GLG LIFE TECH CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended September 30, 2016

(Unaudited – Prepared by Management)

Notice of No Auditor Review of Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements have been prepared by management and approved by the Board of Directors. The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") for a review of interim financial statements by an entity's auditors.

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Financial Position
As at September 30, 2016 and December 31, 2015
(Unaudited – Expressed in Canadian Dollars)

	Note		September 30, 2016		December 31, 2015
ASSETS					
Current Assets					
Cash		$	1,537,104	$	2,326,765
Short-term investments			200,000		-
Accounts receivable	5		1,597,634		2,821,324
Sales taxes recoverable			447,141		1,220,619
Inventory	6		10,631,534		12,571,996
Prepaid expenses and other advances			1,007,039		702,779
Total Current Assets			15,420,452		19,643,483
Property, Plant, and Equipment	7		46,742,940		56,394,674
Total Assets		$	62,163,392	$	76,038,157
LIABILITIES AND SHAREHOLDERS' DEFICIENCY					
Current Liabilities					
Short-term loans	8	$	64,601,109	$	70,009,287
Accounts payable and accruals			20,553,917		21,507,819
Interest payable			19,551,235		16,558,538
Due to related parties	9		4,051,604		3,646,295
Total Current Liabilities			108,757,865		111,721,939
Long-term loans	8		2,275,735		2,407,268
Due to related parties	9		28,996,616		27,913,376
Liabilities on derivatives	8,9		429,479		205,917
Total Liabilities			140,459,695		142,248,500
EQUITY					
Shareholders' Deficiency					
Share capital	10		197,691,229		197,116,227
Contributed surplus			29,205,078		29,019,218
Accumulated other comprehensive income			12,351,984		11,541,694
Deficit			(317,544,594)		(303,887,482)
Total Shareholders' Deficiency			(78,296,303)		(66,210,343)
Total Liabilities and Shareholders' Deficiency		$	62,163,392	$	76,038,157

Going concern (Note 3)
Commitments (Note 15)
Contingencies (Note 16)
See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

APPROVED ON BEHALF OF THE BOARD:

"Sophia Leung " Director

"Brian Palmieri " Director

GLG LIFE TECH

Condensed Interim Consolidated Statements of Operations and Comprehensive (Loss)
For the Periods Ended September 30, 2016 and 2015
(Unaudited – Expressed in Canadian Dollars)

	Three months ended September 30		Nine months ended September 30	
	2016	2015	2016	2015
REVENUE	$ 4,155,150	$ 8,807,941	$ 14,024,741	$ 23,008,287
COST OF SALES (Note 12)	(4,282,585)	(8,699,091)	(14,049,609)	(21,685,602)
GROSS PROFIT (LOSS)	(127,435)	108,850	(24,868)	1,322,685
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES (Note 12)	(2,643,674)	(2,603,473)	(8,601,671)	(7,769,713)
OTHER INCOME (EXPENSES)				
Bad debt recovery	334	50,514	527,282	354,606
Foreign exchange gain (loss)	63,614	(762,040)	1,108,511	(1,661,782)
Interest expense	(2,724,676)	(2,614,079)	(7,858,595)	(7,606,146)
Interest income	4,420	13,988	13,676	25,132
Inventory impairment - obsolescence	(70,205)	(3,007)	(80,282)	(198,636)
Other income (expenses)	252,659	(154,087)	1,285,858	(158,775)
Prepaid expenses recovery (provision)	(44,801)	(59,116)	(18,448)	9,045
Loss on disposal of property, plant & equipment	(1,197)	-	(8,575)	-
Sales taxes recovery	-	172,801	-	1,554,690
	(2,519,852)	(3,355,026)	(5,030,573)	(7,681,866)
LOSS BEFORE INCOME TAXES AND NON-CONTROLLING INTERES	(5,290,961)	(5,849,649)	(13,657,112)	(14,128,894)
NET LOSS	(5,290,961)	(5,849,649)	(13,657,112)	(14,128,894)
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS				
Foreign Currency Translation Adjustment	623,171	(289,242)	810,290	355,357
TOTAL COMPREHENSIVE LOSS	$ (4,667,790)	$ (6,138,891)	$ (12,846,822)	(13,773,537)
NET LOSS PER SHARE				
Basic & Diluted (Note 13)	$ (0.14)	$ (0.15)	$ (0.36)	$ (0.37)
Weighted Average Number of Shares Outstanding				
Basic and diluted	37,890,336	37,908,336	37,890,336	37,872,622

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

As at September 30, 2016 and December 31, 2015

(Unaudited – Expressed in Canadian Dollars)

