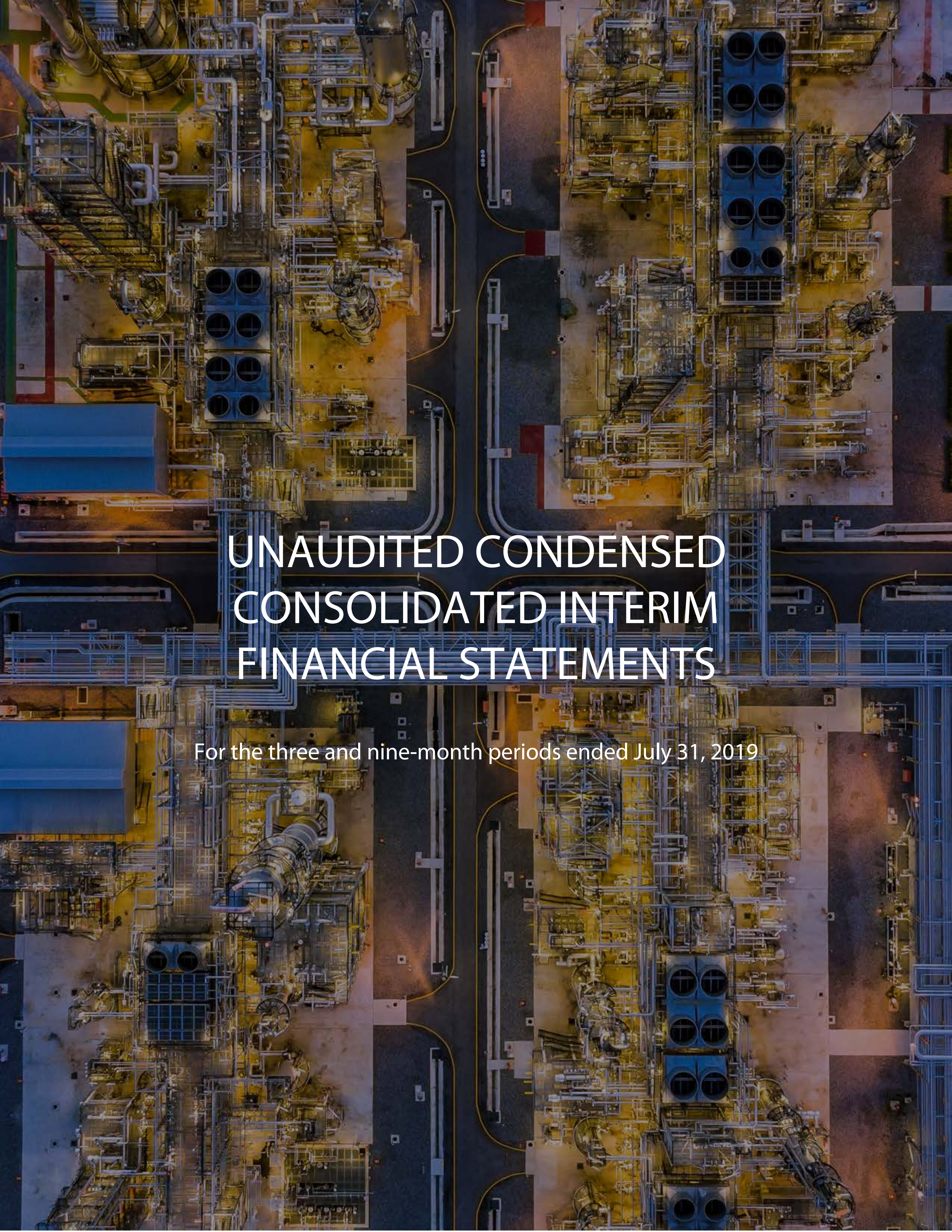

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine-month periods ended July 31, 2019

Notice of No Auditor Review of Condensed Consolidated Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Blackline Safety Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

Blackline Safety Corp.
Consolidated Statement of Financial Position
(Unaudited)

