SPARTA CAPITAL LTD.

Calgary, Alberta

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2016

NOTICE: The accompanying unaudited interim condensed consolidated financial statements and notes thereto for the three and six months ended June 30, 2016 and 2015 have been prepared by management. These financial statements have not been reviewed by the Corporation's external auditors.

Sparta Capital Ltd.

Condensed Consolidated Interim Statements of Financial Position

As at,	June 30, 2016 $	September 30, 2015 $
Assets		
Current assets		
Cash	763,753	196,381
Accounts receivable	433,421	36,364
Inventories	616	-
Prepaid expenses and deposits	384,314	10,857
	1,236,116	243,602
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,026,507	302,484
Income tax payable	12,500	-
Loans and borrowings	13,000	13,000
	1,052,007	315,484
Shareholders' equity (deficiency)		
Share capital (note 4)	7,041,087	6,612,247
Share subscription receivable	-	(27,500)
Warrants	-	144,340
Contributed surplus	612,741	612,741
Deficit	(7,469,719)	(7,413,710)
Total equity attributed to equity holders of the Company	306,493	(10,843)
Equity attributed to non-controlling interest	(122,384)	(61,039)
	1,236,116	243,602

Going concern (note 1)

Approved on behalf of the Board:

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

Alyn Patterson, CFO John O'Bireck, Director

See accompanying notes to the consolidated financial statements.

Sparta Capital Ltd.

Condensed Consolidated Interim Statements of Comprehensive Loss

	Three months ended June 30, 2016	Three months ended June 30, 2015	Nine months ended June 30, 2016	Nine months ended June 30, 2015
Sales				
Sales	$ 2,895,846	$ -	$ 2,979,854	$ -
Cost of sales	1,603,128	-	1,640,316	-
Gross margin	1,292,718	-	1,339,138	-
Expenses				
Consulting fees	9,361	-	323,361	109,250
Insurance	5,543	3,748	14,418	3,748
Interest and bank charges	954	1,230	2,866	6,350
Licenses and fees	8,046	8,202	22,365	19,435
Office and supplies	11,991	1,080	13,294	3,648
Professional fees	61,828	27,946	71,428	68,429
Advertising and promotion	11,568	17,703	38,737	17,703
Stock based compensation	-	-	-	92,400
Marketing	121,075	-	175,506	-
Salaries and benefits	251,459	25,776	298,798	25,776
Travel	11,164	7,189	11,641	13,915
Equipment rental	168,662	-	168,662	-
Occupancy	92,838	-	92,838	-
Repairs and maintenance	94,056	-	94,056	-
Automotive	24,374	-	24,374	-
Supplies and services	30,303	-	30,303	-
	903,222	(164,124)	1,480,147	(360,654)
Income (loss) and comprehensive loss for the period before income taxes	389,496	-	(141,009)	-
Provision for income taxes	12,500	-	12,500	-
Net income (loss) and comprehensive loss for the period	376,996	(164,124)	(153,509)	(360,654)
Income (loss) and comprehensive income (loss) per share (note 4)				
Basic and diluted	$ 0.002	$ (0.001)	$ (0.001)	$ (0.003)

See accompanying notes to the consolidated financial statements.

Sparta Capital Ltd.