	Number of Common Shares	Number of Restricted Shares	Common Shares Amount	Contributed Surplus	Accumulated Other Comprehensive Income ("AOCI")	Restated Deficit (Note 2)	Total Shareholders' Equity
Balance as at December 31, 2014	36,417,124	1,341,212	$ 196,270,208	$ 28,608,516	$ 11,536,910	$ (278,189,073)	$ (41,773,439)
Balance, January 1, 2015	36,417,124	1,341,212	196,270,208	$ 28,608,516	$ 11,536,910	$ (278,189,073)	$ (41,773,439)
Issuance of restricted shares	-	150,000	-	-	-	-	-
Vested restricted shares	55,193	(55,193)	-	-	-	-	-
Share-based compensation	-	-	647,239	332,844	-	-	980,083
Change in foreign currency translation	-	-	-	-	355,357	-	355,357
Net loss	-	-	-	-	-	(14,128,894)	(14,128,894)
Balance as at September 30, 2015	36,472,317	1,436,019	$ 196,917,447	$ 28,941,360	$ 11,892,267	$ (292,317,967)	$ (54,566,893)
Forfeited restricted shares	-	(18,000)	-	-	-	-	-
Share-based compensation	-	-	198,780	77,859	-	-	276,639
Change in foreign currency translation	-	-	-	-	(350,573)	-	(350,573)
Net loss	-	-	-	-	-	(11,569,515)	(11,569,515)
Balance as at December 31, 2015	36,472,317	1,418,019	$ 197,116,227	$ 29,019,219	$ 11,541,694	$ (303,887,482)	$ (66,210,342)
Balance, January 1, 2016	36,472,317	1,418,019	$ 197,116,227	$ 29,019,218	$ 11,541,694	$ (303,887,482)	$ (66,210,343)
Share-based compensation	-	-	575,002	185,860	-	-	760,862
Change in foreign currency translation	-	-	-	-	810,290	-	810,290
Net loss	-	-	-	-	-	(13,657,112)	(13,657,112)
Balance as at September 30, 2016	36,472,317	1,418,019	$ 197,691,229	$ 29,205,078	$ 12,351,984	$ (317,544,594)	$ (78,296,303)

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Cash Flows
For the Periods Ended September 30, 2016 and 2015
(Unaudited – Expressed in Canadian Dollars)

	Three months ended September 30		Nine months ended September 30	
	2016	**2015**	**2016**	**2015**
Cash Flows From Operating Activities				
Net loss	$ (5,290,961)	$ (5,849,649)	$ (13,657,112)	$ (14,128,894)
Adjustments to reconcile net income to net cash provided by operating activities:				
Stock-based compensation (Note 10)	216,236	292,003	760,862	980,083
Depreciation of property, plant and equipment and amortization of intangible assets	1,648,825	1,319,165	4,358,421	4,275,534
Bad debt recovery	(334)	(50,514)	(527,282)	(354,606)
Inventories impairment	70,234	3,007	80,311	198,636
Loss on disposal of property, plant and equipment	1,197	122,268	8,575	122,268
Prepaid expenses (recovery)	44,801	59,116	18,448	(9,045)
Sales taxes recovery	-	(172,801)	-	(1,554,690)
Unrealized foreign exchange (gain) loss	60,829	(4,855)	(1,890,811)	46,214
Change in biological assets	-	(10,173)	-	(170,108)
Interest expenses - noncurrent	768,964	-	2,898,380	-
Changes in non-cash working capital items (Note 11)	2,172,227	3,104,439	6,948,768	12,293,558
Net cash from (used in) operating activities	(307,982)	(1,187,994)	(1,001,440)	1,698,950
Cash Flows From Investing activities				
Sale of short term investment	-	345,513	-	131,043
Proceeds on disposal of property, plant and equipment	1,420	-	1,420	-
Purchase of short-term investments	(200,000)	-	(200,000)	-
Purchase of property, plant and equipment	(553,374)	(1,053,755)	(847,590)	(1,264,521)
Net cash used in investing activities	(751,954)	(708,242)	(1,046,170)	(1,133,478)
Cash Flow From Financing activities				
Issuance (repayment) of long-term loans	27,538	(802,632)	27,538	73,745
Repayment of short-term loans	(20,161)	-	(20,161)	(100,600)
Advances from (repayment of advances to) customers	200,000	(2,170,896)	200,000	(2,523,191)
Interest paid	(78,630)	-	(180,425)	-
Net cash from (used in) financing activities	128,747	(2,973,528)	26,952	(2,550,046)
Effect of exchange rate changes on cash	510,162	490,663	1,230,998	1,491,943
Net Change In Cash	(421,028)	(4,379,101)	(789,661)	(492,631)
Cash, beginning of period	1,958,132	4,841,069	2,326,765	954,599
Cash, end of period	$ 1,537,104	$ 461,968	$ 1,537,104	$ 461,968

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

Supplemental Cash Flow Information (Note 11)

1. NATURE OF OPERATIONS

GLG Life Tech Corporation (the "Company" or "GLG") was incorporated under the *Companies Act* (British Columbia), Canada. The registered office of the Company is located at Suite 100, 10271 Shellbridge Way, Richmond, British Columbia V6X 2W8. The Company's shares trade on the Toronto Stock Exchange ("TSX") under the symbol "GLG".

The Company is a vertically integrated producer of high-grade stevia and monk fruit extracts. The Company's business operates primarily through the manufacturing and sales of refined forms of stevia and monk fruit, and has operations in China and North America.

2. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2016, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 ("Interim Financial Reporting").

The notes presented in these unaudited condensed interim consolidated financial statements include only significant events and transactions occurring since the Company's last fiscal year end and they do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards ("IFRS"). As a result, these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2015 annual financial statements which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

These unaudited condensed consolidated financial statements have been prepared on a historical costs basis. In addition, these financial statements have been prepared using the accrual basis of accounting. These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, except when otherwise indicated.

The Company has restated the comparative December 31, 2014, balances to correctly treat a settlement of convertible debentures that occurred in the fourth quarter of fiscal 2014. During fiscal 2014, The Company recorded a gain of $2,000,857 on the settlement of the debentures that should have been reflected in equity, not net loss. The Company has also recorded $443,000 of a loss provision on the amendment of the notes on September 30, 2015. The effect on the ending statement of financial position is a reclassification of $2,443,857 between deficit and share capital. For the year ended December 31, 2014, net loss increased by $2,443,857 from $32,566,755 to $35,010,612. Loss per share changed from $0.95 to $1.02 per share. There was no effect to cash flow from operations, investing or activities. There was also no impact on the current period Statement of Financial Position.