	July 31, 2019 $	October 31, 2018 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	11,200,766	11,361,640
Short-term investments	21,000,000	28,332,055
Trade and other receivables	8,399,635	4,242,421
Inventory	6,207,072	6,231,482
Prepaid expenses and advances	632,612	468,558
Contract assets	478,550	495,020
Total current assets	47,918,635	51,131,176
NON-CURRENT ASSETS		
Property and equipment	8,613,975	5,691,544
Intangible assets	675,311	694,791
Long-term contract assets	514,191	367,803
Long-term trade receivable	342,929	-
Total non-current assets	10,146,406	6,754,138
TOTAL ASSETS	58,065,041	57,885,314
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	5,323,211	4,037,251
Deferred revenue	6,587,369	4,713,078
Current portion of contract liabilities	512,344	262,629
Current portion of government assistance (note 4)	388,793	200,000
Current portion of deferred lease incentives	-	60,043
Total current liabilities	12,811,717	9,273,001
NON-CURRENT LIABILITIES		
Deferred revenue	3,465,059	1,842,118
Contract liabilities	294,444	155,675
Government assistance (note 4)	-	200,000
Deferred lease incentives	167,858	18,127
Total non-current liabilities	3,927,361	2,215,920
TOTAL LIABILITIES	16,739,078	11,488,921
SHAREHOLDERS' EQUITY		
Share capital (note 5)	92,093,470	90,791,496
Contributed surplus	8,880,993	7,940,859
Accumulated other comprehensive income (loss)	(214,196)	97,623
Deficit	(59,434,304)	(52,433,585)
TOTAL SHAREHOLDERS' EQUITY	41,325,963	46,396,393
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	58,065,041	57,885,314

See accompanying notes to the condensed consolidated interim financial statements

Blackline Safety Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Unaudited)

	Three-month period ended		Nine-month period ended	
	July 31, 2019	July 31, 2018	July 31, 2019	July 31, 2018
	$	$	$	$
Revenues (note 6 and 7)				
Product revenue	3,469,187	1,852,103	9,673,122	4,540,017
Service revenue	4,638,686	2,823,629	12,852,284	7,688,001
Total revenues	8,107,873	4,675,732	22,525,406	12,228,018
Cost of sales (note 7)	4,116,567	2,800,772	12,122,327	7,001,313
Gross margin	3,991,306	1,874,960	10,403,079	5,226,705
Expenses				
Selling, general and administrative expenses	4,668,008	2,537,716	13,262,668	7,852,675
Product development costs	1,759,005	1,430,417	4,766,469	4,053,609
Total expenses	6,427,013	3,968,133	18,029,137	11,906,284
Results from operating activities	(2,435,707)	(2,093,173)	(7,626,058)	(6,679,579)
Finance income, net	195,932	45,179	625,339	121,983
Net loss	(2,239,775)	(2,047,994)	(7,000,719)	(6,557,596)
Other comprehensive income (loss)				
Foreign exchange translation gain (loss) on foreign operations	(337,421)	(138,845)	(311,819)	(262,060)
Comprehensive loss for the period	(2,577,196)	(2,186,839)	(7,312,538)	(6,819,656)
Loss per common share (note 10):				
Basic and diluted	(0.05)	(0.05)	(0.15)	(0.17)

See accompanying notes to the condensed consolidated interim financial statements

Blackline Safety Corp.
Consolidated Statement of Changes in Equity
(Unaudited)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Equity
		$	$	$	$	$
Balance at October 31, 2017	34,798,845	49,214,818	8,647,905	262,872	(43,431,359)	14,694,236
Loss for the period	-	-	-	-	(6,557,596)	(6,557,596)
Foreign exchange translation of foreign operations	-	-	-	(262,060)	-	(262,060)
Exercising of options (note 5)	384,579	968,973	(299,038)	-	-	669,935
Exercising of warrants (note 5)	5,463,787	10,661,380	(1,774,976)	-	-	8,886,404
Stock-based compensation expense (note 5)	33,784	177,269	1,356,963	-	-	1,534,232
Balance at July 31, 2018	40,680,995	61,022,440	7,930,854	812	(49,988,955)	18,965,151
Loss for the period	-	-	-	-	(2,444,630)	(2,444,630)
Foreign exchange translation of foreign operations	-	-	-	96,811	-	96,811
Exercising of options (note 5)	128,918	304,460	(93,949)	-	-	210,511
Brokered private placement (note 5)	6,325,000	31,625,000	-	-	-	31,625,000
Share issuance costs (note 5)	-	(2,225,971)	-	-	-	(2,225,971)
Stock-based compensation expense (note 5)	12,625	65,567	103,954	-	-	169,521
Balance at October 31, 2018	47,147,538	90,791,496	7,940,859	97,623	(52,433,585)	46,396,393
Loss for the period	-	-	-	-	(7,000,719)	(7,000,719)
Foreign exchange translation on foreign operations	-	-	-	(311,819)	-	(311,819)
Exercising of options (note 5)	433,612	1,117,988	(333,161)	-	-	784,827
Stock-based compensation expense (note 5)	33,374	183,986	1,273,295	-	-	1,457,281
Balance at July 31, 2019	47,614,524	92,093,470	8,880,993	(214,196)	(59,434,304)	41,325,963

