Financial Statements of

Decisive Dividend Corporation

For the years ended December 31, 2014 and December 31, 2013

Contents

Grant Thornton

Independent Auditor's Report

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To the Shareholders of
Decisive Dividend Corporation

We have audited the accompanying financial statements of Decisive Dividend Corporation, which comprise the statements of financial position as at December 31, 2014 and December 31, 2013 and the statements of loss and 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 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.

Auditor's responsibility

Our responsibility is to express an opinion on these 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 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 financial statements present fairly, in all material respects, the financial position of Decisive Dividend Corporation as at December 31, 2014 and December 31, 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Grant Thornton LLP

Vancouver, Canada
March 31, 2015

Chartered Accountants

DECISIVE DIVIDEND CORPORATION

Statements of Financial Position

As at December 31
(expressed in Canadian dollars)

		2014		2013
Assets				
Current				
Cash and cash equivalents	$	**1,354,579**	$	1,564,114
GST receivable		**5,438**		2,385
Prepaids		**8,177**		5,250
	$	**1,368,194**	$	1,571,749
Liabilities				
Current				
Accounts payable and accrued liabilities	$	**126,995**	$	27,938
Equity				
Share capital (Note 5)				
Common shares		**1,560,558**		1,560,558
Reserve		**185,052**		185,052
Deficit		**(504,411)**		(201,799)
		1,241,199		1,543,811
	$	**1,368,194**	$	1,571,749

Subsequent events (note 10)

On behalf of the Board:

"James Paterson" Director

"Michael Conway" Director

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

DECISIVE DIVIDEND CORPORATION

Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars)

	For the year ended December 31, 2014	For the year ended December 31, 2013
Expenses		
Insurance	$ 9,807	$ 3,750
Professional fees	226,618	18,744
Transfer agent and filing fees	26,488	33,035
Stock based compensation (Note 5)	-	121,906
Travel	10,508	2,822
Office	47,137	12,064
	(320,558)	(192,321)
Other income		
Interest	17,946	5,210
Net loss and comprehensive loss	$ (302,612)	$ (187,111)
Loss per common share - basic and diluted	(0.14)	(0.19)
Weighted average number of common shares outstanding	2,090,000	996,849

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

DECISIVE DIVIDEND CORPORATION

Statements of Changes in Equity

(expressed in Canadian dollars)

	Capital Stock Number	Capital Stock Amount	Reserves Options	Deficit	Total equity
Balance as at December 31, 2012	590,000	$ 295,000	$ -	$ (14,688)	$ 280,312
Shares issued for cash Note 5(b)	1,500,000	1,500,000		-	1,500,000
Share issue costs					
Cash - Note 5(b)		(171,296)			(171,296)
Agent Options - Note 5(c)		(63,146)	63,146		-
Options - Note 5(d)			121,906		121,906
Net loss and comprehensive loss for the period	-	-		(187,111)	(187,111)
Balance as at December 31, 2013	**2,090,000**	**$ 1,560,558**	**$ 185,052**	**$ (201,799)**	**$ 1,543,811**
Net loss and comprehensive loss for the period	-	-		(302,612)	(302,612)
Balance as at December 31, 2014	**2,090,000**	**$ 1,560,558**	**$ 185,052**	**$ (504,411)**	**$ 1,241,199**

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

DECISIVE DIVIDEND CORPORATION
Statements of Cash Flows
(expressed in Canadian dollars)

	For the year ended December 31, 2014	For the year ended December 31, 2013
Cash provided by (used in)		
Operating activities		
Net loss	$ **(302,612)**	$ (187,111)
Items not affecting cash		
Stock-based compensation	**-**	121,906
Change in non-cash operating working capital		
GST receivable	**(3,053)**	(1,228)
Prepaids	**(2,927)**	2,250
Accounts payable and accrued liabilities	**99,057**	10,188
	(209,535)	(53,995)
Financing activities		
Proceeds from issuance of shares	**-**	1,500,000
Deferred finance costs	**-**	6,250
Share issuance costs	**-**	(158,546)
	-	1,347,704
(Decrease) increase in cash	**(209,535)**	1,293,709
Cash, beginning of period	**1,564,114**	270,405
Cash, end of period	$ **1,354,579**	$ 1,564,114