The condensed interim consolidated financial statements of the Company for the nine months ended September 30, 2016, were authorized for issue by the Audit Committee on behalf of the Board of Directors on November 10, 2016.

3. GOING CONCERN

These unaudited condensed consolidated financial statements have been prepared in accordance with IFRS accounting policies, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. For the nine-month period ended September 30, 2016, the Company incurred a net loss of $13,657,112 (2015 - $14,128,894). As at September 30, 2016, the Company had an accumulated deficit of $317,544,594 (2015 - $303,887,482), working capital deficiency of $93,337,413 (2015 - $92,078,456) and cash outflow from operating activities of $1,001,440 (2015 – inflow $1,698,950).

These condensed interim consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company's operating assets and primary sources of income and cash flows originate in China; the Company is therefore subject to the considerations and risks of operating in China. These include risks associated with the political and economic environment, foreign currency exchange and the legal system in China. Changes in the political and economic policies of the People's Republic of China ("PRC") government may materially and adversely affect the Company's business, financial condition and results of operations and may result in the Company's inability to sustain growth and expansion. There is also no assurance that the Company will not be adversely affected by changes in other governmental policies or any unfavorable change in the political, economic or social conditions, laws or regulations, or the rate or method of taxation in China.

The PRC economy differs from the economies of most developed countries in many respects, including the extent of government involvement, the level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China are still owned by the government. In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises significant control over China's economic growth by allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, regulating financial services and institutions and providing preferential treatment to particular industries or companies.

While the PRC economy has experienced significant growth in the past three decades, growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may also have a negative effect on the Company. The financial condition and results of operations could be materially and adversely affected by government control over capital investments or changes in tax regulations that are applicable to the Company. In addition, the PRC government has in the past implemented certain measures, including interest rate increases, to control the pace of economic growth. These measures may cause decreased economic activity, which in turn could lead to a reduction in demand for our services and consequently could have a material adverse effect on our business, financial condition and results of operations.

3. GOING CONCERN, continued

There are also uncertainties regarding the interpretation and enforcement of PRC laws, rules and regulations. As noted above, most of the Company's operations are conducted in the PRC, and are governed by PRC laws, rules and regulations. The Company's PRC subsidiaries are subject to laws, rules and regulations applicable to foreign investment in China. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value. In 1979, the PRC government began to promulgate a comprehensive system of laws, rules and regulations governing economic matters in general. The overall effect of legislation over the past three decades has significantly enhanced the protections afforded to various forms of foreign investment in China. However, China has not developed a fully integrated legal system, and recently enacted laws, rules and regulations may not sufficiently cover all aspects of economic activities in China or may be subject to significant degrees of interpretation by PRC regulatory agencies. In particular, because these laws, rules and regulations are relatively new, and because of the limited number of published decisions and the nonbinding nature of such decisions, and because the laws, rules and regulations often give the relevant regulator significant discretion in how to enforce them, the interpretation and enforcement of these laws, rules and regulations involve uncertainties and can be inconsistent and unpredictable. In addition, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may be given retroactive effect. As a result, the Company may not be aware of a violation of these policies and rules until after the occurrence of the violation.

Furthermore, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since the PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. These uncertainties may impede the Company's ability to enforce the contracts we have entered into and could materially and adversely affect the Company's business, financial condition and results of operations.

Regarding risk associated with financial instruments generally, as of September 30, 2016 and December 31, 2015, substantially all bank loans were held by Chinese banks. The Company has provided its banks guarantees and collateral agreements which could enable the banks to exercise their rights against the Company's assets, because the Company has not made its principal or interest payments on time. Should the banks exercise their respective rights, it could have a significant impact on the Company's ownership of its assets, and ultimately, its operations. The Company has provided collateral and guarantor agreements in multiple provinces in China, of which each is subject to local provincial rules. There is additional risk that the Company may be assessed additional interest and penalties. To the best of the Company's knowledge, the banks have not taken any action on their assets to date.

By the end of September 30, 2016, the Chinese debt with the Construction Bank of China and Bank of China had been transferred to China Cinda Assets Management Co., Ltd. ("Cinda"). They are state-owned capital management companies ("SOCMC").

3. GOING CONCERN, continued

The Company also relies heavily on related parties for funding and continued operations of the Company. Should the related parties not act in good faith, or decide to no longer fund the operations of the Company, there is a high risk that the operations of the Company could be significantly impacted adversely.

Finally, in the ordinary course of business, the Company is from time to time involved in legal proceedings and litigation. Presently, there are no legal proceedings and litigations that recently have had, or to the Company's knowledge, are reasonably possible to have, a material impact on the Company's financial positions, results of operations or cash flows. The Company did not accrue any loss contingencies in this respect as of September 30, 2016, and December 31, 2015, as the Company did not consider an unfavorable outcome in any material respects in these legal proceedings and litigations to be probable.

The above matters indicate the existence of a material uncertainty about the Company's ability to continue as a going concern.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed interim financial statements have been prepared using accounting policies consistent with those used in the preparation of the audited consolidated financial statements as at December 31, 2015. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2015.

New accounting standards issued but not yet effective

IFRS 15 Revenue from Contracts with Customers In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. In September 2015, the IASB deferred the effective date of the standard to annual reporting periods beginning on or after January 1, 2018, with earlier application permitted. We are currently assessing the impact on our consolidated financial statements along with the planned timing of our adoption of IFRS 15.

