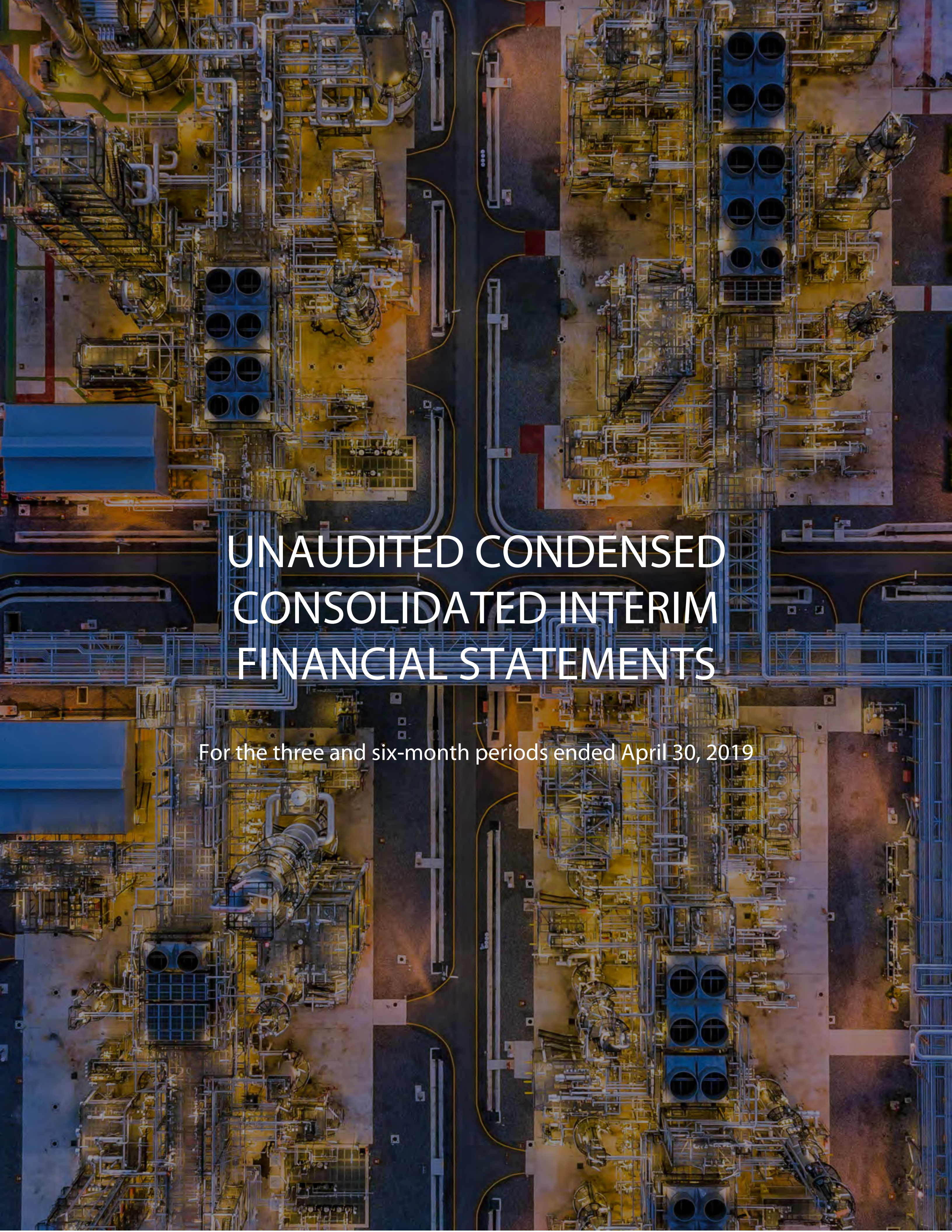

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and six-month periods ended April 30, 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)

