticipated working capital requirements it will be required to attract additional funds through the issue of debt or equity to further the development of the Corporation's products and to provide sufficient working capital. 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. Management plans to seek additional financing, through equity, debt, or by other business means to further the development of the Corporation's products and to provide sufficient working capital. The Corporation anticipates raising additional equity in 2015.

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, thus giving rise to doubt about the Corporation's ability to continue as a going concern.

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. 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 which could be material.

2. Basis of Presentation

Statement of compliance
These condensed consolidated interim financial statements have been prepared by management in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements. These interim financial statements do not include all the note disclosures required for annual financial statements and therefore they should be read in conjunction with the Corporation's audited financial statements for the year ended September 30, 2014. These condensed consolidated interim financial statements should be read in conjunction with the annual financial statements of the Corporation for the year ended September 30, 2014 as filed by the Corporation on www.sedar.com.

These condensed consolidated interim financial statements follow the same accounting policies and methods of application those applied in the Corporation's annual financial statements for the year ended September 30, 2014.

These condensed consolidated interim financial statements were authorized for issuance by the Corporation's Board of Directors on February 28, 2015.

Basis of measurement
These condensed consolidated interim financial statements have been prepared on the historical cost basis and are presented in Canadian dollars, which is the Corporation's functional and reporting currency.

3. 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**

4. 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 December 31, 2014.

Options

A summary of the Corporation's outstanding stock options as at December 31, 2014 and December 31, 2013, and the changes for the periods then ended, is as follows:

	Number of options	Weighted average exercise price
Balance, October 1, 2013	**4,100,000**	**0.13**
Granted	-	-
Forfeited or expired	-	-
Balance, December 31, 2013	**4,100,000**	**0.13**
Granted	-	-
Forfeited or expired	(875,000)	(0.12)
Balance, September 30, 2014	**3,225,000**	**0.12**
Granted	**-**	**-**
Forfeited or expired	(400,000)	**(0.16)**
Balance, December 31, 2014	**2,825,000**	**0.11**

Warrants

A summary of the Corporation's share purchase warrants as at December 31, 2014 and December 31, 2013, and the changes for the periods then ended, is as follows:

	Number of Warrants	Amount
Balance, October 1, 2013	**23,181,120**	**6,854**
Expired	(387,500)	(6,854)
Balance, December 31, 2013	**22,793,620**	**-**
Granted (expired)	-	(6,854)
Balance, September 30, 2014	**22,793,620**	**-**
Granted (expired)	-	-
Balance, December 31, 2014	**22,793,620**	**-**

5. Related Party Transactions and Balances

For the three months ended December 31, 2014, the Corporation incurred consulting fees of $4,500 (2013-$4,500) with companies controlled by the Chief Executive Officer. Included in accounts payable and accrued liabilities is $218,626 (2013-$181,164).

6. Loans and Borrowings

	Amount ($)
Balance, October 1, 2013	**13,000**
Proceeds of loans	-
Balance, September 30, 2014	**13,000**
Loans assumed in the purchase of Newport	347,500
Proceeds from loans	27,500
Balance, December 31, 2014	**388,000**

One loan bears interest at 12% per annum with monthly interest payments. Other loans are secured by a general security agreement against the assets of the Corporation. Other loans are at Prime + 1% with interest only payments for a term of 24 months and are unsecured.

7. Financial Instruments

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

	December 31, 2014	September 30, 2014
Financial Assets	$	$
Held for trading financial assets:		
Cash	314,635	-
Accounts receivable	40,515	24,587
Financial Liabilities		
Other financial liabilities :		
Accounts payable and accrued liabilities	348,284	358,930
Loans and borrowings	388,000	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. Cash is classified as level 1, whereby fair value measurement is derived from quoted prices in active markets. The carrying value of the loans and borrowings approximates 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.

8. Capital Management

The Corporation's objectives when managing capital is to safeguard its ability to continue as a going concern provide adequate working capital and maintain cash on hand. The Corporation defines capital as the Corporation's shareholders' equity and loans and borrowings. At December 31, 2014 shareholders' equity was at a deficit of $381,134 (September 30, 2014 – $347,343 deficit) and loans and borrowings were at $388,000 (September 30, 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.

9. 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 December 31, 2014 of $314,635 (September 30, 2013 – $Nil).

At December 31, 2014 the Corporation had a working capital deficit balance of $381,134 (September 30, 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.

10. 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 three months ended December 31, 2014 and 2013. The weighted average number of common shares basic and diluted is as follows.

	December 31, 2014	December31, 2013
Weighted average common shares	83,196,681	62,530,140
Effect of stock options and warrants	-	-
Balance, year end	83,196,681	62,530,140

For the three months ended December 31 the weighted average outstanding calculation excludes 2,825,000 options and 22,793,620 warrants for December 31, 2014 and 4,100,000 options and 22,793,620 warrants for December 31, 2013 that are anti-dilutive.