
**GRAPHENE 3D LAB INC.
(FORMERLY MATNIC RESOURCES INC.)
UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
(Expressed in US Dollars)
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2015**

April 27, 2015

Management's Report

The accompanying interim unaudited condensed consolidated financial statements of **Graphene 3D Lab Inc. (formerly Matnic Resources Inc.)** (the "Company") are the responsibility of management and have been approved by the Board of Directors. The interim unaudited condensed consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The interim unaudited condensed consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for preparation of the interim unaudited condensed consolidated financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's consolidated financial statements, and recommended their approval by the Board of Directors.

These interim unaudited condensed consolidated financial statements have not been reviewed by the external auditors of the Company.

Signed:

"Daniel Stolyarov"

Daniel Stolyarov, President and Chief Executive Officer
Calverton, New York

"Robert Randall"

Robert Randall, Chief Financial Officer
Halifax, Nova Scotia

GRAPHENE 3D LAB INC.
(FORMERLY MATNIC RESOURCES INC.)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED FEBRUARY 28, 2015
(Expressed in US Dollars)
(Unaudited)

EXPENSES	Nine months ended February 28, 2015 \$	Three months ended February 28, 2015 \$	Nine months ended February 28, 2014 \$	Three months ended February 28, 2014 \$
Research and development	176,885	94,822	9,750	7,327
Salaries and benefits	224,893	121,037	-	-
Contract labour	23,307	4,125	-	-
Professional fees	255,513	67,254	17,655	3,951
Regulatory fees	51,034	15,448	-	-
Listing fee expense (note 3)	1,463,214	-	-	-
Office and administrative	61,745	24,147	3,683	2,520
Marketing and investor relations	137,173	44,727	7,074	6,104
Travel	52,979	25,063	-	-
Foreign exchange loss	48,318	44,515	4,043	4,043
Stock based compensation	1,102,925	411,454	-	-
Depreciation	18,128	13,776	1,865	1,865
NET LOSS FOR THE PERIOD	3,616,114	866,368	44,070	25,810
Foreign currency translation	24,305	11,093	-	-
COMPREHENSIVE LOSS FOR THE PERIOD	3,640,419	877,461	44,070	25,810
LOSS PER SHARE- BASIC AND DILUTED	0.10	0.02	0.002	0.001
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	36,312,198	42,812,915	20,582,736	24,680,605

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

GRAPHENE 3D LAB INC.
(FORMERLY MATNIC RESOURCES INC.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2015
(Expressed in US Dollars)
(Unaudited)

	Nine months ended February 28, 2015 \$	Nine months ended February 28, 2014 \$
OPERATING ACTIVITIES		
Net loss	(3,616,114)	(44,070)
Non cash items		
Depreciation	18,128	1,865
Listing fee expense	1,318,519	-
Stock based compensation	1,102,925	-
	(1,176,543)	(42,205)
Changes in non-cash working capital items:		
Amounts recoverable	(190)	-
Inventory	(47,465)	-
Prepaid expenses and deposits	(86,188)	-
Accounts payable and accrued liabilities	(130,089)	-
	(1,440,475)	(42,205)
INVESTING ACTIVITIES		
Purchase of equipment	(152,346)	-
FINANCING ACTIVITIES		
Proceeds from issuance of common shares (net)	2,500,877	43,021
Proceeds on the exercise of warrants	200,750	-
Cash acquired on reverse acquisition transaction	535	-
	2,702,161	43,021
Effect of changes in exchange rates	(24,305)	-
Change in cash during the period	1,085,035	816
Cash, beginning of period	66,233	-
Cash, end of period	1,151,268	816

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

GRAPHENE 3D LAB INC.
(FORMERLY MATNIC RESOURCES INC.)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2015
(Expressed in US Dollars) (Unaudited)