IFRS 16 Leases In January 2016, the IASB issued IFRS 16 Leases, which requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, with earlier application permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied or is applied at the same date as IFRS 16. We are currently assessing the impact on our consolidated financial statements along with timing of our adoption of IFRS 16.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

New accounting standards issued but not yet effective, continued

IFRS 9 Financial Instruments In July 2014, the IASB issued the final version of IFRS 9 which replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and de-recognition of financial instruments. The amended standard is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

IAS 12 - Income Taxes has been revised to incorporate amendments issued by the IASB in January 2016. The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments are effective for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is assessing the impact of this standard.

Change in accounting policies

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards with a date of initial application of January 1, 2016:

Annual improvements 2012 - 2014

Annual improvements 2012-2014 are amendments that include changes from the 2012-14 cycle of annual improvements project that affect four standards: IFRS 5, "Non-current assets held for sale and discontinued operations"; IFRS 7, "Financial instruments - Disclosures"; IAS 19, "Employee benefits" and IAS 34, "Interim financial reporting".

IAS 16, Property Plant and Equipment ("PPE") and IAS 41, Agriculture

IAS 16 and IAS 41 are amended to distinguish bearer plants from other biological assets and to require bearer plants to be classified as property plant and equipment and accounted for under IAS 16. The adoption of this standard resulted an increase of $10,691 in biological assets as of December 31, 2015.

(Unaudited – Expressed in Canadian Dollars)

5. ACCOUNTS RECEIVABLE

The aging analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired < 90 days	Past due but not impaired 91 - 180 days	Past due but not impaired >180 days
September 30, 2016	$ 1,597,634	$ 1,531,084	$ 19,342	$ 47,208	$ -
December 31, 2015	2,821,324	$ 2,185,860	$ 635,464	$ -	$ -

6. INVENTORY

	September 30, 2016	December 31, 2015
Raw material	$ 2,600,870	$ 1,648,386
Work in progress	2,139,995	2,437,136
Finished goods	5,890,669	8,486,474
	$ 10,631,534	$ 12,571,996

As of September 30, 2016, the Company has inventory of Stevia $5,786,721 (2015 - $6,239,702) and Monk Fruit $4,844,813 (2015 - $6,332,294).

The Company assessed the net realizable value of inventory based on the following: the cost of raw materials is comprised of the purchase price, applicable taxes and other costs incurred in bringing inventory to its present location and condition; the cost of finished goods includes cost of materials and cost of conversion; the cost of conversion includes costs directly related to the units of production, such as direct labour, and fixed and variable production overheads, based on normal operating capacity.

The carrying amounts of inventory have been pledged as general collateral for the line of credit facilities available to the Chinese subsidiaries.

(Unaudited – Expressed in Canadian Dollars)

7. PROPERTY, PLANT AND EQUIPMENT

	Ion exchange resin equipment	Manufacturing equipment	Buildings & construction in progress	Leasehold & land use rights	Computer equipment & software	Motor vehicles & furniture and fixture	Bearer plants	Total
Costs								
As at December 31, 2014	$ 4,830,880	$ 32,597,712	$ 40,024,399	$ 5,466,072	$ 790,772	$ 1,094,007	$ -	$ 84,803,842
Additions	363,912	672,997	-	8,864	6,802	17,206	-	1,069,781
Impairment	(1,609,374)	(1,297,463)	-	-	(170,327)	(182,220)	-	(3,259,383)
Disposals	-	-	(202,565)	-	(147,567)	(96,043)	-	(446,175)
Foreign currency adjustments	1,704,398	7,562,645	9,046,473	755,138	105,127	147,201	-	19,320,980
As at December 31, 2015	$ 5,289,816	$ 39,535,891	$ 48,868,307	$ 6,230,074	$ 584,807	$ 980,151	$ 276,050	$ 101,765,096
Additions	121,046	513,746	-	39,470	14,369	22,073	-	710,704
Impairment	-	-	-	-	-	-	-	-
Disposals	-	-	-	(79,901)	-	(25,374)	-	(105,275)
Foreign currency adjustments	(1,570,289)	(6,801,780)	(3,531,696)	(473,367)	(41,336)	(72,048)	-	(12,490,516)
As at September 30, 2016	$ 3,840,573	$ 33,247,857	$ 45,336,611	$ 5,716,276	$ 557,840	$ 904,802	$ 276,050	$ 89,880,009
Accumulated depreciation								
As at December 31, 2014	$ 2,445,464	$ 18,623,180	$ 11,110,331	$ 673,514	$ 549,150	$ 922,178	$ -	$ 34,323,817
Amortization	174,046	2,671,625	2,078,641	140,133	77,528	43,834	55,210	5,241,018
Disposals	-	-	(12,135)	-	(138,081)	(92,234)	-	(242,450)
Impairment	(303,192)	(813,629)	-	-	(119,165)	(163,998)	-	(1,399,984)
Foreign currency adjustments	701,521	4,076,108	2,339,295	137,313	70,788	122,996	-	7,448,021
As at December 31, 2015	$ 3,017,839	$ 24,557,284	$ 15,516,132	$ 950,960	$ 440,221	$ 832,776	$ 55,210	$ 45,370,422
Amortization	256,393	1,840,772	1,170,246	12,313	23,745	11,358.00	64,141	3,378,968
Disposals	-	-	-	(72,522)	-	(22,837)	-	(95,359)
Impairment	-	-	-	-	-	-	-	-
Foreign currency adjustments	(1,057,676)	(3,447,914)	(943,087)	28,515	(32,013)	(55,864)	(8,923)	(5,516,962)
As at September 30, 2016	$ 2,216,556	$ 22,950,142	$ 15,743,291	$ 919,266	$ 431,953	$ 765,433	$ 110,428	$ 43,137,069
Net book value								
As at December 31, 2015	2,271,977	14,978,607	33,352,175	5,279,114	144,586	147,375	220,840	56,394,679
As at September 30, 2016	1,624,017	10,297,715	29,593,320	4,797,010	125,887	139,369	165,622	46,742,940

(Unaudited – Expressed in Canadian Dollars)

7. PROPERTY, PLANT AND EQUIPMENT, continued

Land use rights in China have remaining terms ranging from 42.5 to 43.00 years.