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

1. Nature and operations:

Decisive Dividend Corporation (the "Company") was incorporated under the British Columbia Business Corporations Act on October 2, 2012. The Company is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "TSXV" or "Exchange") Corporate Finance Manual ("CPC Policy"). The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquiring them or an interest therein by completing a purchase transaction, by exercising of an option or by any associated transaction. The purpose of such an acquisition is to satisfy the related conditions of a Qualifying Transaction ("QT") under the CPC Policy.

The Company's shares commenced trading on the TSX Venture Exchange under the trading symbol "DE.P" on September 23, 2013.

The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of assets or businesses, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned, and, in the case of a non-arm's length transaction, by a majority of the minority shareholders. Where an acquisition is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments could be dependent upon the ability of the Company to obtain additional financing. There is also no assurance that the Company will identify a business or asset that warrants acquisition within the time limitations permissible under the policies of the Exchange. The Exchange may suspend from trading or delist the common shares of the Company should it not carry out a qualifying transaction within 24 months of the date of listing on the Exchange.

The gross proceeds realized from the issuance of the Company's shares may only be used to identify and evaluate assets or businesses for future investment, with the exception as provided under CPC Policy, that a maximum of the lesser of 30% of the gross proceeds realized and $210,000, may be used for purposes other than evaluating businesses or assets. The restriction applies until completion of a QT.

2. Basis of preparation:

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements of the Company for the year ending December 31, 2014 were approved and authorized for issue by the Board of Directors on March 31, 2015.

b) Basis of presentation

The financial statements have been prepared on an accrual basis and are based on the historical cost basis except for selected financial instruments, which have been measured as set out in the relevant accounting policies.

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

3. Significant accounting policies:

a) Significant accounting judgments and estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. There are no known trends, commitments, events or uncertainties that management believes will materially affect the methodology or assumptions utilized in making those estimates and judgments in these financial statements.

Significant areas requiring the use of estimates include the valuation of share-based payment of options granted.

b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, unrestricted cash and other short-term highly liquid investments with original maturities of three months or less that is readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

c) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity.

d) Loss per share

Basic loss or earnings per common share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares issued and outstanding for the relevant period.

Diluted loss or earnings per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

e) Share-based payments

The Company has a share-based compensation plan, under which the consideration paid for services provided by employees and non-employees consist of equity instruments in the form of options to purchase common shares.

The fair value of stock options granted to employees is measured on the grant date. Stock options granted to non-employees are measured on the date that the goods or services are received.

3. Significant accounting policies (continued):

e) Share-based payments (continued)

The fair value of the employee and non-employee services received in exchange for granting options is recognized as an expense. For employee options, the total amount to be expensed is determined by reference to the fair value of the options granted, as determined by an option pricing model, and the vesting periods. For non-employee options, the total amount to be expensed is determined by the fair value of the goods or services received, or the fair value of the options granted if the fair value of the goods or services received cannot be reliably determined. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are satisfied.

f) Income taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in the statement of income (loss) and comprehensive income (loss) except to the extent that it relates to items recognized either in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or in equity, respectively. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences associated with the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss and temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

g) Financial instruments

Financial assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. Management determines the classification of its financial assets and liabilities at initial recognition. All transactions related to financial instruments are recorded on a trade date basis. The Company’s accounting policy for each category is as follows:

3. Significant accounting policies (continued):

g) Financial instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired as well as through the amortization process. The Company's loans and receivables consist of cash and cash equivalents.

Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. The Company does not have any financial instruments classified as fair value through profit or loss.

Held-to-maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held to maturity if the company has the intention and ability to hold them until maturity.

Held-to-maturity investments are initially measured at fair value, including transaction costs and subsequently at amortized cost using the effective interest method. Any changes in the carrying amount of the investment are recognized in profit or loss. The Company does not have any held-to-maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories and are initially measured at cost. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income or loss. When an instrument is derecognized, the cumulative gain or loss in other comprehensive income or loss is transferred to profit or loss. The Company does not have any available-for-sale financial assets.