See accompanying notes to the condensed consolidated interim financial statements

Blackline Safety Corp.
Consolidated Statements of Cash Flows
(Unaudited)

	Three-month period ended July 31, 2019	Three-month period ended July 31, 2018	Nine-month period ended July 31, 2019	Nine-month period ended July 31, 2018
	$	$	$	$
Cash provided by (used in)				
Operating activities				
Loss for the period	(2,239,775)	(2,047,994)	(7,000,719)	(6,557,596)
Depreciation and amortization	745,520	364,460	1,901,642	881,631
Stock-based compensation expense	136,583	186,024	1,432,077	1,518,419
Finance income, net	(3,143)	(45,179)	(625,338)	(121,983)
Unrealized foreign exchange (gains) losses	(195,932)	66,642	38,699	(130,075)
	(1,556,747)	(1,476,047)	(4,253,639)	(4,409,604)
Net changes in non-cash working capital (note 11)	1,322,223	135,354	727,052	(1,569,138)
Net cash provided by (used in) operating activities	(234,524)	(1,340,693)	(3,526,587)	(5,978,742)
Financing activities				
Proceeds from warrant and option exercises	337,685	174,023	810,033	9,572,154
Proceeds from bank indebtedness	-	-	-	200,023
Repayments of bank indebtedness	-	-	-	(400,023)
Proceeds from government assistance (note 4)	-	-	100,000	100,000
Repayments of government assistance (note 4)	(111,207)	(100,000)	(111,207)	(418,912)
Net cash provided by (used in) financing activities	226,478	74,023	798,826	9,053,242
Investing activities				
Purchase of short-term investments	-	(2,000,000)	(5,000,000)	(9,000,000)
Redemption of short-term investments	1,000,000	2,000,000	12,330,765	10,070,000
Finance income, net	56,024	19,229	261,209	145,465
Purchase of property and equipment and intangible assets	(1,251,495)	(1,109,884)	(4,702,876)	(3,719,850)
Net cash provided by (used in) investing activities	(195,471)	(1,090,655)	2,889,098	(2,504,385)
Effect of foreign exchange changes on cash and cash equivalents	(255,914)	(145,769)	(322,211)	(143,650)
Net increase (decrease) in cash and cash equivalents	(459,431)	(2,503,094)	(160,874)	426,465
Cash and cash equivalents, beginning of period	11,660,197	8,537,787	11,361,640	5,608,228
Cash and cash equivalents, end of period	11,200,766	6,034,693	11,200,766	6,034,693

Supplementary cash flow information (note 11)

See accompanying notes to the condensed consolidated interim financial statements

1. Nature of operations

Blackline Safety Corp. (the "Company") is a global connected safety technology company that develops, manufactures and markets products and services that empower businesses with real-time safety insights to manage emergency responses, evacuations and gas detection compliance programs. The Company is a public company listed on the Toronto Venture Exchange (TSXV) under the ticker symbol "BLN" and is incorporated and domiciled in Canada.

The Company's principle business office is Unit 100, 803 24 Avenue S.E., Calgary, Alberta, T2G 1P5 and the Company's registered office is Suite 2400, 525 8 Avenue S.W., Calgary, Alberta, T2P 1G1.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors on September 24, 2019.

