SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Triton Emission Solutions Inc.

Form: 10-Q

Date Filed: 2016-11-21

Corporate Issuer CIK: 1143238

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2016**

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to ________

COMMISSION FILE NUMBER **000-33309**

TRITON EMISSION SOLUTIONS INC.

(Exact name of registrant as specified in its charter)

DELAWARE	**33-0953557**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
151 San Francisco Street, Suite 201 **San Juan, Puerto Rico**	**00901**
(Address of principal executive offices)	(Zip Code)

(800) 648-4287
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **[X] Yes** [ ] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). **[X] Yes** [ ] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ] (Do not check if a smaller reporting company)	**Smaller reporting company [X]**

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). [ ] Yes **[X] No**

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: **As of November 14, 2016, the Registrant had 88,195,005 shares of common stock outstanding.**

Table of Contents

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X, and, therefore, do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the three and nine month periods ended September 30, 2016 are not necessarily indicative of the results that can be expected for the year ending December 31, 2016.

Unless the context otherwise requires, all references in this report to “Triton,” “the Company,” “we,” “us,” or “our” are to Triton Emission Solutions Inc., collectively with its subsidiaries Ecolutions, Inc., and Triton Emission Solutions International AB.

TRITON EMISSION SOLUTIONS INC.
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN US DOLLARS)

	September 30, 2016 (Unaudited)	December 31, 2015
ASSETS		
Current assets		
Cash	$ 78,866	$ 112,138
Accounts receivable	21,835	27,111
Prepaids	31,212	46,776
Loan receivable	-	1,200,000
Work in progress	529,221	559,789
	661,134	1,945,814
Equipment	24,627	32,578
	$ 685,761	$ 1,978,392
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	$ 124,293	$ 112,449
Accrued liabilities	50,342	75,304
Wages payable	75,500	30,467
Unearned revenue	2,075,000	2,075,000
Notes and advances payable	1,028,039	1,063,420
Due to related parties	68,891	40,486
Derivative liabilities - warrants	468,782	945,962
Derivative liability - conversion feature	1,313,547	2,335,498
Loans payable	4,173,557	-
	9,377,951	6,678,586
Long-term loans	-	2,003,049
Total liabilities	9,377,951	8,681,635
Stockholders' deficit		
Common stock $0.001 par value, 200,000,000 common shares authorized, 88,195,005 issued and outstanding at September 30, 2016 (December 31, 2015 - 88,145,005)	88,195	88,145
Obligation to issue shares	46,410	46,410
Additional paid in capital	63,299,918	63,045,602
Accumulated deficit	(72,132,663)	(69,890,583)
Accumulated other comprehensive income	5,950	7,183
	(8,692,190)	(6,703,243)
	$ 685,761	$ 1,978,392

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

TRITON EMISSION SOLUTIONS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(EXPRESSED IN US DOLLARS)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2016	**2015**	**2016**	**2015**
Consulting revenue	$ 21,768	$ 8,130	$ 70,988	$ 48,445
Royalty revenue	-	3,260	-	15,123
Total revenues	21,768	11,390	70,988	63,568
Amortization	2,670	2,670	7,951	7,200
General and administrative expenses	260,659	532,191	1,319,808	1,542,978
Research and development	11,301	13,204	30,348	71,271
Loss before other items	(252,862)	(536,675)	(1,287,119)	(1,557,881)
Other items				
Accretion expense	(944,459)	(289,194)	(2,160,210)	(325,475)
Change in fair value of derivative liabilities	1,321,807	577,077	1,499,131	2,283,703
Interest	(14,164)	(7,693)	(41,764)	(16,823)
Stock-based compensation	(64,180)	(151,267)	(252,118)	(650,786)
Net income (loss)	46,142	(407,752)	(2,242,080)	(267,262)
Foreign exchange translation	935	(2,319)	(1,233)	(4,426)
Comprehensive income (loss)	$ 47,077	$ (410,071)	$ (2,243,313)	$ (271,688)
Net income (loss) per share - basic and diluted	$ 0.00	$ (0.00)	$ (0.03)	$ (0.00)
Weighted average number of shares outstanding - basic	88,195,005	88,102,070	88,174,750	88,097,386
Weighted average number of shares outstanding - diluted	88,195,005	88,102,070	88,174,750	88,097,386

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

TRITON EMISSION SOLUTIONS INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
(EXPRESSED IN US DOLLARS)
(Unaudited)

	Common shares		Obligation	Additional		Accumulated Other	
	Number of Shares	Amount	to Issue Shares	Paid-in Capital	Accumulated Deficit	Comprehensive Income / (Loss)	Total
Balance at December 31, 2014	88,095,005	$ 88,095	$ 46,410	$ 62,324,449	$ (66,250,486)	$ 11,446	$ (3,780,086)
Stock-based compensation	-	-	-	650,786	-	-	650,786
Fair value of warrants issued for investor relation services	-	-	-	12,163	-	-	12,163
Shares issued for investor relation services	25,000	25	-	2,475	-	-	2,500
Net income for the period ended September 30, 2015	-	-	-	-	(267,262)	-	(267,262)
Translation to reporting currency	-	-	-	-	-	(4,426)	(4,426)
Balance at September 30, 2015	88,120,005	88,120	46,410	62,989,873	(66,517,748)	7,020	(3,386,325)
Stock-based compensation	-	-	-	53,754	-	-	53,754
Shares issued for investor relation services	25,000	25	-	1,975	-	-	2,000
Net loss for the period ended December 31, 2015	-	-	-	-	(3,372,835)	-	(3,372,835)
Translation to reporting currency	-	-	-	-	-	163	163
Balance at December 31, 2015	88,145,005	88,145	46,410	63,045,602	(69,890,583)	7,183	(6,703,243)
Stock-based compensation	-	-	-	252,118	-	-	252,118
Shares issued for investor relation services	50,000	50	-	2,198	-	-	2,248
Net loss for the period ended September 30, 2016	-	-	-	-	(2,242,080)	-	(2,242,080)
Translation to reporting currency	-	-	-	-	-	(1,233)	(1,233)
Balance at September 30, 2016	88,195,005	$ 88,195	$ 46,410	$ 63,299,918	$ (72,132,663)	$ 5,950	$ (8,692,190)

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

TRITON EMISSION SOLUTIONS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN US DOLLARS)
(Unaudited)

	Nine Months Ended September 30, 2016	2015
Cash flows used in operating activities		
Net loss	$ (2,242,080)	$ (267,262)
Non-cash items		
Accretion expense	2,160,210	325,475
Accrued interest	4,040	16,823
Amortization	7,951	7,200
Interest expense	10,298	22,191
Foreign exchange (gain) loss	12,918	(43,800)
Change in fair value of derivative liability	(1,499,131)	(2,283,703)
Investor relations fees, non-cash	2,248	14,663
Stock-based compensation	252,118	650,786
Changes in operating assets and liabilities		
Accounts receivable	4,974	(33,655)
Prepaids	15,559	22,401
Work in progress	30,754	(205,164)
Accounts payable	11,972	(26,401)
Accrued liabilities	(24,974)	(36,880)
Wages payable	45,680	(48,646)
Due to related parties	28,391	500
Net cash used in operating activities	(1,179,072)	(1,885,472)
Cash flows from financing activities		
Loan proceeds	1,200,000	1,200,000
Notes and advances payable	110,000	400,000
Repayment of notes payable	(162,276)	(100,000)
Net cash provided by financing activities	1,147,724	1,500,000
Cash flows used in investing activities		
Acquisition of equipment	-	(11,354)
Net cash used in investing activities	-	(11,354)
Effects of foreign currency exchange	(1,924)	(5,562)
Net decrease in cash	(33,272)	(402,388)
Cash, beginning	112,138	560,144
Cash, ending	$ 78,866	$ 157,756
Cash paid for:		
Income tax	$ -	$ -
Interest	$ 37,724	$ -

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Triton Emission Solutions Inc. (the "Company") was incorporated in the state of Delaware on March 2, 2000 and is listed on the OTCQB under the symbol "DSOX". On August 25, 2014, the Company changed its name from Poly Shield Technologies Inc. to Triton Emission Solutions Inc. On November 13, 2014, the Company established a wholly owned subsidiary in Sweden, Triton Emission Solutions International AB (the "Subsidiary").

The Company's main focus is the development and marketing of its proprietary DSOX Fuel Purification (the "DSOX") and Njord Exhaust Gas Scrubber (the "Njord") Systems, designed to remove sulfur from marine fuel and exhaust gases. The technology is currently aimed at the maritime industry which includes vessels for cruise-line, freight shipping and tanker companies. The Company's PST-200 in-line fuel scrubber system is specifically designed and engineered for cleaning salt and metals out of highly contaminated fuel to a gas turbine.