3. Significant accounting policies (continued):

g) Financial instruments (continued)

Financial liabilities

Financial liabilities other than derivative liabilities are recognized initially at fair value and are subsequently stated at amortized cost using the effective interest method. These liabilities include accounts payable and accrued liabilities. Transaction costs on financial assets and liabilities other than those classified as fair value through profit and loss are treated as part of the carrying value of the asset or liability. Transaction costs for liabilities at fair value through profit and loss are expensed as incurred.

4. Future accounting pronouncements

a) Accounting standards issued and effective January 1, 2016

The IASB issued amendments to IAS 16 *Property, Plant and Equipment,* and IAS 38 *Intangible Assets* to address depreciation and amortization methods which are based on revenue. The amendment to IAS 16 prohibits the use of a revenue-based depreciation method as this reflects a pattern other than the consumption of economic benefits consumed through the use of the asset. The amendment to IAS 18 introduce a rebuttable presumption that a revenue based amortization method for intangible assets is inappropriate. This presumption can be overcome only if the intangible asset is expressed as a measure of revenue or it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated. Early application of this standard is permitted. The Company does not expect this amendment to have significant impact on its financial statements.

b) Accounting standards issued and effective January 1, 2017

IFRS 15 *Revenue from Contracts with Customers* will replace IAS 18 *Revenue* and IAS 11 *Construction Contracts.* The new standard provides guidance on whether revenue is to be recognized over time or at a point in time, and expands and improves disclosures about revenue. The standard does not apply to certain contracts such as lease, insurance, financing arrangements, and guarantees other than product warranties. Early application of this standard is permitted. The Company has not yet reviewed the impact of this standard on its financial statements.

c) Accounting standards issued and effective January 1, 2018

IFRS 9 *Financial Instruments* will replace IAS 39 *Financial Instruments: Recognition and Measurement*. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. IFRS 9 has also been amended not to require the restatement of comparative period financial statements for the initial application of the classification and measuring requirements of IFRS 9, but instead requires modified disclosures on transition to IFRS 9. Early application of this standard is permitted. The Company has not yet reviewed the impact of this standard on its financial statements.

(expressed in Canadian dollars)

5. Share Capital

	Shares		Amount
Authorized			
Unlimited number of common shares			
Issued			
Common shares			
Balance as at December 31, 2012	590,000	$	295,000
Common shares issued for cash pursuant to offering	1,500,000	$	1,500,000
Share issuance costs	-		(234,442)
Balance as at December 31, 2013	2,090,000	$	1,560,558
No transactions	-		-
Balance as at December 31, 2014	**2,090,000**	$	**1,560,558**

a) *Founders' round*

On December 6, 2012, the Company issued 590,000 common shares for cash of $295,000. These shares are held in escrow, in accordance with the Escrow Agreement entered into between the Company and the shareholders. The release of the shares from escrow is dependent on the completion of a Qualifying Transaction ("QT"). Upon completion of the QT the shares are released as follows:

- 10% on completion of receipt of a Final Exchange Bulletin from the TSXV for the QT (the "Bulletin"),
- 15% 6 months after the Bulletin,
- 15% 12 months after the Bulletin,
- 15% 18 months after the Bulletin,
- 15% 24 months after the Bulletin,
- 15% 30 months after the Bulletin,
- 15% 36 months after the Bulletin.

At December 31, 2014, 590,000 common shares from the founder round (December 31, 2013 – 590,000) remain in escrow.

b) *Offering*

On September 19, 2013, the Company completed its Initial public offering ("IPO") for the issuance of 1,500,000 common shares at a price of $1.00 per common share for gross proceeds of $1,500,000. The agents to the offering received a commission of 8% of total proceeds resulting in a total commission of $120,000. In addition, the agents were paid a corporate finance fee of $12,500 and were reimbursed for their disbursements in the amount of $3,468.