	April 30, 2019 $	October 31, 2018 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	11,660,197	11,361,640
Short-term investments	22,000,000	28,332,055
Trade and other receivables	7,922,995	4,242,421
Inventory	5,293,198	6,231,482
Prepaid expenses and advances	503,273	468,558
Contract assets	785,193	495,020
Total current assets	48,164,856	51,131,176
NON-CURRENT ASSETS		
Property and equipment	8,019,625	5,691,544
Intangible assets	701,224	694,791
Long-term contract assets	494,081	367,803
Long-term trade receivable	95,330	-
Total non-current assets	9,310,260	6,754,138
TOTAL ASSETS	57,475,116	57,885,314
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	4,746,532	4,037,251
Deferred revenue	6,137,953	4,713,078
Current portion of contract liabilities	422,606	262,629
Current portion of government assistance (note 4)	400,000	200,000
Current portion of deferred lease incentives	-	60,043
Total current liabilities	11,707,091	9,273,001
NON-CURRENT LIABILITIES		
Deferred revenue	1,858,568	1,842,118
Contract liabilities	252,353	155,675
Government assistance (note 4)	100,000	200,000
Deferred lease incentives	128,210	18,127
Total non-current liabilities	2,339,131	2,215,920
TOTAL LIABILITIES	14,046,222	11,488,921
SHAREHOLDERS' EQUITY		
Share capital (note 5)	91,575,091	90,791,496
Contributed surplus	8,925,107	7,940,859
Accumulated other comprehensive income (loss)	123,225	97,623
Deficit	(57,194,529)	(52,433,585)
TOTAL SHAREHOLDERS' EQUITY	43,428,894	46,396,393
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	57,475,116	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 April 30, 2019	Three-month period ended April 30, 2018	Six-month period ended April 30, 2019	Six-month period ended April 30, 2018
	$	$	$	$
Revenues (note 6 and 7)				
Product revenue	4,023,855	1,222,582	6,203,934	2,687,915
Service revenue	4,165,011	2,526,580	8,213,599	4,864,371
Total revenues	8,188,866	3,749,162	14,417,533	7,552,286
Cost of sales (note 7)	4,619,003	2,090,669	8,005,760	4,200,540
Gross margin	3,569,863	1,658,493	6,411,773	3,351,746
Expenses				
Selling, general and administrative expenses	5,212,787	3,208,934	8,594,660	5,314,960
Product development costs	1,569,574	1,399,732	3,007,463	2,623,192
Total expenses	6,782,361	4,608,666	11,602,123	7,938,152
Results from operating activities	(3,212,498)	(2,950,173)	(5,190,350)	(4,586,406)
Finance income, net	196,288	44,923	429,406	76,804
Net loss	(3,016,210)	(2,905,250)	(4,760,944)	(4,509,602)
Other comprehensive income (loss)				
Foreign exchange translation gain (loss) on foreign operations	(180,809)	(123,215)	25,602	(173,617)
Comprehensive loss for the period	(3,197,019)	(3,028,465)	(4,735,342)	(4,683,219)
Loss per common share (note 10):				
Basic and diluted	(0.06)	(0.07)	(0.10)	(0.12)

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	-	-	-	-	(4,509,602)	(4,509,602)
Foreign exchange translation of foreign operations	-	-	-	(173,617)	-	(173,617)
Exercising of options (note 5)	282,081	727,618	(224,181)	-	-	503,437
Exercising of warrants (note 5)	5,463,787	10,661,380	(1,774,976)	-	-	8,886,404
Stock-based compensation expense (note 5)	23,498	118,374	1,222,310	-	-	1,340,684
Balance at April 30, 2018	40,568,211	60,722,190	7,871,058	89,255	(47,940,961)	20,741,542
Loss for the period	-	-	-	-	(4,492,624)	(4,492,624)
Foreign exchange translation of foreign operations	-	-	-	8,368	-	8,368
Exercising of options (note 5)	231,416	545,815	(168,806)	-	-	377,009
Exercising of warrants (note 5)	-	-	-	-	-	-
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)	22,911	124,462	238,607	-	-	363,069
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	-	-	-	-	(4,760,944)	(4,760,944)
Foreign exchange translation on foreign operations	-	-	-	25,602	-	25,602
Exercising of options (note 5)	278,247	647,782	(191,712)	-	-	456,070
Stock-based compensation expense (note 5)	25,568	135,813	1,175,960	-	-	1,311,773
Balance at April 30, 2019	47,451,353	91,575,091	8,925,107	123,225	(57,194,529)	43,428,894

See accompanying notes to the condensed consolidated interim financial statements