Basis of presentation

The unaudited interim consolidated financial statements included herein have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. They do not include all information and notes required by generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there has been no material change in the information disclosed in the notes to the financial statements included in the Annual Report on Form 10-K of the Company for the year ended December 31, 2015. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2016, are not necessarily indicative of the results that may be expected for the year ending December 31, 2016. For further information, these unaudited interim consolidated financial statements and the related notes should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2015, included in the Company's report on Form 10-K.

Reclassifications

Certain prior period amounts in the accompanying unaudited consolidated interim financial statements have been reclassified to conform to the current period's presentation. These reclassifications had no net effect on the consolidated results of operations or financial position for any period presented.

Effective January 1, 2016, the Company adopted ASU 2015-03 Guidance on Presentation of Debt Issuance Costs issued by the Financial Accounting Standards Board ("FASB") and started recognizing financing costs associated with loans received as a direct deduction from the face amount of the loans. The amortization of the financing costs is being reported as interest expense. The Company reclassified its prior period balances to conform to the current period's presentation.

Going Concern

The accompanying unaudited interim consolidated financial statements have been prepared assuming the Company will continue as a going concern. Continuation as a going concern is dependent upon the ability of the Company to obtain the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due and ultimately upon its ability to achieve profitable operations. The outcome of these matters cannot be predicted with any certainty at this time and raises substantial doubt that the Company will be able to continue as a going concern. These unaudited interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. Management intends to obtain additional funding by borrowing funds from its directors and officers, issuing promissory notes and/or a private placement of common stock.

NOTE 2 - RELATED PARTY TRANSACTIONS

Amounts due to related parties, other than notes payable to related parties and KF Business Ventures loans (Notes 4 and 5), at September 30, 2016 and December 31, 2015:

	September 30, 2016	December 31, 2015
Due to a company controlled by the Chief Financial Officer ("CFO")	$ 46,794	$ 703
Due to the Chief Executive Officer ("CEO")	3,605	10,490
Due to the President and Chief Technical Officer ("CTO")	14,798	14,798
Due to the former Vice President ("VP") of Engineering	195	195
Due to the CEO and President of Subsidiary	3,499	14,300
Due to related parties	$ 68,891	$ 40,486

Amounts are unsecured, due on demand and bear no interest.

The Company incurred the following expenses with related parties:

	September 30, 2016	September 30, 2015
Salary paid to the CEO	$ 135,000	$ 142,159
Fair value of options issued to the CEO (Note 6)	70,923	239,009
Administrative fees incurred to a company controlled by the CFO	135,000	112,500
Management fees incurred to the CFO	--	22,500
Salary paid to the President and CTO	135,000	202,500
Fair value of options issued to a Director and Chairman (Note 6)	176,867	308,735
Salary paid to the Senior VP of Business Development	135,000	202,500
Salary paid to the former VP of Engineering	63,000	81,668
Fair value of options issued to the former Vice President of Engineering	--	63,660
Salary paid to the President and CEO of the Subsidiary	78,535	79,808
Fair value of options issued to the President and CEO of the Subsidiary	--	15,509
Total transactions with related parties	$ 929,325	$ 1,470,548

NOTE 3 - EQUIPMENT

Amortization schedule for the equipment:

	September 30, 2016	December 31, 2015
Beginning of period	$ 32,578	$ 31,093
Additions	--	11,354
Amortization	(7,951)	(9,869)
End of period	$ 24,627	$ 32,578

The equipment consists of testing and laboratory tools and machinery, which is amortized on a straight-line basis over its useful life of five years.

NOTE 4 - NOTES AND ADVANCES PAYABLE

The tables below summarize the short-term loans outstanding as at September 30, 2016 and December 31, 2015:

As at September 30, 2016			
Principal Outstanding	Interest Rate per Annum	Accrued Interest	Total
$ 27,000	8%	$ 12,348	$ 39,348
49,500	7%	25,491	74,991
144,850*	6%	4,517	149,367
15,000	0%	--	15,000
600,000	6%	39,037	639,037
110,000	10%	296	110,296
$ 946,350		$ 81,689	$ 1,028,039

*The carrying value of this loan is denoted in Canadian dollars and is translated into US dollars at the end of each reporting period.

As at December 31, 2015			
Principal Outstanding	Interest Rate per Annum	Accrued Interest	Total
$ 27,000	8%	$ 10,068	$ 37,068
49,500	7%	21,674	71,174
137,283**	6%	32,948	170,231
173,911	0%	--	173,911
600,000	6%	11,036	611,036
$ 987,694		$ 75,726	$ 1,063,420

*The carrying value of this loan is denoted in Canadian dollars and is translated into US dollars at the end of each reporting period.

Quarry Bay and Tradex Loans and Advances

On April 7, 2015, the Company received a demand notice to repay outstanding notes payable issued to Quarry Bay Capital LLC. ("Quarry Bay") and Tradex Capital Corp ("Tradex").

On April 17, 2015, the Company made a payment of $100,000. On August 4, 2015, the Company reached an agreement with the lenders to extend the repayment of the outstanding loans in consideration for a $10,000 extension fee. The lenders agreed to extend the repayment term of 50% of the amount outstanding to September 26, 2015, and the repayment term of the remaining 50% balance to November 25, 2015. As at December 31, 2015, the Company repaid a total of $150,000.

During the nine month period ended September 30, 2016, the Company repaid an additional $200,000, of which $37,724 was applied toward interest accrued on the Quarry Bay Capital Loan, which accrued interest at a rate of 6% per annum.

As at September 30, 2016				
	Principal Outstanding	Interest Rate per Annum	Accrued Interest	Total
Quarry Bay Loan*	$ 144,850	6%	$ 4,517	$ 149,367
	$ 144,850		$ 4,517	$ 149,367

*The carrying value of this loan is denoted in Canadian dollars and is translated into US dollars at the end of each reporting period.

As at December 31, 2015				
	Principal Outstanding	Interest Rate per Annum	Accrued Interest	Total
Quarry Bay Loan	$ 33,000	0%	$ -	$ 33,000
Quarry Bay Loan*	137,283	6%	32,948	170,231
Tradex Loan	15,000	0%	-	15,000
Tradex Loan*	110,910	0%	-	110,910
	$ 296,193		$ 32,948	$ 329,141

*The carrying value of this loan is denoted in Canadian dollars and is translated into US dollars at the end of each reporting period.

Norling Bridge Loans

On July 28, 2015 and November 6, 2015, the Company entered into two separate bridge loan agreements (the "Norling Loans") with its President and CTO, Rasmus Norling. Pursuant to the Norling Loans, Mr. Norling agreed to lend to the Company total of $400,000 in exchange for unsecured promissory notes.

The loans have an interest rate of 6%, respectively, and are due December 31, 2016.

During the nine month period ended September 30, 2016, the Company recorded $25,645 in interest expense associated with the Norling Loans (2015 - $2,110). As at September 30, 2016, the Company owed $425,645 (2015 - $406,994) under the Norling Loans.

KF Business Ventures Bridge Loans

On August 31, 2015, the Company entered into a bridge loan agreement with KF Business Ventures, LP ("KFBV"), a company controlled by a director of the Company, whereby KFBV agreed to lend to the Company $200,000 in exchange for an unsecured promissory note (the "KFBV Bridge Loan").

The loan has an interest rate of 6%, and is due December 31, 2016.

During the nine month period ended September 30, 2016, the Company recorded $13,392 in interest expense associated with the KFBV Bridge Loan (2015 - $986). As at September 30, 2016, the Company owed $213,392 (2015 - $204,041) under the KFBV Bridge Loan.

During September 2016, the Company issued an unsecured promissory note to KFBV for gross proceeds of $110,000 (the "KFBV Note"). The Company agreed to grant KFBV the right to offset the cash payable upon an exercise of warrants to purchase shares of the Company's common stock issued to KFBV against the corresponding amount payable of outstanding indebtedness under this KFBV Note.

The KFBV Note has an interest rate of 10%, and is due January 15, 2017.

During the nine month period ended September 30, 2016, the Company recorded $296 in interest expense associated with the KFBV Note (2015 - $Nil). As at September 30, 2016, the Company owed $110,296 (2015 - $Nil) under the KFBV Note.

Other Loans

In September and October of its Fiscal 2010, the Company entered into a number of loan agreements with a third party creditor, whereby the third party creditor agreed to lend to the Company a total of $34,500 in exchange for unsecured promissory notes. On November 9, 2010, the Company entered into a loan agreement with another third party creditor, whereby the third party creditor agreed to lend to the Company $15,000 in exchange for an unsecured promissory note.