2. Summary of significant accounting policies

a) Basis of preparation

The condensed consolidated interim financial statements and accompanying notes have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as the audited consolidated financial statements for the year ended October 31, 2018.

These condensed consolidated interim financial statements do not contain all the disclosures required for full annual consolidated financial statements and should be read in conjunction with the Company's audited consolidated financial statements as at and for the year ended October 31, 2018.

b) Changes in accounting policy and disclosures

i) New and amended standards adopted by the Company

There were no new or amended standards that became applicable and were adopted by the Company for the current reporting period.

ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for July 31, 2019 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of the applicable new standard is set out below.

IFRS 16 *Leases*
IFRS 16 *Leases* ("IFRS 16") was issued in January 2016. It will result in almost all leases being recognized on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Company's operating leases. As at the reporting date, the Company has non-cancellable operating lease commitments. The Company is currently determining to what extent these commitments will result in the recognition of an asset and a liability for future payments. Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The new standard is mandatory for financial years commencing on or after January 1, 2019. The Company will not adopt the standard before its effective date. The Company intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. Financial instruments and risk management

a) Financial instruments

The Company holds the following financial instruments:

Financial assets	Notes	Carrying amount $
As at July 31, 2019		
Cash and cash equivalents		11,200,766
Short-term investments		21,000,000
Trade and other receivables		8,399,635
		40,600,401
As at October 31, 2018		
Cash and cash equivalents		11,361,640
Short-term investments		28,332,055
Trade and other receivables		4,242,421
		43,936,116

Financial liabilities	Notes	Carrying amount $
As at July 31, 2019		
Accounts payable and accrued liabilities		5,323,211
Contract liabilities		806,788
Government assistance	4	388,793
		6,518,792
As at October 31, 2018		
Accounts payable and accrued liabilities		4,037,251
Contract liabilities		418,304
Government assistance	4	400,000
		4,855,555

The carrying amounts of the financial assets and liabilities are deemed to be the same as their fair values, due to their short-term nature or the interest receivable is close to current market rates.

The Company's risk exposure to various risks associated with the financial instruments is discussed in note 3 b). The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

b) Financial risk management

The Company's risk management includes foreign exchange risk, interest rate risk, credit risk and liquidity risk.

i. Market risk

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, including U.S. dollar ("USD"), British pound ("GBP"), Euro ("EUR") and Australian dollar ("AUD"). Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

The Company's policy with respect to foreign currency risk management is to obtain natural hedges of revenue and expenses to the extent possible. The Company does not speculate in foreign currency and remains at risk to the market where natural hedges are not in place.

Amounts recognized in Consolidated Statement of Loss and Comprehensive Loss
During the three and nine-month periods, the following foreign-exchange related amounts were recognized in loss and other comprehensive loss.

	Three-month period ended		Nine-month period ended	
	July 31, 2019 $	July 31, 2018 $	July 31, 2019 $	July 31, 2018 $
Amounts recognized in loss				
Net foreign exchange gain/(loss)	74,446	112,604	222,168	314,137
Net gains (losses) recognized in Comprehensive Loss				
Translation of foreign operations	(337,421)	(138,845)	(311,819)	(262,060)

Sensitivity
The Company is primarily exposed to changes in USD/CAD, GBP/CAD, EUR/CAD and AUD/CAD exchange rates. The sensitivity of profit or loss to changes in exchange rates arises mainly from USD, GBP, EUR and AUD denominated cash and cash equivalents, short-term investments, trade accounts receivable and accounts payable.

For the three and nine-month periods ended July 31, 2019 and 2018, if the Canadian dollar had weakened/strengthened by 10% against the USD, GBP, EUR and AUD with all other variables held constant, the impact on net loss for the periods would not have been significant.

Interest rate risk

The Company's interest rate risk arises from its cash and cash equivalents and bank indebtedness with variable rates which expose the Company to cash flow interest rate risk. The Company's short-term investments have fixed interest rates.

Exposure
The exposure of the Company's cash and cash equivalents and bank indebtedness are subject to variable interest rate changes and the fixed interest rate short-term investments have contractual repricing dates of six months or less.