Amortization expense is included in the unaudited condensed interim consolidated statement of operations under the following categories:

	Three months ended September 30		Nine months ended September 30	
	2016	**2015**	**2016**	**2015**
Cost of sales	$ 1,266,314	$ 1,065,517	$ 3,171,341	$ 3,539,261
Selling, general and administrative expenses	382,511	253,648	1,187,080	736,273
	$ 1,648,825	1,319,165	$ 4,358,421	$ 4,275,534

Amortization expenses for the nine months ended September 30, 2016, consist of $ 3,378,968 (2015 -$3,499,230) relating to current year amortization on property, plant and equipment and $979,453 (2015 - $776,304) relating to amortization capitalized to inventory during the year ended December 31, 2015, and amortized into income during the nine months ended September 30, 2016.

The Company has adopted the amendment of I AS 16 and IAS 41 and has classified bearer plants as property, plant and equipment. This assets consist of 6.6 million parent seedlings (December 31, 2015 - 6.6 million). The adoption of this standard resulted an increase of $10,691 in biological assets as of December 31, 2015.

(Unaudited – Expressed in Canadian Dollars)

8. SHORT-TERM AND LONG-TERM LOANS

The Company's short-term loans consisted of borrowings from various banks in China as follows:

Bank loans as at September 30, 2016:

	Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
	$ 590,098	3,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	5,507,583	28,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	1,966,994	10,000,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	1,923,720	9,780,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	10,144,120	51,571,696	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	15,735,951	80,000,000	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	15,575,613	79,184,858	On Demand	11.97%	Bank of Communication
	3,433,875	17,457,477	On Demand	8.83%	China Cinda Assets Management Anhui Branch
	8,364	42,523	On Demand	8.83%	China Cinda Assets Management Anhui Branch
	1,357,226	6,900,000	July 26, 2017	5.82%	Huishang Bank
	5,900,982	30,000,000	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
	2,456,583	12,489,025	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
Short-term	$ 64,601,109	328,425,578			

Short-term	$ 64,601,109	328,425,578
Long-term	$ -	-

Bank loans as at December 31, 2015:

	Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
	$ 639,304	3,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	5,966,841	28,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	2,131,015	10,000,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	2,084,132	9,780,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	10,990,090	51,572,096	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	17,048,118	80,000,000	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	16,874,410	79,184,858	On Demand	11.97%	Bank of Communication
	3,720,214	17,457,477	On Demand	9.24%	China Cinda Assets Management Anhui Branch
	9,062	42,523	On Demand	8.83%	China Cinda Assets Management Anhui Branch
	1,491,710	7,000,000	July 1, 2016	5.82%	Huishang Bank
	6,393,044	30,000,000	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
	2,661,430	12,489,025	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
Short-term	$ 70,009,287	328,525,978			

Short-term	$ 70,009,287	328,525,978
Long-term	$ -	-

The Company has continued to work with its Chinese banks on restructuring its debt. As of September 30, 2016, the Chinese debt with the Agricultural Bank of China had been transferred to China Huarong Asset Management Co., Ltd. ("Huarong"), and the Chinese debt with the Construction Bank of China had been transferred to China Cinda Assets Management Co., Ltd. ("Cinda"). They are state-owned capital management companies ("SOCMC").

(Unaudited – Expressed in Canadian Dollars)

8. SHORT-TERM AND LONG-TERM LOANS, continued

On July 1, 2016, the Company successfully renewed the loan with the Huishang Bank. The loan will be payable in 12 months and bears interest at 5.82% per annum.

The assets of the Company's subsidiaries including inventory and property, plant and equipment have been pledged as collateral for these bank loans.

Long-term borrowing from private lenders:

December 31, 2014	$	2,010,965
Additions		1,284,948
Repayments		(1,210,365)
Foreign currency translation		321,720
December 31, 2015	$	2,407,268
Additions		27,536
Repayments		-
Foreign currency translation		(159,069)
September 30, 2016	$	2,275,735

This loan balance consists of two loans.

The first loan principal and accrued interest amount as of September 30, 2016, is $1,246,330 (2015 - $1,200,118) and bears interest at 11.50% per annum. The loan will be payable on October 31, 2017, and does not have any attached covenants.

The second loan principal and accrued interest amount as of September 30, 2016, is $1,795,816 (2015 - $1,647,835) and bears interest at 20% per annum. The loan will be payable on October 31, 2017, and does not have any attached covenants. This loan provides a repayment option to the lender in either RMB or USD using a fixed foreign exchange rate of 6.1234. This option results in a liability of $23,722 (2015 - $6,525), which is accounted as liabilities on derivatives and included in unrealized foreign exchange losses. The fair value of the liability on derivatives was calculated using the Black-Scholes model with the following assumptions:

Risk free interest	0.88%
Expected life of the loan	3 years
Expected foreign currency volalitity	7.35%

(Unaudited – Expressed in Canadian Dollars)

9. RELATED PARTIES TRANSACTIONS AND BALANCES

a) Transactions with key management personnel

Key management personnel are those persons who have the authority and responsibility for planning, directing, and controlling activities of the Company directly or indirectly, including any external director of the Company.