During the nine month period ended September 30, 2016, the Company recorded $3,818 in interest expense associated with these loans from third party creditors (2015 - $3,557). As at September 30, 2016, the Company owed $74,991 (2015 - $71,174) under these loans.

The loans have an interest rate of 7%, and are due on demand.

On December 12, 2011, the Company entered into a loan agreement with a third party creditor, whereby the third party creditor agreed to lend to the Company $15,000 in exchange for an unsecured promissory note. On February 13, 2012, the third party creditor entered into a second loan agreement with the Company, whereby the third party creditor agreed to lend to the Company an additional $12,000 in exchange for an unsecured promissory note.

During the nine month period ended September 30, 2016, the Company recorded $2,280 in interest expense associated with these loans (2015 - $2,103). As at September 30, 2016, the Company owed $39,348 (2015 - $37,068) under these loans.

The loans have an interest rate of 8%, and are due on demand.

On August 14, 2012, the Company entered into a loan agreement with a third party creditor, whereby the third party creditor agreed to lend to the Company $15,000 in exchange for an unsecured promissory note.

During the nine month period ended September 30, 2016, the Company recorded $Nil in interest expense associated with the loan from a third party (2015 - $Nil). As at September 30, 2016, the Company owed $15,000 (2015 - $15,000) under this loan.

The loan has an interest rate of 0%, and is due on demand.

NOTE 5 - KFBV LOANS AND DERIVATIVE LIABILITY

First KF Business Ventures Loan Agreement

On January 15, 2014, the Company entered into a binding letter agreement with KF Business Ventures, LP ("KFBV"), a company controlled by a director of the Company (the "Lender"), which was superseded by the formal definitive loan agreement signed on February 11, 2014, and further amended on March 10, 2014, September 8, 2014, and on December 17, 2015 (the "First KF Loan Agreement"). Under the First KF Loan Agreement the Lender agreed to lend to the Company up to $2,000,000 in four equal installments of $500,000 each (the "First KF Loan"). Pursuant to the First KF Loan Agreement (as amended on March 10, 2014) the principal and interest were to become payable in 18 equal monthly installments commencing on January 1, 2015, with the Company having the right to prepay the First KF Loan at any time in increments of not less than $250,000. The First KF Loan is unsecured and has effective interest rate of 1,130%, which was due primarily to the recording of non-cash accretion interest.

In consideration for the First KF Loan Agreement, as amended on March 10, 2014 (the "March Amendment"), the Company issued to the Lender non-transferrable share purchase warrants to purchase a total of 6,904,546 shares exercisable at a price of $1.00 per share (the "First KF Warrants") (Note 6). Warrants for 2,450,000 shares had an original expiry date of January 15, 2015, and warrants for 4,454,546 shares had an original expiry date of January 15, 2018. At the discretion of the Lender the First KF Warrants for up to 3,452,273 shares of common stock could have been acquired by way of a cashless exercise.

The First KF Warrants included a down-round provision whereby the exercise price of the First KF Warrants could have been adjusted to the lowest offering price of any options, warrants or shares issued subsequent to the issuance of the First KF Warrants (the "Down-Round Provision"). The First KF Warrants were determined to be a derivative under ASC 815; therefore, at initial measurement, the proceeds were allocated to the fair value of the warrants first and any residual proceeds to the principal of the First KF Loan.

At issuance date, the fair value of the First KF Warrants was $5,128,110 and a value of $Nil was allocated to the principal.

On September 8, 2014, the Company entered into a Second Amendment Agreement (the "September Amendment") to extend the maturity of the First KF Loan to January 15, 2016, and replace 18 equal monthly installments with a one-time payment of principal and accrued interest. Furthermore, the Company was given an option to further extend the repayment of the First KF Loan to January 15, 2017 by issuing additional share purchase warrants (the "First Extension Warrants") equal to one-half of the outstanding principal and unpaid interest as at January 15, 2016. The Extension Warrants were to have an initial exercise price of $0.50 per share expiring on September 1, 2021.

As consideration for the September Amendment, the Company issued to the Lender additional warrants for the purchase of up to 2,350,000 shares (the "September Warrants"), with an initial exercise price of $0.50 per share and expiring on January 15, 2019, with cashless exercise rights for up to 1,175,000 shares. In addition, the Company agreed to decrease the exercise price for the First KF Warrants (the "Amended Warrants") from $1.00 per share to $0.50 per share and extend the expiration date of warrants for up to 2,450,000 shares of the Company's common stock from January 15, 2015 to January 15, 2016. The September Warrants also included the Down-Round Provision (Note 6).

On December 17, 2015 (the “December Amendment Date”), as part of the second definitive Letter Agreement with KFBV (the “Second KF Letter Agreement”), which was superseded by a formal Loan Agreement dated January 8, 2016, the Company agreed to decrease the exercise price for Amended Warrants and September Warrants from $0.50 per share to $0.10 per share and extend the expiration date of warrants to January 15, 2021. In addition, the Company exercised its option to extend the maturity of the First KF Loan to January 15, 2017 by issuing the Lender 1,194,332 First Extension Warrants, being an equivalent to one-half of the outstanding principal and unpaid interest on the First KF Loan as at January 15, 2016. First Extension Warrants have an initial exercise price of $0.10 per share expiring on September 1, 2021.

During the nine month period ended September 30, 2016, the Company recognized accretion expense of $860,710 (September 30, 2015 - $219,527).

At September 30, 2016, the fair value of the derivative liabilities associated with the warrants issued pursuant to the First KF Loan Agreement was $146,972 (December 31, 2015 - $296,033).

At September 30, 2016 and December 31, 2015 the fair values of Amended Warrants, September Warrants, and First Extension Warrants were revalued using the Binomial Lattice model using the following assumptions:

	At September 30, 2016	At December 31, 2015
Expected Warrant Life	4.30 - 4.92 years	5 - 5.71 years
Risk-Free Interest Rate	1.14%	1.73%-1.76%
Expected Dividend Yield	Nil	Nil
Expected Stock Price Volatility	32%-60%	32%-60%

Second KF Business Ventures Loan Agreement

On July 28, 2014, the Company entered into a second loan agreement with the Lender (the “Second KF Loan Agreement”). Under the Second KF Loan Agreement, the Lender agreed to lend to the Company $2,400,000 (the “Second KF Loan”), to be advanced in eight equal installments of $300,000 each, commencing on September 1, 2014, and on the first day of each consecutive calendar month thereafter until fully advanced.

The initial maturity date under the Second KF Loan Agreement was January 15, 2016, with an option to further extend the maturity date to January 15, 2017 by issuing additional share purchase warrants (the “Second Extension Warrants”) equal to one-half of the outstanding principal and unpaid interest as at January 15, 2016. The Second KF Loan is unsecured and has an effective interest rate of 1,729%, which was due primarily to the recording of non-cash accretion interest.

In consideration for the Second KF Loan Agreement, the Company issued to the Lender non-transferrable share purchase warrants for a total of 9,600,000 shares of the Company’s common stock, exercisable at a price of $0.50 per share for a period expiring September 1, 2019 (the “Second KF Warrants”) (Note 6). At the discretion of the Lender the Second KF Warrants for up to 4,800,000 shares of common stock can be acquired by way of a cashless exercise.

The Second KF Warrants were determined to be a derivative under ASC 815; therefore, at initial measurement, the proceeds were allocated to the fair value of the Second KF Warrants first and any residual proceeds to the loan principal.

At issuance date, the fair value of the Second KF Warrants was $5,388,652 and a value of $Nil was allocated to the principal.

On December 17, 2015, as part of the Second KF Letter Agreement, which was superseded by a formal Loan Agreement dated January 8, 2016, the Company agreed to decrease the exercise price for the Second KF Warrants from $0.50 per share to $0.10 per share and extend the expiration date of these warrants to January 15, 2021. The Second KF Warrants included a down-round provision whereby the exercise price of the Second KF Warrants could have been adjusted to the lowest offering price of any options, warrants or shares issued subsequent to the issuance of the Second KF Warrants. In addition, the Company exercised its option to extend the maturity of the Second KF Loan to January 15, 2017 by issuing the Lender 1,337,320 Second Extension Warrants, being an equivalent to one-half of the outstanding principal and unpaid interest as at January 15, 2016. Second Extension Warrants have an initial exercise price of $0.10 per share expiring on September 1, 2021.

During the nine month period ended September 30, 2016, the Company recognized accretion expense of $1,267,288 (September 30, 2015 - $105,948).

At September 30, 2016, the fair value of the derivative liabilities associated with the Second KF Warrants and the Second Extension Warrants was $179,842 (December 31, 2015 - $375,369).