Sensitivity
The net loss of the Company is sensitive to higher/lower interest income from cash and cash equivalents and to higher/lower interest expenses from bank indebtedness as a result of changes in interest rates. For the three and nine-month periods ended July 31, 2019 and 2018, if the interest rate had increased/decreased by 100 basis points, with all other variables held constant, the impact on net loss for the periods would not have been significant.

ii. Credit risk

Credit risk arises from cash and cash equivalents, short-term investments held with banks as well as credit exposure to customers, including outstanding trade accounts receivables.

Risk management
Credit risk is managed on a Company wide basis. The cash and cash equivalents are comprised of cash and highly liquid short-term deposits with Canadian chartered banks. The bank indebtedness is comprised of the amount drawn on the Company's demand operating revolving loan facility with a Canadian chartered bank. The Company only deals with highly rated financial institutions.

The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings with compliance with credit limits regularly monitored.

Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. A significant portion of the Company's trade receivables are with customers in the oil and gas industry and are subject to normal credit terms.

iii. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period, the Company held cash and cash equivalents of $11,200,766 (October 31, 2018: $11,361,640) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying business, the Company maintains flexibility in funding by maintaining availability under a committed credit line.

Management maintains a forward-looking cash requirement forecast, comprising cash and cash equivalents, short-term investments and a demand operating revolving loan facility with a Canadian chartered bank. This ensures that funds are readily available to meet financial obligations as they become due, as well as ensuring that adequate funds exist to support business strategies.

The Company has financed its activities primarily through cash flows from operations, funds from brokered and non-brokered private placements, a bank demand operating revolving loan facility and government assistance in the form of repayable debt. The ability to sustain operations is dependent on successfully commercializing its products, continuing to increase sales of the Company's products and services and, if required, the ability to raise additional equity through financing. The Company has sufficient funds and access to capital for at least the next 12 months.

Maturity of financial liabilities
The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 24 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 6 months	6 – 12 months	Over 1 year	Total contractual cash flows	Carrying amount
As at July 31, 2019	$	$	$	$	$
Accounts payable and accrued liabilities	4,547,861	775,350	-	5,323,211	5,323,211
Contract liabilities	416,530	95,814	294,444	806,788	806,788
Government assistance	200,000	188,793	-	388,793	388,793
Total	5,164,391	1,059,957	294,444	6,518,792	6,518,792
As at October 31, 2018					
Accounts payable and accrued liabilities	3,741,353	295,898	-	4,037,251	4,037,251
Contract liabilities	80,682	181,947	155,675	418,304	418,304
Government assistance	-	200,000	200,000	400,000	400,000
Total	3,822,035	677,845	355,675	4,855,555	4,855,555

4. Government assistance

The Company has a compensation and funding agreement with TECTERRA Inc. ("Tecterra"), an Alberta provincial technology organization which supports the development and commercialization of geomatic solutions. Under the terms of the agreement, the Company receives funding for the development of a certain geomatic product. The agreement contains security in the form of a first security interest (subject only to any security interest and charge granted by the Company to its principal bank) on all present and after acquired property of the Company for the performance of its agreement obligations. The funding received is fully repayable by the Company on a quarterly basis with the amounts of each quarterly payment based on the lesser of a percentage of sales of that product or 20% of the funding amount. The Company shall commence repayment at the end of the calendar quarter in which the first sale of the product for which funding has been provided occurs.

On June 16, 2017, the Company entered into a compensation and funding agreement with Tecterra whereby up to $500,000 in funding was made available to the Company, interest free, for the creation and development of a new product. The Company has received all $500,000 of the available funding under this agreement (October 31, 2018: $400,000). As at July 31, 2019, the Company has repaid $111,207 of the amount received (October 31, 2018: $nil).
Of the total amount outstanding as at July 31, 2019, $388,793 (October 31, 2018: $200,000) is estimated to be repayable within 12 months of the period end date and classified as a current liability with $nil (October 31, 2018: $200,000) estimated to be repayable after 12 months of the period end date and is classified as a non-current liability.