	Common Shares		Warrants		Contributed Surplus	Acc Other Comprehensive Income (Loss)	Deficit	Total
	#	\$	#	\$	\$	\$	\$	\$
Opening Balance	-	-	-	-	-	-	-	-
Common shares issued for cash	21,483,636	4,200	-	-	-	-	-	4,200
Preferred shares issued for cash	-	-	250,000	46,258	-	-	-	46,258
Share issuance costs	-	-	-	(7,437)	-	-	-	(7,437)
Net loss for the period	-	-	-	-	-	-	(44,070)	(44,070)
Balance – February 28, 2014	21,483,636	4,200	250,000	38,821	-	-	(44,070)	(949)
Conversion of preferred shares to common shares	3,196,970	38,821	(250,000)	(38,821)	-	-	-	-
Equity component of convertible promissory notes	-	-	-	-	2,996	-	-	2,996
Forfeiture of common shares	(3,580,606)	-	-	-	-	-	-	-
Net loss for the period	-	-	-	-	-	-	(133,603)	(133,603)
Balance, May 31, 2014	21,100,000	43,021	-	-	2,996	-	(177,673)	(131,656)
Common shares of Graphene 3D (US) Inc. exchanged for common shares of the Graphene 3D Lab Inc.	(21,100,000)	-	-	-	-	-	-	-
Shares and warrants deemed to be issued on reverse takeover	21,100,000	-	-	-	-	-	-	-
Exercise of warrants	6,367,500	578,970	3,000,000	228,000	-	-	-	806,970
Convertible debenture exchanged for shares and warrants	3,000,000	428,750	(3,000,000)	(228,000)	-	-	-	200,750
Common shares issued for cash	4,500,000	204,581	4,500,000	358,000	-	-	-	562,581
Share issuance costs	7,200,000	1,636,661	-	-	-	-	-	1,636,661
Common shares issued for cash	-	(119,955)	-	-	-	-	-	(119,955)
Share issuance costs	1,220,000	1,008,349	610,000	20,600	-	-	-	1,028,949
Share issuance costs	-	(44,779)	-	-	-	-	-	(44,779)
Foreign currency translation	-	-	-	-	-	(24,305)	-	(24,305)
Net loss for the period	-	-	-	-	(2,996)	-	(3,616,114)	(3,619,110)
Stock based compensation	-	-	-	-	1,102,925	-	-	1,102,925
Balance, February 28, 2015	43,387,500	3,735,598	5,110,000	378,600	1,102,925	(24,305)	(3,793,787)	1,399,030

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

**GRAPHENE 3D LAB INC.
(FORMERLY MATNIC RESOURCES INC.)
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2015**
(Expressed in US Dollars)
(Unaudited)

1. NATURE OF OPERATIONS

Graphene 3D Lab Inc. (the "Company"), formerly MatNic Resources Inc. ("MatNic") was incorporated pursuant to the British Columbia Business Corporations Act on January 17, 2011. On August 8, 2014, the Company acquired Graphene 3D Lab (U.S.) Inc. (formerly Graphene 3D Lab Inc.) through a reverse acquisition transaction. The historical operations, assets and liabilities of Graphene 3D Lab (U.S.) Inc. are included as the comparative figures as at and for the period ended May 31, 2014, which is deemed to be the continuing entity for financial reporting purposes. Graphene 3D Lab (U.S.) Inc. was incorporated on September 3, 2013 in the State of Delaware.

Concurrent with the closing of the reverse acquisition transaction, MatNic changed its name to Graphene 3D Lab Inc. and effected a change in directors, management and business. On August 11, 2014 the Company's common shares resumed trading on the TSX Venture Exchange ("TSX-V") under the symbol "GGG."

The Company's principal business is the development and manufacturing of graphene-enhanced materials for 3D printing, with proprietary technologies aimed at enhancing the properties of materials currently used in 3D printers. The Company is currently in the development stage and has not commenced its principal operations. The address of the Company's principal place of business is at Suite 112 - 4603 Middle Country Road, Calverton, New York.

2. BASIS OF PREPARATION AND CONTINUING OPERATIONS

Statement of Compliance

These condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the most recent audited financial statements of the Graphene 3D Lab (U.S.) Inc., except for the accounting policies which have changed as a result of the adoption of new and revised standards and interpretations which are effective June 1, 2014. These condensed consolidated interim financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the May 31, 2014 audited financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Basis of Consolidation

These condensed consolidated interim financial statements incorporate the accounts of the Company and its wholly-owned subsidiary Graphene 3D Lab (U.S.) Inc. All significant intercompany transactions and balances have been eliminated on consolidation.