At September 30, 2016 and December 31, 2015, the fair values of the Second KF Warrants and Second Extension Warrants were revalued using the Binomial Lattice model using the following assumptions:

	At September 30, 2016	At December 31, 2015
Expected Warrant Life	4.30 - 4.92 years	5.05 - 5.71 years
Risk-Free Interest Rate	1.14%	1.73% - 1.76%
Expected Dividend Yield	Nil	Nil
Expected Stock Price Volatility	15% - 60%	15% - 60%

Third KF Business Ventures Loan Agreement

On December 17, 2015, the Company entered into a Second KF Letter Agreement with the Lender, which was ratified by the formal definitive loan agreement signed on January 8, 2016 (the “Third KF Loan Agreement”). Under the Third KF Loan Agreement, the Lender agreed to lend to the Company $1,500,000 (the “Third KF Loan”), to be advanced in five equal installments of $300,000 each, commencing on execution of the Second KF Letter Agreement, and on the first day of each consecutive calendar month thereafter until fully advanced. A total of $1,200,000 was advanced in fiscal 2016.

The maturity date under the Third KF Loan Agreement is January 15, 2017. The Third KF Loan is unsecured and has an effective interest rate of 2,339%, which was due primarily to the recording of non-cash accretion interest. At the discretion of the Lender the principal and accrued but unpaid interest under the Third KF Loan may be converted into shares of the Company’s common stock at a conversion price of $0.10 per share, in minimum increments of $250,000 (the “Third KF Loan Conversion Feature”). The Down-Round Provision is included in the Third KF Loan Conversion Feature.

In consideration for the Third KF Loan Agreement, the Company issued to the Lender non-transferrable share purchase warrants for a total of 8,000,000 shares of the Company’s common stock, exercisable at a price of $0.10 per share for a period expiring January 15, 2021 (the “Third KF Warrants”). At the discretion of the Lender the Third KF Warrants for up to 4,000,000 shares of common stock can be acquired by way of a cashless exercise (Note 6). The Down-Round Provision is included in the Third KF Warrants.

The Third KF Warrants and the Third KF Loan Conversion Feature were determined to be derivatives under ASC 815; therefore, at initial measurement, the proceeds were allocated to the Third KF Warrants and the Third KF Loan Conversion Feature on a pro-rata basis first and any residual proceeds to the principal.

At issuance date, the fair value of the Third KF Warrants and the Third KF Loan Conversion Feature was $509,760 and $990,239 respectively and a value of $1 was allocated to the principal.

During the nine month period ended September 30, 2016, the Company recognized accretion expense of $32,213 (2015 - $Nil).

At September 30, 2016, the fair value of the derivative liability associated with the Third KF Warrants and the Third KF Loan Conversion Feature was $141,968 (2015 - $274,560) and $1,313,547 (2015 - $2,335,498), respectively.

The fair value of the Third KF Warrants was calculated using the Binomial Lattice model at the grant date, and was revalued at the reporting dates using the following assumptions:

	At September 30, 2016	At December 31, 2015
Expected Warrant Life	4.30 years	5.05 years
Risk-Free Interest Rate	1.14%	1.76%
Expected Dividend Yield	Nil	Nil
Average Expected Stock Price Volatility	60%	60%

The fair value of the Third KF Loan Conversion Feature was calculated using the Binomial Lattice model at the grant date, and was revalued at the reporting dates using the following assumptions:

	At September 30, 2016	At December 31, 2015
Expected Life	0.29 years	1.04 years
Risk-Free Interest Rate	0.29%	0.65%
Expected Dividend Yield	Nil	Nil
Expected Stock Price Volatility	57%	57%

Summary of the KF Loans Payable

A summary of the discounted carrying value, deferred financing costs, accumulated accrued interest, and principal of the KF Loans Payable is as follows:

As at September 30, 2016	Discounted Carrying Value	Principal Outstanding	Accumulated Accrued Interest	Total
First KF Loan Payable	$ 2,164,799	$ 2,000,000	$ 563,603	$ 2,563,603
Second KF Loan Payable	1,980,564	2,400,000	470,513	2,870,513
Third KF Loan Payable	32,215	1,500,000	100,554	1,600,554
	4,177,578	5,900,000	1,134,670	7,034,670
Deferred Financing Costs	(4,021)	--	--	--
	$ 4,173,557	$ 5,900,000	$ 1,134,670	$ 7,034,670

As at December 31, 2015	Discounted Carrying Value	Principal Outstanding	Accumulated Accrued Interest	Total
First KF Loan Payable	$ 1,304,090	$ 2,000,000	$ 379,543	$ 2,379,543
Second KF Loan Payable	713,276	2,400,000	264,424	2,664,424
Third KF Loan Payable*	1	1,500,000	1,151	1,501,151
	2,017,637	5,900,000	645,118	6,545,118
Deferred Financing Costs	(14,588)	--	--	--
	$ 2,003,049	$ 5,900,000	$ 645,118	$ 6,545,118

*As at December 31, 2015, $1,200,000 in principal under the Third KF Loan remained receivable.

Summary of the Derivative Liability - Conversion Feature

A summary of the derivative liabilities associated with the Conversion Feature under the Third KF Loan Agreement is as follows:

As at September 30, 2016	Fair Value at December 31, 2015	Incremental Increase in Fair Value for Issuance	Change on Revaluation at Reporting Date	Fair Value at September 30, 2016
Third KF Loan Conversion Feature	$ 2,335,498	$ Nil	$ (1,021,951)	$ 1,313,547

As at December 31, 2015	Fair Value at December 31, 2014	Incremental Increase in Fair Value for Issuance	Change on Revaluation at Reporting Date	Fair Value at December 31, 2015
Third KF Loan Conversion Feature	$ Nil	$990,239	$ 1,345,259	$ 2,335,498

Summary of the Derivative Liabilities - Warrants

A summary of the derivative liabilities associated with the warrants under the KF Loan Agreements and their amendments is as follows:

As at September 30, 2016	Fair Value at December 31, 2015	Incremental Increase in Fair Value for Modification / Issuance	Change on Revaluation at Reporting Date	Fair Value at September 30, 2016
9,254,546 warrants (Amended Warrants and September Warrants)	$ 253,944	$ Nil	$ (128,934)	$ 125,010
1,194,332 warrants (First Extension Warrants)	42,089	Nil	(20,127)	21,962
9,600,000 warrants (Second KF Warrants)	329,472	Nil	(174,221)	155,251
1,337,320 warrants (Second Extension Warrants)	45,897	Nil	(21,306)	24,591
8,000,000 warrants (Third KF Warrants)	274,560	Nil	(132,592)	141,968
Total	$ 945,962	$ Nil	$ (477,180)	$ 468,782

As at December 31, 2015	Fair value at December 31, 2014	Incremental Increase in Fair Value for Modification / Issuance	Change on Revaluation at Reporting Date	Fair Value at December 31, 2015
9,254,546 warrants (Amended Warrants and September Warrants)	$ 1,203,944	$ 91,603	$ (1,041,603)	$ 253,944
1,194,332 warrants (First Extension Warrants)	-	76,103	(34,014)	42,089
9,600,000 warrants (Second KF Warrants)	1,787,241	(1,558)	(1,456,211)	329,472
1,337,320 warrants (Second Extension Warrants)	-	85,214	(39,317)	45,897
8,000,000 warrants (Third KF Warrants)	-	509,760	(235,200)	274,560
Total	$ 2,991,185	$ 761,122	$ (2,806,345)	$ 945,962

KF Business Ventures, Deferred Financing Costs

During the year ended December 31, 2015, the Company recorded $50,538 in legal fees associated with securing the KFBV Loans. These fees are amortized over the remaining life of the loans; as of September 30, 2016, the Company recorded $10,297 (September 30, 2015 - $27,029) in interest expense associated with the amortization of these legal fees. During the period ended September 30, 2016, the Company started recognizing the deferred financing costs related to the loans as a direct deduction from the face amount of the loans.

NOTE 6 - SHARE CAPITAL

During the period ended September 30, 2016, pursuant to the Consulting Agreement with an unrelated party for investor relations services dated for reference September 4, 2015, the Company issued to the Consultant 50,000 shares of its common stock with a fair value of $2,248.

Warrants

A continuity schedule of warrants is as follows:

	September 30, 2016	December 31, 2015
Warrants, beginning	39,886,198	29,104,546
Warrants, issued	--	10,781,652
Warrants, outstanding	39,886,198	39,886,198

Details of warrants outstanding as at September 30, 2016 are as follows:

Exercise price	Expiry date	Number of warrants outstanding
$1.00	March 10, 2017	10,000,000
$0.50	August 1, 2018	500,000
$0.10	January 15, 2021	26,854,546
$0.10	September 1, 2021	2,531,652
		39,886,198

At September 30, 2016, the weighted-average exercise price and remaining contractual life of the outstanding share purchase warrants were $0.33 and 3.34 years, respectively.