Condensed Consolidated Interim Statements of Changes in Equity

	Number of common shares	Share capital $	Contributed surplus $	Warrants $	Share subscription receivable $	Deficit $	Total $	Non-controlling interest $	Total $
Balance, October 1, 2015	138,964,140	6,612,247	612,741	144,340	(27,500)	(7,413,710)	(71,882)	(61,039)	(10,843)
Subscriptions received	-	-	-	-	27,500	-	27,500	-	27,500
Warrants exercised	5,690,000	341,400	-	(56,900)	-	-	284,500	-	284,500
Warrants expired (note 4)	-	69,740	-	(69,740)	-	-	-	-	-
Loss for period	-	-	-	-	-	(433,005)	(433,005)	(34,002)	(399,003)
Balance, March 31, 2016	144,654,140	7,023,387	612,741	17,700	-	(7,846,715)	(192,887)	(95,041)	(97,846)
Warrants exercised	-	-	-	-	-	-	-	-	-
Warrants expired (note 4)	-	17,700	-	(17,700)	-	-	-	-	-
Subscriptions received	-	-	-	-	-	-	-	-	-
Loss for period	-	-	-	-	-	(376,996)	(376,996)	(27,343)	(404,339)
Balance, June 30, 2016	144,654,140	7,041,087	612,741	-	-	(7,469,719)	(184,109)	(122,384)	(306,493)
Balance, October 1, 2014	62,530,140	6,043,542	520,341	-	6,563,883	-	(6,911,226)	(347,343)	62,530,140
Issue on acquisition of Newport Environmental Technologies Ltd.	62,000,000	2,002	-	-	2,002	-	-	2,002	62,000,000
First Tranche Private Placement	12,664,000	506,560	-	126,640	633,200	(210,000)	-	423,200	12,664,000
Share issue costs	-	(10,656)	-	-	(10,656)	-	-	(10,656)	-
Stock option issuance	-	-	92,400	-	92,400	-	-	92,400	-
Loss for period	-	-	-	-	-	-	(196,530)	(196,530)	-
Balance, March 31, 2015	137,194,140	6,541,448	612,741	126,640	7,280,829	(210,000)	(7,107,756)	(36,927)	137,194,140
First Tranche Private Placement								-	
Subscriptions received	-	-	-	-	-	210,000	-	-	-
Second Tranche Private Placement	1,770,000	70,800	-	17,700	88,500	(27,500)	-	61,000	1,770,000
Loss for period	-	-	-	-	-	-	(164,124)	(164,124)	-
Balance, June 30, 2015	138,964,140	6,612,248	612,741	144,340	7,369,329	(27,500)	(7,271,880)	69,949	138,964,140

See accompanying notes to the consolidated financial statements.

Sparta Capital Ltd.

Statement of Cash Flows

	Three months ended June 30, 2016	Three months ended June 30, 2015	Nine months ended June 30, 2016	Nine months ended June 30, 2015
Cash provided by (used in):				
Operations:				
Net income (loss) from operations	$ 376,996	$ (164,124)	$ (56,009)	$ (360,654)
Items not involving cash:				
Stock based compensation		-		92,400
Depreciation		-		-
	376,996	(164,124)	(56,009)	(268,254)
Change in non-cash working capital	219,997	(245,172)	311,381	(286,550)
Cash flows provided by operations	596,993	(409,296)	255,372	(554,804)
Investing:				
Cash acquired in purchase of Newport Environmental		-	-	-
Cash flows from investing	-	-	-	-
Financing:				
Repayment of long term debt	-	(375,000)	-	-
Proceeds from share issuance/warrants	-	88,500	312,000	723,702
Share issuance costs	-	-	-	(10,656)
Share issuance receivable	-	182,500	-	(27,500)
Cash flows from financing	-	(104,000)	312,000	685,546
Increase (decrease) in cash	596,993	(513,296)	567,372	130,742
Cash, beginning of period	166,760	644,038	196,381	-
Cash, end of period	763,753	$ 130,742	763,753	$ 130,742

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 continues 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.

On October 28th, 2014 Sparta announced that they had entered into a share purchase agreement with the shareholders of Newport and on November 25th, 2014 Sparta completed the agreement. Newport includes an extensive team of professionals with strong marketing, sales, legal, financial, engineering and business development skills. Together they bring a host of potential supply agreements in such market verticals as transportation, mining, commercial, industrial, residential and power generation. Combining Newport's skill sets and experience with Sparta's longstanding reputation and corporate structure is expected to culminate in rapid expansion of the Sparta offering and powerful brand awareness.