**GRAPHENE 3D LAB INC.
(FORMERLY MATNIC RESOURCES INC.)**
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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2. BASIS OF PREPARATION AND CONTINUING OPERATIONS (continued)

New Accounting Pronouncements

The following standards have been adopted by the Company effective June 1, 2014, with no material impact on its financial statements:

- Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interest in Other Entities*, IAS 27 *Separate Financial Statement*, IAS 32 *Financial Instruments: Presentation*, IAS 36 *Impairment of Assets*, and IAS 39 *Financial Instruments: Recognition and Measurement*
- IFRIC 21 *Levies*

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. The Company intends to adopt these standards when they become effective.

Going Concern

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. As at November 30, 2014, the Company has an accumulated deficit, negative cash flows from operations and a projected working capital deficiency. These factors raise significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future. There is no guarantee that the Company will be able to raise this additional financing. These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

Accounting policies

These financial statements are based on the accounting policies consistent with those disclosed in note 3 to the May 31, 2014 audited financial statements of Graphene 3D Lab (U.S.) Inc.

3. REVERSE ACQUISITION TRANSACTION

On August 8, 2014, MatNic acquired 100% ownership of Graphene 3D Lab (U.S.) Inc. by issuing 25,600,000 of its common shares and 4,500,000 common share purchase warrants (the "Transaction"). For accounting purposes, the acquisition is considered to be outside the scope of IFRS 3 *Business Combinations* ("IFRS 3") since MatNic, prior to the acquisition did not constitute a business. The transaction is accounted for in accordance with IFRS 2 *Share-based Payment* whereby Graphene 3D Lab (U.S.) is deemed to have issued shares and share purchase warrants in exchange for the net assets of MatNic together with its listing status at the fair value of the consideration received by Graphene 3D Lab (U.S.) Inc. The accounting for this transaction resulted in the following:

- (i) The consolidated financial statements of the combined entities are issued under the legal parent, MatNic, but are considered a continuation of the financial statements of the legal subsidiary, Graphene 3D Lab (U.S.) Inc.
- (ii) Since Graphene 3D Lab (U.S.) Inc. is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

GRAPHENE 3D LAB INC.
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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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3. REVERSE ACQUISITION TRANSACTION (continued)

Since the share and share based consideration allocated to the former shareholders of MatNic on closing the Transaction is considered within the scope of IFRS 2, and the Company cannot identify specifically some or all of the goods or service received in return for the allocation of the shares and warrants, the value in excess of the net identifiable assets or obligations of MatNic acquired on closing was expensed in the condensed consolidated interim statement of operations and comprehensive loss as listing expense.

The listing expense in the amount of \$1,463,214 is comprised of the fair value of shares and warrants of the Company retained by the former shareholders of MatNic, the warrants issued to convertible debenture holders as well as other direct expenses of the Transaction.

The listing fee expense is summarized as follows:

Net working capital deficiency acquired:	\$
Accounts payable and accrued liabilities	171,358
Receivables	(59,112)
Cash	(535)
	<hr/> 111,711
Common shares deemed to be issued re MatNic (6,367,500 shares at US\$0.091 (C\$0.10) per share)	578,970
Warrants deemed to be issued re MatNic (3,000,000 warrants exercisable at US\$0.0675 (C\$0.075) until February 27, 2017)	228,000
Warrants issued in exchange for convertible debenture (4,500,000 warrants exercisable at US\$0.064 (C\$0.07) until August 8, 2017)	358,000
Sponsors fee, legal and disbursements	59,306
Legal and other transaction costs	127,227
	<hr/> 1,351,503
Listing fee expense	<hr/> 1,463,214

The Company has estimated the fair value of the equity instruments deemed to be issued by MatNic. The fair value of the common shares amounted to \$578,970, based on the trading value of the MatNic shares at the time of the agreement being \$0.091 (C\$0.10) per share. The fair value of the Matnic warrants, exercisable at \$0.0675 (C\$0.075) per share for 30 months, amounted to \$235,000. The fair value of the warrants issued in association with the convertible debentures, exercisable at \$0.064 (C\$0.07) per share for 36 months, amounted to \$358,000. The fair value was estimated using the Black-Scholes pricing model applying an expected volatility of 165%, a risk free interest rate of 1% with no expected dividend yield. The fair value of these equity instruments has been recorded as a listing expense.