Options

A summary of options is as follows:

	September 30, 2016	December 31, 2015
Options, beginning	6,300,000	2,600,000
Options, granted	--	3,800,000
Options, forfeited	--	(100,000)
Options, outstanding	6,300,000	6,300,000
Options, exercisable	3,800,000	2,700,000

During the nine month period ended September 30, 2016, the Company did not grant any options.

At September 30, 2016, the weighted-average exercise price and remaining contractual life of the outstanding options to purchase the shares of the Company’s common stock were $0.34 and 4.9 years, respectively.

Details of options outstanding as at September 30, 2016 are as follows:

Exercise price	Grant date	Number of options granted	Number of options exercisable
$0.10	September 8, 2014	2,500,000	1,500,000
$0.50	December 1, 2014	100,000	100,000
$0.50	March 6, 2015	3,000,000	1,500,000
$0.50	May 1, 2015	500,000	500,000
$0.50	May 1, 2015	100,000	100,000
$0.50	July 8, 2015	100,000	100,000
		6,300,000	3,800,000

Effective September 8, 2014, the Company adopted the 2014 Stock Option Plan (the "2014 Plan"). The 2014 Plan allows the Company to grant awards to its officers, directors and employees. In addition, the Company may grant awards to individuals who act as consultants to the Company, so long as those consultants do not provide services connected to the offer or sale of the Company's securities in capital raising transactions and do not directly or indirectly promote or maintain a market for the Company's securities.

The Company reserved a total of 13,200,000 shares of its common stock for issuance under the 2014 Plan. However, under the terms of the 2014 Plan, at any time after January 1, 2015, the Company can increase the number of authorized shares available under the 2014 Plan up to 15% of the total number of shares of common stock then outstanding.

On September 8, 2014, the Company granted options to acquire up to 2,500,000 shares of the Company's common stock to a Director (the "Options"). These Options were issued under the 2014 Plan. The Options vest at a rate of 500,000 shares per year, beginning September 1, 2014, and had initial exercise price of $0.50 per share. The Options expire five years after the vesting date thereof. On December 17, 2015, the Options were repriced to $0.10 in accordance with the provisions under the Stock Option Agreement with the Director.

The grant date fair value of these options was $953,885. During the nine month period ended September 30, 2016, the Company recognized $176,867 as stock-based compensation during the period ended September 30, 2016 (2015 - $308,735).

The fair value was determined using the Black-Scholes Option pricing model at the grant date using the following assumptions:

	At September 8, 2014
Expected Option Life	5 years
Average Risk-Free Interest Rate	1.98%
Expected Dividend Yield	Nil
Average Expected Stock Price Volatility	118%

On March 6, 2015, the Company granted options to acquire up to 3,000,000 shares of the Company's common stock at an exercise price of $0.50 per share to the CEO and a director of the Company. These Options were issued under the 2014 Plan. Options to acquire up to 1,000,000 shares of the Company's common stock vested on March 23, 2015, and Options to acquire up to an additional 500,000 shares of the Company's common stock vested on March 23, 2016. The remaining 1,500,000 options vest at a rate of 500,000 shares per year, beginning March 23, 2017. The options expire five years after the vesting date.

The grant date fair value of these Options was $413,944. During the nine month period ended September 30, 2016, the Company recognized $70,923 as stock-based compensation (2015 - $239,009) relating to these options.

The fair value was determined using the Black-Scholes Option pricing model at the grant date using the following assumptions:

	At March 23, 2015
Expected Option Life	5 years
Risk-Free Interest Rate	1.41 - 1.71%
Expected Dividend Yield	Nil
Average Expected Stock Price Volatility	126%

On May 1, 2015, the Company granted options to acquire up to 100,000 shares of the Company's common stock at an exercise price of $0.50 per share to an employee of its Subsidiary. These Options were issued under the 2014 Plan. The options vested on May 5, 2016, and expire on May 5, 2021, subject to certain early termination conditions.

The grant date fair value of these Options was $12,711. During the nine month period ended September 30, 2016, the Company recognized $4,329 as stock-based compensation (2015 - $5,222) relating to these options.

The fair value was determined using the Black-Scholes Option pricing model at the grant date using the following assumptions:

	At May 1, 2015
Expected Option Life	5 years
Risk-Free Interest Rate	1.71%
Expected Dividend Yield	Nil
Average Expected Stock Price Volatility	126%

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Cautionary Statement Regarding Forward-Looking Statements

The information in this Quarterly Report contains forward-looking statements. These forward-looking statements involve risks and uncertainties, including statements regarding Triton's capital needs, business strategy and expectations. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may”, “will”, “should”, “expect”, “plan”, “intend”, “anticipate”, “believe”, “estimate”, “predict”, “potential” or “continue”, the negative of such terms or other comparable terminology. Actual events or results may differ materially. In evaluating these statements, you should consider various factors, including the risks outlined from time to time, in other reports Triton files with the Securities and Exchange Commission.

The forward-looking statements in this Quarterly Report on Form 10-Q for the interim period ended September 30, 2016, are subject to risks and uncertainties that could cause actual results to differ materially from the results expressed in or implied by the statements contained in this report. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives requires the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and accordingly, no opinion is expressed on the achievability of those forward-looking statements. No assurance can be given that any of the assumptions relating to the forward-looking statements specified in the following information are accurate.

All forward-looking statements are made as of the date of the filing of this Quarterly Report on Form 10-Q and Triton disclaims any obligation to publicly update these statements, or disclose any difference between its actual results and those reflected in these statements. Triton may, from time to time, make oral forward-looking statements. Triton strongly advises that the above paragraphs and the risk factors described in this Quarterly Report and in Triton's other documents filed with the United States Securities and Exchange Commission should be read for a description of certain factors that could cause the actual results of Triton to materially differ from those in the oral forward-looking statements. Triton disclaims any intention or obligation to update or revise any oral or written forward-looking statements whether as a result of new information, future events or otherwise.

OVERVIEW

We were incorporated under the laws of the State of Delaware on March 2, 2000. We are in the business of developing and marketing emission abatement technologies for the marine industry worldwide.

Currently our main efforts are directed towards research, development and marketing of our Njord Exhaust Gas Scrubber System (the “Njord System”). The main purpose and goal of the Njord System is to clean the exhaust gases from excess sulfur following the internal combustion process within a ships' engine.

The Njord System is the latest addition to our emission control solutions, which can be used as a standalone system installed inside a ship's funnel or in conjunction with our DSOX Fuel Purification System (the “DSOX-20” or “DSOX System”). Its fairly small size and capability of working in both open and closed loop modes makes the system versatile for installation on new builds as well as for retrofitting existing vessels. Its unique design does not require the addition of any chemicals and results in minimal back pressure, allowing for an extended longevity of a ships' engine.

In addition to the Njord System we continue working on the improvement of our DSOX System, a patent pending pre-combustion de-sulfurization technology which was designed to remove alkali metals, such as sulfur and sodium, from heavy marine fuel. The DSOX-20 is based on our patent pending Bio Scrubber platform, integrating it with additional new proprietary technologies that we acquired from Mr. Norling, our President and Chief Technical Officer (“CTO”), in March 2014.

The discussion provided in this Quarterly Report should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the United States Securities and Exchange Commission (the “SEC”) on April 14, 2016.

RECENT CORPORATE DEVELOPMENTS

During September 2016, we borrowed $110,000 from KFBV, in exchange for an unsecured promissory note dated September 13, 2016 (the "KFBV Note"). The KFBV Note has an effective interest rate of 10%, and is due January 15, 2017. We agreed to grant KFBV the right to offset the cash payable upon exercise of warrants to purchase our shares of common stock issued to KFBV against the corresponding amount payable of outstanding indebtedness under this KFBV Note. We used the funds to support our daily operations and overhead costs.

RESULTS OF OPERATIONS

Three and Nine Months Summary

	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Percentage Increase / (Decrease)	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015	Percentage Increase / (Decrease)
Revenue	$ 21,768	$ 11,390	91.1%	$ 70,988	$ 63,568	11.7%
Operating expenses	(274,630)	(548,065)	(49.9)%	(1,358,107)	(1,621,449)	(16.2)%
Accretion expense	(944,459)	(289,194)	226.6%	(2,160,210)	(325,475)	563.7%
Change in fair value of derivative liabilities	1,321,807	577,077	129.1%	1,499,131	2,283,703	(34.4)%
Interest expense	(14,164)	(7,693)	84.1%	(41,764)	(16,823)	148.3%
Stock-based compensation	(64,180)	(151,267)	(57.6)%	(252,118)	(650,786)	(61.3)%
Net income (loss)	$ 46,142	$ (407,752)	111.3%	$ (2,242,080)	$ (267,262)	738.9%

Revenues

Our revenue increased by 91.1% to $21,768 during the three months ended September 30, 2016, from $11,390 during the three months ended September 30, 2015. The increase in revenue was attributed to increase in our consulting fees charged by our wholly owned subsidiary, Triton International, on the use and installation of emission abatement technologies; this increase was partially offset by $3,260 decrease in royalty revenue from our agreement with WebTech Wireless ("WebTech"), which terminated on October 31, 2015.