Legal costs associated with the financing incurred were $35,328. As a result, the total cash costs related to the offering were $171,296. An amount of $63,146 was recorded as share issuance costs resulting from the issuance of Agent's Options, which bring the total share issuance cost of the offering to $234,442.

(expressed in Canadian dollars)

5. Share capital (continued):

At December 31, 2014, 357,500 common shares from the IPO (December 31, 2013 – 357,500) remain in escrow.

The total shares from both rounds that remain in escrow as at December 31, 2014 are 947,500 (December 31, 2013 – 947,500).

c) Agent's Options

In conjunction with the IPO, the Company issued agent's options to purchase 120,000 common shares at an exercise price of $1.00 per common share, exercisable for a period of 24 months from the date of listing of the common shares on TSX-V to the agent.

An amount of $63,146 was recorded as share issuance costs during the year ended December 31, 2013 for the estimated fair value of the agent's options granted, using the Black-Scholes option –pricing model with the following assumptions: Dividend yield of $nil; expected volatility of 100%; risk-free interest rate of 1.19%; forfeiture rate of 0%; and weighted average life of 2 years. The options vested immediately on grant.

The Company has granted agent's options as follows:

	Number of shares	Weighted average Exercise price	Weighted average grant date fair value
		$	$
Agent's options outstanding, December 31, 2012	-	-	-
Agent's options issued September 19, 2013	**120,000**	**1.00**	**0.53**
Agent's options outstanding, December 31, 2013	**120,000**	**1.00**	**0.53**
No transactions	-	-	-
Agent's options outstanding and exercisable, December 31, 2014	**120,000**	**1.00**	**0.53**

d) Stock options

The Company has a stock option plan ("the Plan"), which allows the Company to issue options to the directors, officers and consultants of the Company to purchase common shares of the Company at a stipulated price. The option grants will not exceed 10% of the issued and outstanding common shares of the Company. The Company measures these amounts at fair value at the grant date and compensation expense is recognized over the vesting period.

An amount of $121,906 was recorded during the year ended December 31, 2013 for the estimated fair value of the options granted under the Plan, using the Black-Scholes option-pricing model with the following assumptions: Dividend yield of $nil; expected volatility of 100%; risk-free interest rate of 1.69%; forfeiture rate of 0%; and weighted average life of 4.57 years. The options vested immediately on grant.

(expressed in Canadian dollars)

5. Share capital (continued):

The Company has granted stock options to various officers, directors, and employees of the Company as follows:

	Number of shares	Weighted average Exercise price	Weighted average grant date fair value
		$	$
Options issued December 18, 2012	**41,300**	**1.00**	**0.33**
Options outstanding, December 31, 2012	**41,300**	**1.00**	**0.33**
Options issued April 25, 2013	**11,800**	**1.00**	**0.33**
Options issued September 24, 2013	**130,000**	**1.00**	**0.75**
Options issued November 13, 2013	**10,000**	**1.00**	**0.75**
Options outstanding, December 31, 2013	**193,100**	**1.00**	**0.63**
No transactions	**-**	**-**	**-**
Options outstanding and exercisable, December 31, 2014	**193,100**	**1.00**	**0.63**

6. Income tax

a) *Provision for current tax*

No provision has been made for current income taxes, as the Company has no taxable income.

b) *Provision for deferred tax*

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized since it is not probable that the Company will be able to utilize this loss.

		December 31 2014		December 31 2013
Reconciliation of effective tax rate				
Loss for the period	**$**	**(302,612)**	$	(187,111)
Tax rate		**26%**		25%
Income tax recovery		**(78,679)**		(46,778)
Non-deductible expenses		**(33,455)**		(42,062)
Effect of tax losses not recognized		**112,134**		88,840
	$	-	$	-

6. Income tax (continued):

As at December 31, 2014, the Company has non-capital losses available for carry forward of $443,326 (2013 - $112,483) which may be applied to reduce future years' taxable income. These losses, if not utilized, will expire between 2032 and 2034. The net operating loss carry forward and share issuance costs created a $115,265 (2013 - $28,120) deferred tax asset, which has not been recognized in the financial statements.