GRAPHENE 3D LAB INC.
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4. EQUIPMENT

	Nine months ended February 28, 2015
Laboratory Equipment	
Cost:	\$
Beginning of period	26,110
Additions	152,346
Disposals	-
End of period	178,456
Accumulated Depreciation:	
Beginning of period	5,802
Depreciation expense	18,136
End of period	23,938
Net book value:	
Beginning of period	20,308
End of period	154,518

5. CONVERTIBLE PROMISSORY NOTES PAYABLE

The Company entered into a series of convertible promissory notes payable during the prior period with arms length individuals with a principal amount of \$204,581 (C\$225,000). The notes were convertible into common shares of the Company for any portion of the outstanding principal at a rate of 1.5% of the then fully-diluted common shares of the Company for each C\$10,000 principal balance converted at the discretion of the Company.

As a result of the reverse acquisition transaction described in Note 3, the entire amount of principal was converted into common shares at a conversion price of C\$0.05 per common share. In addition one common share purchase warrants has been issued for each C\$0.05 of principal outstanding to the convertible promissory note holders. Each common share purchase warrant will entitle the holder to purchase one common share for each warrant held at an exercise price of \$0.64 (C\$0.07) per share. The warrants expire on August 8, 2017.

6. RELATED PARTY TRANSACTIONS

Key management includes directors, and officers of the Company. The Company entered into the following transactions with related parties:

- a) During the nine months ended February 28, 2015, the Company reimbursed payroll costs of \$14,087 to a company controlled by common officers and directors of the Company.
- b) During the nine months ended February 28, 2015, the Company paid professional fees of \$53,300 to a company controlled by an officer of the Company and \$3,800 to companies controlled by directors.
- c) During the nine months ended February 28, 2015, the Company paid \$28,007 for reimbursement of rent, accounting, research and development and other expenses to a Company controlled by common officers and directors.

**GRAPHENE 3D LAB INC.
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7. SHARE CAPITAL

Authorized:

Unlimited number of common shares without par value.

Issued and outstanding common stock:

- a) On July 18, 2014, Graphene 3D (US) Inc. increased its authorized capital to 45 million common shares and completed a stock split whereby Graphene 3D (US) Inc. issued to each shareholder of record 12.787878 shares of common stock, par value \$0.0001 per share, for each share of common stock held by each shareholder as at the record date. This resulted in 21,100,000 issued and outstanding shares. Under International Financial Reporting Standards this stock split is applied retroactively in the financial statements. As at May 31, 2014, 21,100,000 common shares of Graphene 3D (US) Inc. are deemed to be outstanding.
- b) On August 8, 2014, as a result of the reverse acquisition transaction, the Company has acquired all of the issued and outstanding common shares of Graphene 3D Lab (U.S.) Inc. in exchange for 21,100,000 common shares of the Company.
- c) The Company has estimated the fair value of its 6,367,500 common shares deemed to be issued by MatNic Resources Inc. on the reverse acquisition transaction as \$578,970, based on the trading value of the MatNic shares at the price of the shares was \$0.091 (C\$0.10) per share.
- d) Concurrent with the reverse acquisition transaction, the Company also acquired all of the common shares of Graphene 3D US Inc. held as a result of the conversion of the 7.5% unsecured convertible notes which had a fair value of \$204,581 (C\$225,000). The Company issued 4,500,000 common shares and 4,500,000 non-transferable common share purchase warrants to the note holders.
- e) The Company completed a concurrent private placement offering for gross proceeds of US\$1,636,661 (C\$1,800,000) by the issuance of 7,200,000 common shares at C\$0.25 per share. In connection with the private placement financing the Company incurred share issue costs of \$119,955.
- f) The Company completed a private placement offering for gross proceeds of US\$1,028,349 (C\$1,220,000) by the issuance of 1,220,000 common shares at C\$1.00 per share and 610,000 common share purchase warrants. The common share purchase warrants have an exercise price of \$1.25 and expire on January 9, 2017. In connection with the privatplacement financing the Company incurred share issue costs of \$44,779.
- g) During the period ended February 28, 2015, the Company issued 3,000,000 common shares on the exercise of warrants for proceeds of \$200,750 (C\$225,000).