On a year-to-date basis, our revenue increased by $7,420, or 11.7% from $63,568 we recorded during the nine months ended September 30, 2015, to $70,988 we recorded during the nine months ended September 30, 2016. The increase was mainly associated with $22,543 increase in our consulting fees charged by our wholly owned subsidiary, Triton International, on the use and installation of emission abatement technologies; this increase was partially offset by $15,123 decrease in royalty revenue from our agreement with WebTech, which terminated on October 31, 2015.

We did not record any revenue from our main operations, being installation and servicing of our DSOX and Njord Systems (collectively, the "Emission Technologies"), at September 30, 2016, as the installations of our DSOX Systems for LMS and DCL projects were not completed.

Operating Expenses

During the three month period ended September 30, 2016, our operating expenses decreased by $273,435, or 49.9% from $548,065 for the period ended September 30, 2015, to $274,630 during the same period ended September 30, 2016. This change was mainly associated with our efforts to control our overall operating costs, suspension of our LMS Project for the installation of the land-based DSOX System, and completion of the installation phase of the DSOX System on board a vessel operated by DCL.

During the nine month period ended September 30, 2016, our operating expenses decreased by 16.2% to $1,358,107 from $1,621,449 for the nine months ended September 30, 2015.

The most significant year-to-date changes in our operating expenses were as follows:

- As part of our ongoing efforts to control our overhead costs Messrs. Aasen, Norling and Miller released the Company from its obligation to pay their payroll from July through October 2016. This resulted in a $175,514 decrease to our salaries and wages, which were reduced from $995,498 incurred during the nine month period ended September 30, 2015, to $819,984 incurred during the nine months ended September 30, 2016.

- Our research and development costs during the period ended September 30, 2016, decreased by $40,923 to $30,348 incurred during this period. This decrease was associated with suspension of our LMS and DCL Projects during the year ended December 31, 2015.

- During the nine month period ended September 30, 2016, our marketing expenses decreased by $22,254 from $66,684 we incurred during the nine month period ended September 30, 2015 to $44,430 we incurred during the nine months ended September 30, 2016.

- During the nine month period ended September 30, 2016, our travel and entertainment expenses decreased by $61,781, to $36,103 incurred during the nine month period then ended. This decrease was mainly associated with our efforts to control our operating costs while our LMS and DCL Projects remain suspended.

Other Items

During the nine month period ended September 30, 2016, we recorded $2,160,210 in accretion expense that resulted from the difference between the stated interest rate and the implied interest rate we used to determine the fair value of the proceeds we received pursuant to the First KF Loan, the Second KF Loan and the Third KF Loan (collectively, the “KF Loans”). During the same period of fiscal 2015, our accretion expense was determined to be $325,475.

Our interest expense increased by $24,941, or 148.3% from $16,823 for the nine month period ended September 30, 2015, to $41,764 for the nine month period ended September 30, 2016. This increase was mainly associated with interest accrued on the additional bridge financing we arranged during the third and fourth quarters of our fiscal 2015 with Mr. Norling and KFBV and with the accretion of deferred financing costs associated with the Third KF Loan.

During the nine month period ended September 30, 2016, we recorded $252,118 in stock-based compensation in respect of options to acquire up to 6,300,000 shares of our common stock (subject to certain vesting conditions) granted to our directors, officers and employees under the 2014 Plan. During the nine month period ended September 30, 2015, our stock-based compensation associated with the same options was determined to be $650,786.

The above items were offset by a gain of $1,499,131 on a change in the fair value of the derivative liabilities associated with the warrants we issued to KFBV pursuant to the KF Loans and the conversion feature available under the Third KF Loan Agreement. The change in the fair values of the derivative liabilities was a result of the decrease in the market price of our common stock at September 30, 2016 as compared to the market price of the stock at December 31, 2015.

Liquidity and Capital Resources

Our financial position was as follows at September 30, 2016 and December 31, 2015:

Working capital	**September 30, 2016**		**December 31, 2015**	
Current assets	$	661,134	$	1,945,814
Current liabilities		9,377,951		6,678,586
Working capital deficit	$	(8,716,817)	$	(4,732,772)

As of September 30, 2016, we had a cash balance of $78,866, a working capital deficit of $8,716,817, and cash flows used in operations of $1,179,072 for the nine months then ended. Of our working capital deficit at September 30, 2016, $468,782 was attributed to the fair value of the derivative liability associated with the warrants we issued to KFBV as partial consideration for the KF Loans, and $1,313,547 was attributed to the conversion feature included in the Third KF Loan Agreement. During the nine month period ended September 30, 2016, we funded our operations with $1,310,000 we received pursuant to the Third KF Loan Agreement and the KFBV Note, and, to a minor extent, with cash received from consulting fees.

Our balance sheets at September 30, 2016 and December 31, 2015 do not reflect the full amount payable on account of principal and interest under the KF Loans. Since the warrants issued as partial consideration for the KF Loans and the conversion feature available under the Third KF Loan Agreement were determined to be a derivative liability, pursuant to the guidance provided by ASC 815, the proceeds were allocated to the warrants and conversion feature, with amounts over and above cash proceeds recorded as financing costs. The principal amounts owing under the First KF Loan, the Second KF Loan and the Third KF Loan were assigned a $Nil value, and are being accreted over the life of the loans using an implied interest rate of 1,130% on the First KF Loan, 1,729% on the Second KF Loan, and 2,339% on the Third KF Loan.

As of September 30, 2016, we owed a total of $7,034,670 (2015 - $5,343,748) to KFBV under the terms of the First KF Loan, the Second KF Loan and the Third KF Loan, consisting of $5,900,000 (2015 - $4,700,000) in principal amount of all advances made to that date plus accrued interest thereon calculated using the stated interest rate of 10% per annum compounded monthly. The KF Loans are due and payable on January 15, 2017, when the value of the loans will amount to $7,243,114, unless prepaid earlier. A description of the KF Loans is provided under "Net Cash Provided by Financing Activities".

In April 2015, Quarry Bay Capital LLC ("Quarry Bay") and Tradex Capital Corp. ("Tradex") provided us with a demand notice for the repayment of demand loans advanced to us during 2012 through 2014 (the Quarry Bay and Tradex loans and advances are hereinafter referred to as the "Quarry and Tradex Loans").

In April 2015, we made arrangements to pay $100,000 of the total amount outstanding under the Quarry and Tradex Loans (which amount has been paid), with the balance to be repaid in 90 days following the first payment. In August 2015 we made additional arrangements with the lenders whereby we have agreed to repay the amounts owing in two equal installments, due September 26, 2015 and November 25, 2015 in consideration for an "extension fee" of $10,000, which extension fee has been paid. On September 26, 2015, we reached a verbal agreement with the lenders to extend the agreed upon repayments to a future date to be mutually agreed upon. Concurrently with entering into the Third KF Loan Agreement, we renegotiated the repayment terms of the Quarry and Tradex Loans, and agreed to make $50,000 monthly payments until such time that all Quarry and Tradex Loans are paid in full. During the period covered by this Quarterly Report on Form 10-Q we repaid $200,000 under the Quarry and Tradex Loans. As of September 30, 2016 we owed Quarry Bay $149,367 (CAD$195,924) under the terms of the loan agreement with the company, which continued to accrue interest at 6% per annum, compounded monthly.

We did not generate sufficient cash flows from our operating activities to satisfy our cash requirements during the nine month period ended September 30, 2016. Our only significant source of financing during the nine month period ended September 30, 2016 came from the Third KF Loan and the loan we received pursuant to the KFBV Note. The amount of cash that we have generated from our operations to date is significantly less than our current debt obligations, including our debt obligations under the KF Loans, which will become due and payable on January 15, 2017.

There is no assurance that we will be able to generate sufficient cash from our operations to repay the amounts owing under the KF Loans when due, or to service our other debt obligations. If we are unable to generate sufficient cash flow from our operations to repay the amounts owing when due, we may be required to raise additional financing, or re-negotiate the terms of our debt obligations. Our ability to raise financing from other sources is restricted under the terms of the KF Loan Agreements. Under the terms of those agreements, we may not incur additional debt financing (other than trade payables incurred in the ordinary course of business), sell any material assets, sell any of our equity securities as part of any transaction that would result in a change in control, or engage in any corporate reorganization while any amounts remain outstanding under those agreements without KFBV's prior written consent.