Remuneration of key management of the Company is comprised of the following expenses:

	Three months ended September 30				Nine months ended September 30			
		2016		2015		2016		2015
Short-term employee benefits (including salaries, bonuses, fees and social security benefits)	$	232,695	$	231,887	$	700,975	$	713,044
Share-based benefits	$	210,575	$	279,826	$	735,550	$	970,520
Total remuneration	$	443,269	$	511,713	$	1,436,524	$	1,683,563

Certain executive officers are subject to termination benefits. Upon resignation at the Company's request or in the event of a change in control, they are entitled to termination benefits ranging from 24 to 36 months of gross salary, totaling approximately $1,700,000.

Key management did not exercise stock options granted under the Company's stock option plan in the nine months ended September 30, 2016.

b) Amount due to related parties

As of September 30, 2016, the Company has accrued $1,905,303 (2015 - $1,795,037) in consulting fees to the Company's Chairman and Chief Executive Officer.

As of September 30, 2016, the Company has obtained loans under numerous credit facility agreements starting from April 2012 to November 2013 from the Company's Chairman and Chief Executive Officer that, along with accrued interest, total $25,419,535 (2015 - $24,595,160). The loan proceeds were used for corporate working capital purposes. Amended agreements specify that the loans are repayable within 72 months of the date of borrowing.

As of September 30, 2016, the Company has obtained a loan from a direct family member of the Company's Chairman and Chief Executive Officer that, along with accrued interest, totals $6,629,809 (2015 - $6,159,251) in order to provide working capital required for monk fruit extracts. The loan is secured by expected proceeds from monk fruit sales, bearing interest at 20% per annum and repayable within 6 months to 36 months of the loan date, depending on the debt facility agreement.

(Unaudited – Expressed in Canadian Dollars)

9. RELATED PARTIES TRANSACTIONS AND BALANCES, continued

b) Amount due to related parties, continued

The combined total of the above loans, including the accrued interest, is $32,049,344 (2015 - $26,967,940) of which $3,051,604 is in current liabilities. These loans will be repaid by either GLG or its Chinese subsidiaries to the Lender in the currency the loans were originally borrowed (either USD or RMB), or, at the Lender's discretion, in the alternate currency.

These loans provide a repayment option to the lenders in either RMB or USD using a fixed foreign exchange rate of 6.1234. This option results in a liability of $405,757 (2015 - $111,875), which is accounted as liabilities on derivatives and unrealized foreign exchange losses. The assumptions for the fair value determination of the liability are the same as those outlined in Note 9.

Loan balance as of September 30, 2016

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$ 7,845,192	April 27, 2012	April 27, 2018	Unsecured	Category 1	Chairman and CEO
	1,301,852	October 11, 2012	October 11, 2018	Unsecured	Category 1	Chairman and CEO
	4,290,177	May 30, 2013	May 30, 2018	Unsecured	Category 2	Chairman and CEO
	327,912	November 15, 2013	November 15, 2018	Unsecured	Category 1	Chairman and CEO
	2,175,545	October 20, 2014	October 20, 2017	Unsecured	Category 3	Direct family member of CEO
	2,517,614	October 15, 2015	On Demand	Unsecured	Category 3	Direct family member of CEO
Principal amounts	**$ 18,458,292**					
Accrued interest	**13,591,052**					
	$ 32,049,344					

Loan balance as of December 31, 2015

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$ 9,996,730	April 27, 2012	April 27, 2018	Unsecured	Category 1	Chairman and CEO
	2,159,129	October 11, 2012	October 11, 2018	Unsecured	Category 1	Chairman and CEO
	3,085,979	May 30, 2013	May 30, 2018	Unsecured	Category 2	Chairman and CEO
	346,021	November 15, 2013	November 15, 2018	Unsecured	Category 1	Chairman and CEO
	4,823,840	October 20, 2014	October 20, 2017	Unsecured	Category 3	Direct family member of CEO
	2,727,681	October 15, 2015	April 15, 2016	Unsecured	Category 3	Direct family member of CEO
	$ 23,139,380					
Payments	**(757,863)**	April 27, 2012	April 27, 2018	Unsecured	Category 1	Chairman and CEO
	(2,246,104)	October 20, 2014	October 20, 2017	Unsecured	Category 3	Direct family member of CEO
Principal amounts	**$ 20,135,413**					
Accrued interest	**10,618,998**					
	$ 30,754,411					

Category 1: China 10 year benchmark government bond rate plus 1100 basis points
Category 2: US 10 year benchmark government bond rate plus 1100 basis points for loans issued in USD or
China 10 year benchmark government bond rate plus 1100 basis points for loans issued in RMB
Category 3: 20%

(Unaudited – Expressed in Canadian Dollars)

9. RELATED PARTIES TRANSACTIONS AND BALANCES, continued

b) Amount due to related parties, continued

The Company has a loan of $1,000,000 from a Director of the Company to provide working capital required for Monk Fruit extracts. The loan is secured by expected proceeds from monk fruit sales, bearing interest at 15% per annum and repayable in full within twelve months of the Disbursement Date. As of September 30, 2016, the total amount due to this related party including interest was $1,000,000 (2015 - $805,260) and is classified under current liabilities.