Escrow shares:

As at February 28, 2015, there are 18,990,000 common shares subject to escrow agreements.

Stock options:

The Company has adopted a stock option plan (the "Plan"), providing the Board of Directors with the discretion to issue an equivalent number of options of up to 10% of the issued and outstanding share capital of the Company. Stock options are granted with an exercise price of not less than the closing share price of the day preceding the date of grant.

GRAPHENE 3D LAB INC.
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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2015
(Expressed in US Dollars) (Unaudited)

7. SHARE CAPITAL (continued)

Stock options (continued):

During the period ended February 28, 2015, the Company granted 2,475,000 stock options to directors, employees and consultants of the Company. The estimated fair value of the stock options granted was estimated at the grant date using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options. The resulting weighted average fair value at the date of grant is \$0.75. The weighted average assumptions used in the Black-Scholes option pricing model are as follows:

	February 28, 2015
Risk-free interest rate	1.0%
Expected volatility	130%
Expected dividend yield	\$nil
Expected life	5 years

Continuity of stock options for the period ended February 28, 2015:

	# of Options	Exercise price
Options outstanding at beginning of period	-	-
Granted August 26, 2014 for five year term	2,475,000	\$ 1.00
Options outstanding - end of period	2,475,000	\$ 1.00
Vested options - end of period	961,607	\$ 1.00

The options have various vesting schedule ranging from one year to 42 months. Based on the Black-Scholes stock option pricing model and the assumptions outlined above the estimated fair value of the granted options is \$1,867,431. This amount is recognized over the vesting period. As a result a stock-based compensation expense of \$1,102,925 has been recorded in the period ended February 28, 2015. Upon issuance 482,500 options vested immediately with an additional 479,107 options vested in the period ended February 28, 2015 for a total of 961,607 vested options.

Share purchase warrants:

The Company issued 4,500,000 non-transferable share purchase warrants to the note holders (see note 5) in association with the reverse take-over transaction.

The Company also issued 610,000 common share purchase warrants on January 9, 2015. Each common share purchase warrant entitles the holder to acquire one common share of the Company at a price of \$1.25. These warrants expire on January 9, 2017.

GRAPHENE 3D LAB INC.
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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2015
(Expressed in US Dollars) (Unaudited)

7. SHARE CAPITAL (continued)

Share purchase warrants (continued):

Continuity of share purchase warrants for the nine months ended February 28, 2015:

	# of warrants	Weighted average exercise price
Warrants outstanding at beginning of period	-	-
Deemed to be issued on the reverse acquisition transaction, expire February 27, 2017	3,000,000	\$ 0.075
Issued on conversion of convertible debentures, expire August 8, 2017	4,500,000	\$ 0.070
Issued with January 9, 2015 private placement financing, expire January 9, 2017	610,000 (3,000,000)	\$1.250 \$0.075
Warrants exercised during the period		
Warrants outstanding at end of period	5,110,000	\$ 0.211

8. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and convertible promissory notes payable.

The following table summarizes the carrying values of the Company's financial instruments:

	February 28, 2015	May 31, 2014
	\$	\$
FVTPL (i)	1,151,268	66,233
Other financial liabilities (ii)	65,621	228,883
(i) Cash and security deposit		
(ii) Accounts payable and convertible promissory notes payable		

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 - Inputs that are not based on observable market data

The following table sets for the Company's financial assets measured at fair value by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash and security deposit	1,151,268	-	-	1,151,268