Although Robert C. Kopple, the Chairman of our Board of Directors, is the principal of KFBV, there is no assurance that we will be able to obtain additional financing from KFBV, re-negotiate the terms of the KF Loans, or obtain KFBV's consent to other financing alternatives, if needed.

Cash Flows

	Nine Months Ended September 30,	
	2016	2015
Cash flows used in operating activities	$ (1,179,072)	$ (1,885,472)
Cash flows provided by financing activities	1,147,724	1,500,000
Acquisition of equipment	-	(11,354)
Effects of foreign currency exchange	(1,924)	(5,562)
Net decrease in cash during the period	$ (33,272)	$ (402,388)

Net Cash Used in Operating Activities

Net cash used in operating activities during the nine month period ended September 30, 2016, was $1,179,072. This cash was primarily used to cover our cash operating expenses of $1,291,428 and to decrease our accrued liabilities by $24,974. These uses of cash were offset by decreases in our prepaid expenses of $15,559, accounts receivable of $4,974, and work in progress of $30,754, and by increase in our accounts payable of $11,972. In addition, increase in our wages payable and amounts due to related parties of $45,680 and $28,391, respectively, further reduced amount of cash we used in operations.

Net cash used in operating activities during the nine month period ended September 30, 2015, was $1,885,472. This cash was primarily used to cover our cash operating expenses of $1,557,627 and increase our work in progress by $205,164, which was associated with payments we made to our contractors for the manufacturing of the DSOX Systems, to acquire necessary parts and equipment, and to build the prototype of our Njord exhaust scrubber. We also decreased our wages payable by $48,646, and reduced our accounts payable and accrued liabilities by $26,401 and $36,880, respectively. In addition, increases in our accounts receivable of $33,655 further increased our cash used in operations. These uses of cash were offset by a $22,401 decrease in our prepaid expenses, and $500 increase in amounts due to related parties.

Non-cash transactions

During the nine months ended September 30, 2016, our net loss was further increased by the following expenses that did not have any impact on cash used in operations:

- $252,118 in stock-based compensation associated with the fair value of options to purchase up to 6,300,000 shares of our common stock previously granted to our directors, officers and employees under our 2014 Stock Option Plan;

- $2,160,210 in accretion expense that resulted from the difference between the stated interest rate and implied interest rate we used to determine the fair value of the proceeds we received pursuant to the KF Loans and $10,298 in interest expense associated with the deferred financing fees to secure these Loans; and

- $41,764 in interest we accrued on short-term notes and advances payable, which was offset by a $37,724 interest payment we made on Quarry Bay Loans.

In addition, we recorded $7,951 in amortization expense on our testing and laboratory equipment, $2,248 in stock-based compensation for investor relation services pursuant to the Consulting Agreement we entered into on September 4, 2015 with Robert Lipp, and a $12,918 loss that resulted from foreign exchange fluctuations on Canadian Dollar denominated loans and advances we received.

The negative effects of the above non-cash transactions were in part offset by the $477,180 gain we recorded on the revaluation of the derivative liability associated with the warrants we issued to KFBV as consideration for the KF Loans, and $1,021,951 gain on revaluation of conversion feature included in the Third KF Loan Agreement, as pursuant to the guidance provided by ASC 815, we must revalue derivative liability at each reporting period based on the value of the underlying variable on the reporting date; since the price of our common stock at September 30, 2016, was significantly lower compared to the price at December 31, 2015, this resulted in gain on revaluation.

During the nine months ended September 30, 2015, our net income was decreased by the following expenses that did not have any impact on cash used in operations:

- $650,786 in stock-based compensation associated with the fair value of options to purchase up to 6,400,000 shares of our common stock we granted to our directors, officers and employees under our 2014 Stock Option Plan;

- $22,191 in financing costs associated with legal fees to secure the First KF Loan and the Second KF Loan and $325,475 accretion expense that resulted from the difference between the stated interest rate and implied interest rate we used to determine the fair value of the proceeds we received pursuant to the above loans;

- $7,200 in amortization expense we recorded on our testing and laboratory equipment;

- $14,663 in stock-based compensation for investor relation services pursuant to the Consulting Agreement we entered into on September 4, 2015 with Robert Lipp, which comprised of $2,500 being a market value of 25,000 shares of our common stock we issued to Mr. Lipp on September 4, 2015 and $12,163 being a fair market value of warrants to purchase up to 250,000 shares of our common stock; and

- $16,823 in interest we accrued on short-term notes and advances payable.

The negative effects of the above non-cash transactions were offset by the following items:

- $2,283,703 gain we recorded on the revaluation of the derivative liability associated with the warrants we issued to KF Business Ventures LP as consideration for the First KF Loan and the Second KF Loan. Pursuant to the guidance provided by ASC 815, the derivative liability must be revalued at each reporting period based on the value of the underlying variable on the specific date; since the price of our common stock at September 30, 2015 was significantly lower compared to the price at December 31, 2014 this resulted in gain on revaluation; and

- $43,800 gain that resulted from foreign exchange fluctuations on Canadian Dollar denominated loans and advances we received.

Net Cash Provided by Financing Activities

During the nine month period ended September 30, 2016, we received $1,200,000 from KFBV pursuant to our Third KF Loan Agreement, and $110,000 pursuant to the note payable we issued to KFBV. Robert C. Kopple, Chairman of our Board of Directors, is the principal of KFBV. These financing activities were reduced by $162,276 we paid to Quarry Bay and Tradex as partial repayment of loans and advances we received from these lenders during our fiscal 2012 through 2014.

During the nine months ended September 30, 2015, we received $1,200,000 from KFBV pursuant to our Second KF Loan Agreement, and $200,000 pursuant to our bridge loan from KFBV. In addition, we received $200,000 from Rasmus Norling, our President and Chief Technical Officer, pursuant to our bridge loan with Mr. Norling. During the same period we used $100,000 to reduce our non-interest bearing loans with Quarry Bay and Tradex.

First Loan Agreement with KF Business Ventures, LP

On January 15, 2014, we entered into a binding letter agreement (the “Letter Agreement”) with KFBV, which was superseded by a formal definitive Loan Agreement signed on February 11, 2014, and further amended on March 10, 2014, September 8, 2014 and January 8, 2016 (as amended, the “First KF Loan Agreement”). Under the First KF Loan Agreement, KFBV agreed to lend to us $2,000,000 (the “First KF Loan”). Under the terms of the First KF Loan Agreement, we may not incur additional debt financing (other than trade payables incurred in the ordinary course of business), sell any material assets, sell any of our equity securities, which may result in a change in control, or engage in any corporate reorganization while any amounts remain outstanding under those agreements without KFBV’s prior written consent.

Amounts payable under the First KF Loan Agreement accumulate interest at a rate of 10% per annum, compounded monthly.

On December 17, 2015, we exercised our right to extend the maturity date of the First KF Loan to January 15, 2017 by issuing to KFBV warrants to acquire up to additional 1,194,332 shares of our common stock with an initial exercise price of $0.10 per share, expiring on September 1, 2021 (the "First Loan Extension Warrants").

As additional consideration for KFBV agreeing to loan us the funds and make amendments to the terms of the First KF Loan Agreement we issued to KFBV non-transferrable warrants for the purchase of up to 10,448,878 shares of our common stock, including the First Loan Extension Warrants, as follows:

No. of Shares		Ex. Price	Expiration Date
2,450,000		$0.10 per share	Jan. 15, 2021
4,454,546		$0.10 per share	Jan. 15, 2021
2,350,000		$0.10 per share	Jan. 15, 2021
1,194,332		$0.10 per share	Sep. 1, 2021
10,448,878	**Total**		

The warrants issued to KFBV in connection with the First KF Loan may be exercised by way of a cashless exercise for a total of up to 5,224,439 shares of our common stock. If, at any time prior to the expiration date of these warrants, we issue additional shares of common stock, or options, warrants, convertible notes or similar rights to acquire shares of our common stock for a purchase, exercise or conversion price per share less than the exercise price of these warrants, the exercise price will be adjusted to equal such lower price.

Second Loan Agreement with KF Business Ventures, LP

On July 28, 2014, we entered into a second loan agreement with KFBV, which was amended on January 8, 2016 (as amended, the "Second KF Loan Agreement"). Under the Second KF Loan Agreement KFBV agreed to lend to us $2,400,000 (the "Second KF Loan"). Under the terms of the Second KF Loan Agreement, we may not incur additional debt financing (other than trade payables incurred in the ordinary course of business), sell any material assets, sell any of our equity securities, which may result in a change in control, or engage in any corporate reorganization while any amounts remain outstanding under those agreements without KFBV's prior written consent.