Loan balance as of September 30, 2016

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
Principal amounts	$ 1,000,000	September 15, 2016	September 30, 2017	Unsecured	15.00%	Director
Accrued interests	$ -					
	$ 1,000,000					

Loan balance as of December 31, 2015

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
Principal amounts	$ 800,000	September 15, 2015	September 15, 2016	Unsecured	15.00%	Director
Accrued interests	$ 5,260					
	$ 805,260					

c) Subsidiaries

The following are the subsidiaries of the Company:

	Jurisdiction of incorporatior	Ownership Interest 2016	Ownership Interest 2015	Functional Currency
Subsidiaries				
Agricultural High Tech Developments Limited	Marshall Islai	100%	100%	HKD
Chuzhou Runhai Stevia High Tech Company Limited	China	100%	100%	RMB
Qingdao Runde Biotechnology Company Limited	China	100%	100%	RMB
GLG Life Tech US, Inc.	USA	100%	100%	USD
0833416 BC Limited (formerly "GLG Weider Sweet Naturals Corporation")	Canada	55%	55%	USD

10. SHARE CAPITAL

a) Common shares

There are 37,890,336 common shares issued and outstanding with no par value. An unlimited number of common shares are authorized with no par value. The holders of common shares are entitled to one vote per share.

On March 6, 2015, the Company granted 150,000 restricted shares vesting in 3 years to the Company's Chairman and Chief Executive Officer in recognition of his service to the Company.

b) Share-based payments

i) Share-based compensation

Share-based compensation to employees is measured at fair value. Fair value is determined using company's common share price, and the Black-Scholes option pricing model ("Black-Scholes model").

The Company is subject to the policies of the TSX, under which it is authorized to grant options and restricted shares to officers, directors, employees and consultants enabling them to purchase common stock of the Company. The Company has a stock option and restricted share plan (the "Plan") amended and effective from May 16, 2008. The Plan is administered by the Board of Directors, which determines individual eligibility under the plan.

(Unaudited – Expressed in Canadian Dollars)

10. SHARE CAPITAL, continued

b) Share-based payments, continued

ii) Stock options

The Company recorded share-based payments in the amount of $185,860 (2015 - $332,844) which all related to stock options granted in previous years.

A continuity of stock options is as follows:

	Stock Options		Weighted Average Exercise Price
Balance as at December 31, 2014	2,723,699	$	1.36
Granted	767,000		0.38
Exercised	-		-
Expired/cancelled/forfeited	(81,280)		7.81
Balance as at December 31, 2015	3,409,419	$	0.64
Granted	-		-
Exercised	-		-
Expired/cancelled/forfeited	(315,197)		3.14
Balance as at September 30, 2016	3,094,222	$	0.64

The following summarizes information about the stock options outstanding and exercisable at September 30, 2016:

Exercise price	Number outstanding at September 30, 2016	Number exercisable at September 30, 2016	Remaining contractual life (years)	Expiry Date
$1.32	0	-	0.28	January 10, 2017
$0.53	1,231,322	1,231,322	1.76	July 4, 2018
$1.11	783,500	783,500	1.89	August 20, 2018
$0.55	320,400	270,979	2.55	April 20, 2019
$0.56	15,000	12,233	2.62	May 14, 2019
$0.38	744,000	442,343	3.43	March 6, 2020
	3,094,222	2,740,377		

(Unaudited – Expressed in Canadian Dollars)

10. SHARE CAPITAL, continued

b) Share-based payments, continued

iii) Restricted shares

The Company recorded share-based payments in the amount of $760,862 (2015 - $980,083), which all related to restricted shares granted in previous years. Those were valued using the stock price at the date of issue, recognized over the vesting period of the restricted shares.

A continuity of Restricted Shares is as follows:

	Restricted Shares
Balance as at December 31, 2014	1,341,212
Granted	150,000
Exercised	-
Vested	(55,193)
Expired/cancelled/forfeited	(18,000)
Balance as at December 31, 2015	1,418,019
Granted	-
Vested	-
Expired/cancelled/forfeited	-
Balance as at September 30, 2016	1,418,019

The vesting periods for restricted shares into unrestricted common shares as at September 30, 2016, are as follows:

Number of restricted share as at September 30, 2016	Vesting period (years)	Performance based
520,849	3.69	Yes
47,170	-	No
400,000	-	Yes
100,000	0.56	Yes
200,000	4.65	Yes
150,000	1.43	Yes
1,418,019	2.20	

(Unaudited – Expressed in Canadian Dollars)

11. SUPPLEMENTARY INFORMATION

Supplementary cash flow information is as follows:

`		Three months ended September 30			Nine months ended Septmeber 30		
		2016		2015		2016		2015
Accounts receivable	$	1,008,934	$	(2,582,334)	$	1,724,168	$	(3,785,020)
Taxes recoverable		264,306		365,763		753,716		1,407,498
Inventory		(399,372)		2,229,470		338,193		6,640,063
Prepaid expenses		(347,710)		(808,298)		(379,032)		(1,270,717)
Accounts payable and accruals		(235,785)		1,344,367		(344,140)		1,905,875
Interest payable		1,737,952		2,555,470		4,321,873		7,395,859
Due to related party (current)		143,902		-		533,990		-
Changes in non-cash working capital items	$	2,172,227	$	3,104,439	$	6,948,768	$	12,293,558
Interest paid	$	78,630	$	25,074	$	180,425	$	54,192