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

	Three-month period ended April 30, 2019	Three-month period ended April 30, 2018	Six-month period ended April 30, 2019	Six-month period ended April 30, 2018
	$	$	$	$
Cash provided by (used in)				
Operating activities				
Loss for the period	(3,016,210)	(2,905,250)	(4,760,944)	(4,509,602)
Depreciation and amortization	628,359	283,961	1,158,583	517,171
Stock-based compensation expense	1,167,894	1,229,205	1,295,494	1,332,395
Finance income, net	(196,287)	(44,923)	(429,406)	(76,805)
Unrealized foreign exchange (gains) losses	122,350	(313,881)	(212,478)	(196,717)
	(1,293,894)	(1,750,888)	(2,948,751)	(2,933,558)
Net changes in non-cash working capital (note 11)	1,727,733	187,295	(781,318)	(2,244,973)
Net cash provided by (used in) operating activities	433,839	(1,563,593)	(3,730,069)	(5,178,531)
Financing activities				
Proceeds from warrant and option exercises (note 5)	460,437	1,065,003	472,348	9,398,131
Proceeds from bank indebtedness	-	-	-	200,023
Repayments of bank indebtedness	-	-	-	(400,023)
Proceeds from government assistance (note 4)	100,000	100,000	100,000	100,000
Repayments of government assistance (note 4)	-	(127,834)	-	(318,912)
Net cash provided by (used in) financing activities	560,437	1,037,169	572,348	8,979,219
Investing activities				
Purchase of short-term investments	(5,000,000)	(7,000,000)	(5,000,000)	(7,000,000)
Redemption of short-term investments	9,313,820	8,070,000	11,330,765	8,070,000
Finance income, net	150,147	103,632	205,185	126,236
Purchase of property and equipment and intangible assets	(2,494,723)	(1,397,321)	(3,302,915)	(2,069,484)
Net cash provided by (used in) investing activities	1,969,244	(223,689)	3,233,035	(873,248)
Effect of foreign exchange changes on cash and cash equivalents	(302,955)	63,784	223,243	2,119
Net increase (decrease) in cash and cash equivalents	2,660,565	(686,329)	298,557	2,929,559
Cash and cash equivalents, beginning of period	8,999,632	9,224,116	11,361,640	5,608,228
Cash and cash equivalents, end of period	11,660,197	8,537,787	11,660,197	8,537,787

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 June 25, 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 April 30, 2019 reporting periods and have not been early adopted by the Company. The Company’s assessment of the impact of these new standards and interpretations 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. However, the Company has not yet determined 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. At this stage, the Company does not intend to 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 April 30, 2019		
Cash and cash equivalents		11,660,197
Short-term investments		22,000,000
Trade and other receivables		7,922,995
		41,583,192
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 April 30, 2019		
Accounts payable and accrued liabilities		4,746,532
Contract liabilities		674,959
Government assistance	4	500,000
		5,921,491
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 six-month periods, the following foreign-exchange related amounts were recognized in loss and other comprehensive loss.

	Three-month period ended		Six-month period ended	
	April 30, 2019 $	April 30, 2018 $	April 30, 2019 $	April 30, 2018 $
Amounts recognized in loss				
Net foreign exchange gain/(loss)	291,958	231,574	147,721	201,534
Net gains (losses) recognized in Comprehensive Loss				
Translation of foreign operations	(180,809)	(123,215)	25,602	(173,617)

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 six-month periods ended April 30, 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 six-month periods ended April 30, 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 $11,660,197 (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 currently 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 April 30, 2019	$	$	$	$	$
Accounts payable and accrued liabilities	4,103,302	643,230	-	4,746,532	4,746,532
Contract liabilities	285,561	137,045	252,353	674,959	674,959
Government assistance	200,000	200,000	100,000	500,000	500,000
Total	4,588,863	980,275	352,353	5,921,491	5,921,491
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 $500,000 of the available funding under this agreement (October 31, 2018: $400,000). As at April 30, 2019, the Company has repaid $nil of the amount received (October 31, 2018: $nil).

Of the total amount outstanding as at April 30, 2019, $400,000 (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 $100,000 (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	282,081	727,618
Issued through stock-based compensation plan	23,498	118,374
As at April 30, 2018	40,568,211	60,722,190
Options exercised	231,416	545,815
Issued through stock-based compensation plan	22,911	124,462
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	278,247	647,782
Issued through stock-based compensation plan	25,568	135,813
As at April 30, 2019	47,451,353	91,575,091

During the period ended April 30, 2019, 278,247 common share options were exercised for cash proceeds of $456,067. On exercise of these common share options, $191,712 was credited to share capital from contributed surplus.