7. Financial instruments and risks

Financial instruments

The Company's cash and cash equivalents and accounts payable and accrued liabilities are measured at amortized cost and approximate their fair value due to their short term nature.

The Company's financial assets and financial liabilities are measured at fair value by level within the fair value hierarchy described below. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

As at December 31, 2014, the Company does not have any financial instruments measured at fair value.

Fair Value Hierarchy

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Financial risk management

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company's cash and cash equivalents are held in business accounts which are available on demand for the Company's programs. The accounts payable are due within 12 months of the dates on the statements of financial position.

Market risk

The Company is not subject to significant foreign exchange, interest rate, or credit risk.

8. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The capital structure of the Company currently consists of shareholders' equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to fund operations. Management reviews its capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements.

For the years ended December 31, 2014 and 2013, there were no changes in the Company's capital management policy.

9. Related party transactions

The Company's related parties consist of directors and officers or companies associated with them.

The Company incurred share issuance costs of $nil (2013 - $12,750) with a law firm in which two directors of the Company were either a partner or employee. The amount outstanding at year-end was $14,711 (2013 - $14,711). The Company incurred rent and office expense of $2,250 (2013 - $3,000) to a company controlled by a director of the Company.

The transactions were incurred in the normal course of operations and measured at the exchange amount, which is the amount of the consideration established and agreed to by the related parties.

10. Subsequent Events

On February 27, 2015, the Company announced that it had acquired all of the issued and outstanding shares of PGR Ventures Inc. ("PGR") (the "PGR Shares"). PGR owns all of the issued and outstanding shares of Valley Comfort Systems Inc. ("Valley Comfort"), which owns all of the issued and outstanding shares of Blaze King Industries, Inc. ("Blaze King USA") and Blaze King Industries Canada Ltd. ("Blaze King Canada"). PGR, Valley Comfort, Blaze King USA and Blaze King Canada are referred to herein collectively as the "PGR Companies". The Share Purchase Agreement contains standard representations, warranties and covenants for a transaction of this nature.

Collectively, the PGR companies own and operate a heating products design, manufacturing and distribution business, primarily consisting of the Blaze King line of wood stoves, furnaces and other heating products (the "Business"). Company

The aggregate purchase price paid for the PGR Shares by the Company was $6,600,000, which was paid as to $5,940,000 in cash and the remaining $660,000 in common shares of the Company ("Common Shares") at a deemed price of $2.00 per Common Share. The purchase price paid for the PGR Shares shall be adjusted following closing of the Qualifying Transaction ("Closing") based on certain factors, including the amount of net working capital of PGR on Closing and capital expenditures incurred by the PGR Companies prior to Closing. A holdback was applied to secure the post-Closing obligations of the Vendors and, at the option of the Company, to cover any shortfall in net working capital.

On February 25, 2015 the Company completed a brokered private placement offering (the "Private Placement") of subscription receipts ("Subscription Receipts"). The 1,004,500 subscription receipts of the Company that were issued at a price of $2.00 per Subscription Receipt were each exchanged, for no additional consideration, for one Common Share pursuant to the subscription receipt agreement entered

10. Subsequent Events (continued):

into on February 25, 2015 among the Company, Industrial Alliance Securities Inc. and Computershare Trust Company of Canada (“Computershare”). In addition, the $2,008,500 in gross proceeds raised pursuant to this offering were released from escrow, less the fees of Computershare.

Industrial Alliance Securities Inc. (the "Agent") acted as Agent for the Private Placement pursuant to an agency agreement between the Company and the Agent dated effective November 27, 2014 (“the Agency Agreement”). Pursuant to the Agency Agreement, the Company paid the Agent certain corporate finance fees and a commission of 7% of the gross proceeds raised under the Private Placement. As additional compensation, the Company issued the Agent compensation warrants (“Agent warrants”) to purchase 70,298 common shares. Each Agent warrant is exercisable at a price of $2.00 per Common Share until two years after the warrants are granted.

Prior to closing, the Company completed a financing agreement with the TD Bank. The terms are that the Company was granted a $2 million line of credit at prime plus 0.75%, and a term loan of up to $3.5 million at prime plus 1.5%.