In February 2015 the Corporation announced the formation of a mining division called, Sparta Technologies 4 Mining Ltd. With emphasis being placed on the development of an emission free underground vehicle propulsion system, this mining division has the potential to transform mining operations. The new equipment will offer underground mine operators safer work conditions while optimizing performance and efficiency.

One month later, the Corporation signed a licensing agreement with SuperNova Performance Technologies Ltd. for their unique TreeFrog Transport Optimization™ systems. The systems offer carbon-reducing technologies for the transportation sector, at the same time emissions are rising. Greenhouse Gas emissions from transportation have increased by about 16% since 1990. This is largely due to increased demand for travel and limited gains in fuel efficiency.

After signing a licensing agreement with SuperNova, Sparta took the time to study a number of other companies and products. Their efforts culminated in the formation of Illumineris Inc., a Canadian controlled corporation with majority interest held by the Corporation. This Toronto based company, established in June, is now focused on meeting a couple of important niches in the construction industry. Illumineris offers a comprehensive suite of energy optimization technologies ranging from wireless smart metering to VPN-controlled LED's, propelling the global movement towards "smart buildings" and thus a lower carbon footprint. An important facet of the Illumineris energy management profile is safety and to that end, the company has been distributing Jessup Manufacturing (McHenry, Illinois) Glo Brite® photoluminescent safety products, including exit signs and egress pathway marking systems. The Jessup PL products can be found across North America, including in the Ottawa Airport, Brampton RBC, and Toronto Union Station to name just a few places. Advancements made in Canada and the United States by Jessup and Illumineris have resulted in the approval of the Glo Brite® "Pictogram", "Exit" and "Sortie" signs in all North American Building and Fire Codes. As of 2010, the National Building and Fire Codes of Canada have made the ISO-Pictogram sign mandatory for all new buildings, as well as retrofits requiring building.

The same month (June), the Corporation announced the formation of an exciting new biomass division called ReECO Tech Conversion Technologies Ltd. With an aim to helping develop environmentally sustainable economies by converting what was once old into consumables that are now of value, Sparta is entering this arena at a time when biomass is expecting tremendous growth. Biomass (plant and animal waste) is one of the oldest sources of renewable energy, used by our ancestors who first learned the secret of fire. Re-ECO Tech is able to convert the waste into consumables for such markets as waste-to-energy, fertilizer and pellet production, to name a few. As the capture of feedstock is very scalable, ReECO Tech will soon be in a position to capture a significant portion of the rapidly expanding biomass market, while fulfilling its commitment to assist children through the reduction in carbon emissions.

With this expanded team, Sparta will continue to seek further opportunities to leverage its sales and marketing channels to distribute complementary products. As well, the Company intends, on an ongoing basis, to assess product performance and market acceptance of other technologies suitable to the Corporation's established distribution network and executive team. Announcements about new Sparta products will be made following the Corporation's comprehensive due diligence processes.

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 June 30, 2016 the Corporation had working capital of $184,109. In order to meet the Corporation's future working capital requirements it may 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.

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 interim condensed consolidated 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 condensed consolidated 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, 2015.

These interim condensed consolidated 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, 2015 as filed by the Corporation on www.sedar.com

These interim condensed consolidated financial statements were authorized for issuance by the Corporation's Board of Directors August 29, 2016.

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. Basis of Presentation

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 inter-company 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 March 31, 2016 and 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:

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

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 June 30, 2016.

On May 4, 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 acceleration event. These warrants expire on May 4, 2016.

On December 16, 2015 the Corporation announced that it intends to complete the third and final tranche of the 18,800,000 unit offering by issuing up to 4,366,000 units at $0.05 per unit for gross proceeds of up to $218,300. 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 acceleration event. As of March 31, 2016 the third tranche had not yet closed.

Prior to March 6, 2016, 5,690,000 warrants were exercised at the strike price of $0.05 per common share, yielding net proceeds of $284,500. The balance of the 12,664,000 warrants expired on March 6, 2016.