5. Share capital and warrants

a) Authorized

An unlimited number of common voting shares without nominal or par value. An unlimited number of preferred shares without nominal or par value.

b) Issued

	Number of Shares	Amount $
Common Shares		
As at October 31, 2017	34,798,845	49,214,818
Warrants exercised	5,229,937	10,079,002
Broker warrants exercised	233,850	582,378
Options exercised	384,579	968,973
Issued through stock-based compensation plan	33,784	177,269
As at July 31, 2018	40,680,995	61,022,440
Options exercised	128,918	304,460
Issued through stock-based compensation plan	12,625	65,567
Issued for cash through private placement	6,325,000	31,625,000
Share issue costs	-	(2,225,971)
As at October 31, 2018	47,147,538	90,791,496
Options exercised	433,612	1,117,988
Issued through stock-based compensation plan	33,374	183,986
As at July 31, 2019	47,614,524	92,093,470

During the period ended July 31, 2019, 433,612 common share options were exercised for cash proceeds of $784,827. On exercise of these common share options, $333,161 was credited to share capital from contributed surplus.

During the period ended July 31, 2018, 384,579 common share options were exercised for cash proceeds of $669,935. On exercise of these common share options, $299,038 was credited to share capital from contributed surplus.

On October 22, 2018, the Company completed a brokered private placement for an aggregate of 6,325,000 common shares at an issue price of $5.00 per common share for gross proceeds of $31,625,000 and share issuance costs of $2,225,971.

6. Revenue from contracts with customers

Revenue	Three months ended July 31, 2019 $	Three months ended July 31, 2018 $	Nine months ended July 31, 2019 $	Nine months ended July 31, 2018 $
Revenue from contracts with customers – Product	3,469,187	1,852,103	9,673,122	4,540,017
Revenue from contracts with customers – Service	3,538,668	2,121,701	9,556,475	5,852,942
Revenue from leases	1,100,018	701,928	3,295,809	1,835,059
Total	8,107,873	4,675,732	22,525,406	12,228,018
Timing of revenue recognition				
At a point in time	3,469,187	1,852,103	9,673,122	4,540,017
Over time	4,638,686	2,823,629	12,852,284	7,688,001
Total	8,107,873	4,675,732	22,525,406	12,228,018

7. Segment information

The Chief Executive Officer is the Company's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Chief Executive Officer for the purposes of allocating resources and assessing performance.

The Chief Executive Officer considers the business performance from a product and service perspective. The product revenues are driven by sales of the Company's suite of safety products with the service revenue generated by the monitoring and the support of those products. There are no sales between segments and revenue from external parties is measured in a manner consistent with that in the consolidated statement of loss.

The Chief Executive Officer regularly reviews the following for each reportable segment:

	Product			
	Three months ended		Nine months ended	
	July 31, 2019 $	July 31, 2018 $	July 31, 2019 $	July 31, 2018 $
Revenue	3,469,187	1,852,103	9,673,122	4,540,017
Cost of sales	2,526,320	1,841,729	7,678,064	4,388,038
Gross margin	942,867	10,374	1,995,058	151,979

	Service			
	Three months ended		Nine months ended	
	July 31, 2019 $	July 31, 2018 $	July 31, 2019 $	July 31, 2018 $
Revenue	4,638,686	2,823,629	12,852,284	7,688,001
Cost of sales	1,590,247	959,043	4,444,263	2,613,275
Gross margin	3,048,439	1,864,586	8,408,021	5,074,726

The Company's expenses, finance income and costs, assets and liabilities are not allocated to reportable segments.

In the three and nine-month period ended July 31, 2019, there were no customers representing greater than 10% of the Company's revenue (July 31, 2018: no customer represented greater than 10%).

Revenues from external customers and distributors by country/geographic area are as follows:

	Three-month period ended		Nine-month period ended	
	July 31, 2019 $	July 31, 2018 $	July 31, 2019 $	July 31, 2018 $
Canada	2,501,369	1,905,548	9,052,723	5,720,739
United States	3,680,019	1,899,548	8,738,510	4,029,709
Europe	1,648,362	765,491	4,179,826	2,194,631
Australia & New Zealand	278,123	105,145	554,347	282,939
Total	8,107,873	4,675,732	22,525,406	12,228,018

8. Related party transactions

The Company purchased consulting services from an entity controlled by a related party of a member of key management personnel on normal credit terms and conditions in the amounts of $5,625 and $25,875 for the three and nine-month periods ended July 31, 2019, respectively (Three-month period ended July 31, 2018: $14,175 and nine-month period ended July 31, 2018: $36,435). As at July 31, 2019, the amount of $4,725 (October 31, 2018: $4,725) was outstanding in accounts payable and accrued liabilities in relation to transactions with that related party.