During the period ended April 30, 2018, 282,081 common share options were exercised for cash proceeds of $727,618. On exercise of these common share options, $224,181 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 April 30, 2019 $	Three months ended April 30, 2018 $	Six months ended April 30, 2019 $	Six months ended April 30, 2018 $
Revenue from contracts with customers – Product	4,023,855	1,222,582	6,203,934	2,687,915
Revenue from contracts with customers – Service	3,066,326	1,940,042	6,017,807	3,731,241
Revenue from leases	1,098,685	586,538	2,195,792	1,133,130
Total	8,188,866	3,749,162	14,417,533	7,552,286
Timing of revenue recognition				
At a point in time	4,023,855	1,222,582	6,203,934	2,687,915
Over time	4,165,011	2,526,580	8,213,599	4,864,371
Total	8,188,866	3,749,162	14,417,533	7,552,286

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		Six months ended	
	April 30, 2019 $	April 30, 2018 $	April 30, 2019 $	April 30, 2018 $
Revenue	4,023,855	1,222,582	6,203,934	2,687,915
Cost of sales	3,153,071	1,224,687	5,151,743	2,546,309
Gross margin	870,784	(2,105)	1,052,191	141,606

	Service			
	Three months ended		Six months ended	
	April 30, 2019 $	April 30, 2018 $	April 30, 2019 $	April 30, 2018 $
Revenue	4,165,011	2,526,580	8,213,599	4,864,371
Cost of sales	1,465,932	865,982	2,854,017	1,654,231
Gross margin	2,699,079	1,660,598	5,359,582	3,210,140

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

In the three and six-month period ended April 30, 2019, there was one customer representing 10% or more of the Company's revenue (April 30, 2018: no customer represented greater than 10%).

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

	Three-month period ended		Six-month period ended	
	April 30, 2019 $	April 30, 2018 $	April 30, 2019 $	April 30, 2018 $
Canada	3,435,019	1,846,194	6,551,354	3,845,427
United States	3,123,364	1,098,783	5,058,491	2,101,138
Europe	1,537,161	724,455	2,531,464	1,427,894
Australia & New Zealand	93,322	79,730	276,224	177,827
Total	8,188,866	3,749,162	14,417,533	7,552,286

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 $8,156 and $20,531 for the three and six-month periods ended April 30, 2019, respectively (Three-month period ended April 30, 2018: $7,088 and six-month period ended April 30, 2018: $22,260). As at April 30, 2019, the amount of $2,363 (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	(282,081)	1.78
Forfeited during the period	(7,167)	4.28
Expired during the period	-	-
As at April 30, 2018	2,908,169	3.45
Vested and exercisable at April 30, 2018	2,346,002	3.17
Granted during the period	25,000	4.85
Exercised during the period	(231,416)	1.63
Forfeited during the period	(19,601)	4.93
Expired during the period	(1,500)	1.13
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	802,000	5.26
Exercised during the period	(278,247)	1.64
Forfeited during the period	(11,751)	4.46
Expired during the period	(7,000)	1.31
As at April 30, 2019	3,185,654	4.20
Vested and exercisable at April 30, 2019	2,612,471	4.02

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		Six-month period ended	
	April 30, 2019	April 30, 2018	April 30, 2019	April 30, 2018
Weighted average shares outstanding - basic and diluted	47,332,417	40,320,697	47,242,231	37,587,399
Loss for the period	(3,016,210)	(2,905,250)	(4,760,944)	(4,509,602)
Basic and diluted earnings per share	(0.06)	(0.07)	(0.10)	(0.12)

11. Supplementary cash flow information

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

	Three-month period ended		Six-month period ended	
	April 30, 2019	April 30, 2018	April 30, 2019	April 30, 2018
	$	$	$	$
Trade and other receivables	(1,758,586)	(34,611)	(3,412,428)	(562,002)
Inventory	1,475,899	(151,471)	917,101	(1,482,399)
Prepaid expenses and advances	(42,667)	337,024	(32,516)	(152,533)
Contract assets	(221,937)	(57,207)	(398,248)	(60,743)
Contract assets – long-term	109,261	(68,497)	(18,203)	(74,055)
Trade receivable – long-term	(95,330)	-	(95,330)	-
Accounts payable and accrued liabilities	1,093,852	(178,737)	559,749	(795,371)
Deferred revenue	1,180,689	340,180	1,384,946	790,586
Contract liabilities	(36,829)	33,071	159,977	46,208
Deferred lease incentives	(42,030)	-	(60,043)	9,442
Deferred revenue – long term	(722)	(26,496)	6,918	56,887
Contract liabilities – long term	10,439	12,052	96,678	7,165
Deferred lease incentives – long term	55,694	(18,013)	110,081	(28,158)
	1,727,733	187,295	(781,318)	(2,244,973)

This page is intentionally blank

This page is intentionally blank

This page is intentionally blank

blacklinesafety

Blackline Safety Corp.
Unit 100, 803 24 Avenue SE
Calgary, AB T2G 1P5
www.BlacklineSafety.com