Options

A summary of the Corporation's outstanding stock options as at June 30, 2015 and March 31, 2014, and the changes for the periods then ended, is as follows:

	Number of options	Weighted average exercise price
Balance, October 1, 2014	**3,225,000**	**0.12**
Granted	-	-
Forfeited or expired	(400,000)	(0.16)
Balance, December 31, 2014	**2,825,000**	**0.11**
Granted	2,800,000	0.05
Forfeited or expired	(250,000)	(0.16)
Balance, September 30, 2015	**5,375,000**	**0.12**
Granted	-	-
Forfeited or expired	-	-
Balance, June 30, 2016	**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.

Exercise price	Options exercisable	Weighted average remaining life (years)
$0.10	850,000	1.5
$0.10	1,725,000	3.2
$0.05	2,800,000	5.0
	5,375,000	**3.86**

The options that have not vested are subject to specific product sales volume performance criteria. At June 30, 2015 the performance criteria for non-vested options had not been met and therefore no stock based compensation has been recorded for the non-vested options.

Warrants

A summary of the Corporation's share purchase warrants as at June 30, 2015 and June 30, 2014, and the changes for the periods then ended, is as follows:

	Number of Warrants	Amount
Balance, October 1, 2015	**14,434,000**	**144,340**
Expired (exercised)	14,080,000	(140,800)
Balance, March 31, 2015	**354,000**	**3,540**
Granted	-	-
Expired	(354,000)	(3,540)
Balance, June 30, 2015	-	-

5. Related Party Transactions and Balances

For the three months ended June 30, 2016, the Corporation incurred consulting fees of $nil (2015-$ nil) with companies controlled by the Chief Executive Officer.

For the three months ended June 30, 2016, the Corporation incurred consulting fees of $nil (2015-$ nil) with companies controlled by the Chief Financial Officer.

For the three months ended June 30, 2016, the Corporation incurred consulting fees of $nil (2015-$24,000) with companies controlled by the President.

For the three months ended June 30, 2016, the Corporation incurred consulting fees of $nil (2015-$24,000) with companies controlled by a Director of the Company.

6. Loans and Borrowings

The loans and borrowing outstanding at October 2015 are unchanged at March 31, 2016. The outstanding loan bears interest at 12% per annum with monthly interest payments, is unsecured and payable on demand.

7. Financial Instruments

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

	June 30, 2016	September 30, 2015
Financial Assets	$	$
Held for trading financial assets:		
Cash	763,753	196,381
Accounts receivable	433,421	36,364
Financial Liabilities		
Accounts payable and accrued liabilities	1,026,507	302,484
Loans and borrowings	13,000	13,000
Income taxes payable	12,500	-

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.

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 June 30, 2016 shareholders' equity was $184,109 (September 30, 2015 – a deficiency of $71,882) and loans and borrowings were at $13,000 (September 30, 2015 - $13,000) and long-term debt of $nil (September 30, 2015 - $nil). 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 2016 working capital requirements. The Corporation had a cash balance at June 30, 2016 of $763,753 (September 30, 2015 – $196,381).

At June 30, 2016 the Corporation had working capital of $184,109 (September 30, 2015 – deficiency of 71,882). In order to meet the Corporation's anticipated working capital requirements it may 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 has been calculated based on the net loss divided by the weighted average number of common shares outstanding for the nine months ended June 30, 2016 and 2015. The weighted average number of common shares basic and diluted is as follows.

As at June 30	**2016**	**2015**
Weighted average common shares	140,860,807	138,964,140
Effect of stock options and warrants	-	-
Balance, year end	140,860,807	138,964,140

For the three months ended June 30, 2016 the weighted average outstanding calculation excludes 5,375,000 options and 1,770,000 warrants for June 30, 2016 and 5,375,000 options and 12,664,000 warrants for June 30, 2016 that are anti-dilutive.