12. COST OF SALES AND EXPENSES

		Three months ended September 30				Nine months ended September 30		
		2016		2015		2016		2015
Cost of sales								
Direct cost of sales	$	2,979,380	$	7,436,337	$	10,673,996	$	17,711,147
Depreciation and amortization		1,266,314		1,065,517		3,171,341		3,539,261
Freight & others		36,891		197,237		204,272		435,194
Total	$	4,282,585	$	8,699,091	$	14,049,609	$	21,685,602
Selling, general and administrative expenses								
Direct expenses	$	2,261,163	$	2,349,825	$	7,414,591	$	7,033,440
Depreciation and amortization		382,511		253,648		1,187,080		736,273
Total	$	2,643,674	$	2,603,473	$	8,601,671	$	7,769,713
Supplementary information:								
Employee benefits	$	787,020	$	598,924	$	2,333,608	$	1,870,014

(Unaudited – Expressed in Canadian Dollars)

13. LOSS PER SHARE

The following table sets forth the calculation of the basic and diluted loss per share for share for the nine months ended September 30, 2016 and 2015:

	Three months ended September 30		Nine months ended September 30	
	2016	**2015**	**2016**	**2015**
Numerator:				
Net Loss after tax	$ (5,290,961)	$ (5,849,649)	$ (13,657,112)	$ (14,128,894)
Denominator:				
Weighted average number of shares outstanding - basic	37,890,336	37,908,836	37,890,336	37,854,469
Weighted average number of shares outstanding - diluted	37,890,336	37,908,336	37,890,336	37,872,622
Loss per share - basic	$ (0.14)	$ (0.15)	$ (0.36)	$ (0.37)
Loss per share - diluted	$ (0.14)	$ (0.15)	$ (0.36)	$ (0.37)

The total number of anti-dilutive options excluded from the calculation for the nine months ended September 30, 2016, was 3,094,222 (2015 – 3,409,419).

14. SEGMENTED INFORMATION

The Company's business operates primarily through the Natural Sweeteners Products segment.

The Natural Sweeteners Products segment is the manufacturing and sales of a refined form of stevia and monk fruit, which has operations in China and North America.

The Company's chief operating decision makers are the CEO and CFO. They review the operations and performance of the Company.

Revenue to external customers by geographical locations is as follows:

	Three months ended September 30		Nine months ended September 30	
	2016	**2015**	**2016**	**2015**
China	$ 427,371	$ 328,033	$ 1,582,495	$ 2,672,330
North America	3,727,778	8,479,908	12,442,246	20,335,957
	$ 4,155,149	$ 8,807,941	$ 14,024,741	$ 23,008,287

(Unaudited – Expressed in Canadian Dollars)

14. SEGMENTED INFORMATION, continued

During the nine months ended September 30, 2016, four customers (2015 – three customers) of the Natural Sweeteners CGU individually represented 8% or more of total consolidated revenue. The sales to these customers represented approximately 65% (2015 – 70%) of total consolidated revenue.

15. COMMITMENTS

a) Operating leases

The Company renewed two five-year operating leases with respect to land and production equipment at the Qingdao Runde factory in China. The leases expire on December 31, 2016, and will each be renewed for another five-year term. The annual minimum of each lease payments is approximately $101,500 (RMB 500,000).

The Company signed a 20 year land rental agreement in Qingdao. The agreement was signed on Feb 16, 2005, and expires on Feb 16, 2025. The terms are as follows:

- In the first 5 years the rent expense is approximately $2,034 (10,000CNY) per year
- In the second 5 years the rent expense is approximately $2,376 (11,680CNY) per year
- In the third 5 years the rent expense is approximately $2,775 (13,642CNY) per year (the Company is currently at this rate)
- In the fourth 5 years the rent expense is approximately $3,241 (15,934CNY) per year

With the same vendor the Company also signed another rental agreement from Nov 8, 2006 to Nov 7, 2036. The annual rental expense is approximately $5,812 (28,576CNY).

The Company completed a five-year office lease term on May 31, 2016 for its corporate headquarters in Vancouver, BC. The Company entered into a new eight-year agreement for corporate headquarters in Richmond, BC, beginning August 1, 2016; it will expire on July 31, 2024. The annual minimum of the new lease payments is approximately $128,040. The nine-month lease payments ended September 30, 2016 total $97,386 (2015 – $124,464).

The minimum cash payments related to the above are summarized below:		Amount
2016	$	229,010
2017		293,030
2018		293,030
2019		325,040
Thereafter		998,310
Total	$	2,138,420

15. COMMITMENTS, continued

b) Investment in Juancheng

In April 2008, the Company signed a twenty-year agreement with the government of Juancheng County in the Shandong Province of China, which gave the Company exclusive rights to build and operate a stevia processing factory as well as the exclusive right to purchase high quality stevia leaf grown in that region. The agreement requires the Company to make a total investment in the Juancheng County of $78,053,857 (US$60,000,000) over the course of the twenty-year agreement to retain its exclusive rights. As of September 30, 2016, the Company has not made any investment in the county and there is no liability if the Company eventually does not make any investment in the region. However, the Company may lose its exclusivity right if no investment is made by the end of the term of the agreement.

16. CONTINGENCIES

The Company has commenced an arbitration as Claimant against a US-based stevia extract provider with whom it entered a one-time supply agreement (the "Agreement") in 2012 to provide a specific volume of product at set prices in 2012 and 2013. The purchaser refused to take delivery of the agreed-to amount of product. As a result, the Company was unable to realize the anticipated revenues or profits from the sale or the Agreement, which significantly affected revenues in 2013. The dispute was set for hearing in October 2014 in a confidential arbitration process provided for under the Agreement, and has since been adjourned, pending amendment of the parties' pleadings. The hearing is expected to be rescheduled for a date in 2016. The Company expects to be successful and recover damages in respect of the lost revenue from the product not purchased in accordance with the Agreement.