9. Stock-based compensation

The Company has an established a stock-based compensation plan ("stock option plan" or the "plan") which was reapproved by shareholders at the prior year annual general meeting. The purpose of the stock option plan is to provide long-term incentives for directors, officers, employees and consultants of the Company to deliver long-term shareholder returns.

Participation in the plan is at the Board of Directors' discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The plan allows for the purchase of one common share for each option granted, at a fixed price not less than the fair market value of the stock at the time of grant, subject to certain conditions being met.

The number of options that may be exercised depends on the Company's share price as listed on the TSXV. Options granted under the plan vest over an immediate to three-year period. For those options which vest immediately, they remain exercisable for a period of five years and for those options which vest after three years, the options remain exercisable for a period of two years after vesting.

Options granted under the plan are for no consideration and carry no dividend or voting rights. When exercised, each option converts into one common share.

	Number of options	Weighted average exercise price per stock option $
As at October 31, 2017	2,438,417	2.62
Vested and exercisable at October 31, 2017	2,062,250	2.42
Granted during the period	759,000	5.50
Exercised during the period	(384,579)	1.74
Forfeited during the period	(19,766)	4.85
Expired during the period	(1,500)	1.13
As at July 31, 2018	2,791,572	3.51
Vested and exercisable at July 31, 2018	2,297,755	3.24
Granted during the period	25,000	4.85
Exercised during the period	(128,918)	1.63
Forfeited during the period	(7,002)	4.50
As at October 31, 2018	2,680,652	3.61
Vested and exercisable at October 31, 2018	2,171,435	3.33
Granted during the period	812,000	5.27
Exercised during the period	(433,612)	1.81
Forfeited during the period	(31,319)	4.75
Expired during the period	(7,000)	1.31
As at July 31, 2019	3,020,721	4.30
Vested and exercisable at July 31, 2019	2,473,854	4.13

10. Loss per common share

The effects of potentially dilutive instruments such as stock options and warrants on loss per common share are anti-dilutive and therefore have been excluded from the calculation of diluted loss per common share.

	Three-month period ended		Nine-month period ended	
	July 31, 2019	July 31, 2018	July 31, 2019	July 31, 2018
Weighted average shares outstanding - basic and diluted	47,583,138	40,614,566	47,357,111	38,607,542
Loss for the period	(2,239,775)	(2,047,994)	(7,000,719)	(6,557,596)
Basic and diluted earnings per share	(0.05)	(0.05)	(0.15)	(0.17)

11. Supplementary cash flow information

The net change in non-cash working capital items increases (decreases) cash flows as follows:

	Three-month period ended		Nine-month period ended	
	July 31, 2019 $	July 31, 2018 $	July 31, 2019 $	July 31, 2018 $
Trade and other receivables	(567,320)	(483,878)	(3,979,748)	(1,045,880)
Inventory	(996,155)	770,497	(30,415)	(711,902)
Prepaid expenses and advances	(138,224)	(108,702)	(170,739)	(261,234)
Contract assets	306,430	(27,708)	(91,817)	(88,451)
Contract assets – long-term	(20,119)	(24,542)	(38,321)	(98,598)
Trade receivable – long-term	(247,599)	-	(342,929)	-
Accounts payable and accrued liabilities	570,020	(386,720)	1,267,273	(641,610)
Deferred revenue	611,755	307,907	1,996,701	1,098,493
Contract liabilities	89,738	23,530	249,715	69,738
Deferred lease incentives	-	-	(60,043)	9,442
Deferred revenue – long term	1,631,697	16,610	1,638,615	73,497
Contract liabilities – long term	42,091	66,373	138,769	73,538
Deferred lease incentives – long term	39,909	(18,013)	149,991	(46,171)
	1,322,223	135,354	727,052	(1,569,138)

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