Amounts payable under the Second KF Loan Agreement accumulate interest at a rate of 10% per annum, compounded monthly.

On December 17, 2015, we exercised our right to extend the maturity date of the Second KF Loan to January 15, 2017, by issuing to KFBV warrants to acquire up to additional 1,337,320 shares of our common stock with an initial exercise price of $0.10 per share expiring on September 1, 2021 (the "Second KF Loan Extension Warrants").

Following are the warrants we granted to KFBV in connection with the Second KF Loan, including the Second KF Loan Extension Warrants:

No. of Shares		Ex. Price	Expiration Date
9,600,000		$0.10 per share	Jan. 15, 2021
1,337,320		$0.10 per share	Sep. 1, 2021
10,937,320	**Total**		

The warrants issued to KFBV in connection with the Second KF Loan may be exercised by way of a cashless exercise for a total of up to 5,468,660 shares of our common stock. If, at any time prior to the expiration date of these warrants, we issue additional shares of common stock, or options, warrants, convertible notes or similar rights to acquire shares of our common stock for a purchase, exercise or conversion price per share less than the exercise price of these warrants, the exercise price will be adjusted to equal such lower price.

Third Loan Agreement with KF Business Ventures, LP

On December 17, 2015, we entered into a binding letter agreement with KFBV, which was superseded by a formal definitive Loan Agreement signed on January 8, 2016 (the "Third KF Loan Agreement"). Under the Third KF Loan Agreement, KFBV agreed to lend to us up to $1,500,000, to be advanced in five equal installments of $300,000 each, beginning on December 17, 2015, with the remaining installments advanced on the first day of each consecutive calendar month thereafter (the "Third KF Loan").

Advances under the Third KF Loan were conditional upon (1) our agreeing to amend the terms of the 9,254,546 warrants previously issued to KFBV under the terms of the First KF Loan Agreement, as amended, and the 9,600,000 warrants previously issued to KFBV under the terms of the Second KF Loan Agreement, (the "Existing Warrants") such that the exercise price for the Existing Warrants was reduced to $0.10 per share and the expiration date for the Existing Warrants was extended to January 15, 2021; and (2) our issuing to KFBV additional non-transferrable share purchase warrants for a total of 8,000,000 shares of our common stock, exercisable at a price of $0.10 per share expiring on January 15, 2021.

The warrants issued to KFBV in connection with the Third KF Loan may be exercised by way of a cashless exercise for a total of up to 4,000,000 shares of our common stock. If, at any time prior to the expiration date of these warrants, we issue additional shares of common stock, or options, warrants, convertible notes or similar rights to acquire shares of our common stock for a purchase, exercise or conversion price per share less than the exercise price of these warrants, the exercise price will be adjusted to equal such lower price.

At the discretion of KFBV the principal and accrued but unpaid interest under the Third KF Loan may be converted into shares of the Company's common stock at a conversion price of $0.10 per share, in minimum increments of $250,000 (the "Third KF Loan Conversion Feature").

As of September 30, 2016, we owed a total of $7,034,670 to KFBV under the terms of the KF Loans consisting of the full principal amount of all advances made to that date plus accrued interest thereon.

Going Concern

The notes to our financial statements at September 30, 2016, disclose our uncertain ability to continue as a going concern. We were in the business of selling, marketing, distributing and installing global wireless tracking and telematics equipment in Europe until November 1, 2004, when we exchanged our rights to sell, market, distribute and install global wireless tracking and telematics equipment in Europe as well as specific assets and liabilities, for a royalty of 6% on future gross sales to qualified customers in Europe. This royalty agreement ended on October 31, 2015, which ended the revenue from this source. Our emission abatement technologies have generated only limited revenue.

We have accumulated a deficit of $72,132,663 since inception and increased sales will be required to fund and support our operations. We plan to mitigate our losses in future years by controlling our operating expenses and actively seeking contracts for our emission abatement technologies. As of the date of this Quarterly Report we have been contracted to install a land-based DSOX Fuel Purification System for LMS Ship Management Inc. ("LMS"), install DSOX System on board of a vessel operated by Magical Cruise Company, Limited ("DCL"), and entered into a Term Sheet Agreement for installation of two DSOX Systems for Prestige Cruise Holding Inc. Despite these contracts we cannot provide assurance that we will be successful in generating additional sales. In addition, we have yet to record revenue from our LMS and DCL contracts, since the projects have not been completed; we also have no assurance that we will be able to record revenues from subsequent installations in the future. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Off-Balance Sheet Arrangements

None.

CRITICAL ACCOUNTING POLICIES

An appreciation of our critical accounting policies is necessary to understand our financial results. These policies may require management to make difficult and subjective judgments regarding uncertainties, and as a result, such estimates may significantly impact our financial results. The precision of these estimates and the likelihood of future changes depend on a number of underlying variables and a range of possible outcomes. Other than our accounting for our royalty revenue, our critical accounting policies do not involve the choice between alternative methods of accounting. We have applied our critical accounting policies and estimation methods consistently.

Principles of Consolidation

The unaudited consolidated interim financial statements include the accounts of Triton Emission Solutions Inc. and our wholly-owned subsidiaries, Ecolutions, Inc., and Triton Emission Solutions International AB. On consolidation, we eliminate all significant intercompany balances and transactions.

Revenue Recognition

Royalty revenue

We recognize our royalty revenue when pervasive evidence of an agreement exists, when it is received or when the royalty income is determinable and collectability is reasonably assured.

Consulting revenue

Revenue is realized when the service has been provided and the income is determinable and collectability is reasonably assured.

Revenue from the installation and servicing of the Fuel Purification Systems

We recognize the revenue using the completed contract method whereby revenue is only recognized when all the following conditions have been met: pervasive evidence of an agreement exists, when delivery of the product has occurred and title has transferred or services have been provided, and when collectability is reasonably assured.

Deposits received prior to the delivery of goods and services are recorded as unearned revenue.

Accounts Receivable

Receivables represent valid claims against debtors for royalties and consulting services arising on or before the balance sheet date and are reduced to their estimated net realizable value. An allowance for doubtful accounts is based on an assessment of the collectability of all past due accounts. At September 30, 2016, our allowance for doubtful accounts was $0.

Long-lived Assets

In accordance with ASC 360, “Property, Plant, and Equipment”, we tests our long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life. We assess the recoverability based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount exceeds fair value.

Equipment

Equipment is stated at cost and is amortized over its estimated useful life on a straight-line basis over 5 years.

Foreign Exchange Risk

We are subject to foreign exchange risk on some purchases which are denominated in Canadian dollars and/or Swedish kronor. Foreign currency risk arises from the fluctuation of foreign exchange rates and the degree of volatility of these rates relative to the U.S. dollar. Foreign exchange rate fluctuations may adversely impact our results of operations as exchange rate fluctuations on transactions denominated in currencies other than our functional currency result in gains and losses that are reflected in our Statement of Operations. To the extent the U.S. dollar weakens against foreign currencies, the translation of these foreign currency-denominated transactions will result in increased net revenue. Conversely, our net revenue will decrease when the U.S. dollar strengthens against foreign currencies. We do not believe that we have any material risk due to foreign currency exchange.

Stock Options and other Stock-based Compensation

For equity awards, such as stock options, total compensation cost is based on the grant date fair value and for liability awards, such as stock appreciation rights, total compensation cost is based on the settlement value. We recognize the stock-based compensation expense for all awards over the service period required to earn the award, which is the shorter of the vesting period or the time period an employee becomes eligible to retain the award at retirement.

Work in Progress

Work in progress consists of cost of parts and equipment, as well as fees charged by external consultants required to build the Fuel Purification Systems and has been recorded at the lower of cost and net realizable value.

Fair Value of Financial Instruments

Our financial instruments include cash, accounts receivable, loan receivable, accounts payable, notes and advances payable, amounts due to related parties, loans payable and derivative liability. The fair values of these financial instruments approximate their carrying values due to their short maturities.

Concentration of Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist principally of cash and trade accounts receivable.

At September 30, 2016, we had $62,736 in cash on deposit with a large chartered Canadian bank, and $16,130 on deposit with a Swedish bank. Of these deposits approximately $16,924 was insured. As part of our cash management process, we perform periodic evaluations of the relative credit standing of these financial institutions. We have not experienced any losses in cash balances and do not believe we are exposed to any significant credit risk on our cash.

Accounts receivable consists of income from our consulting services and is not collateralized. We continually monitor the financial condition of our customers to reduce the risk of loss. We routinely assess the financial strength of our source of revenue income and as a consequence, concentration of credit risk is limited. At September 30, 2016, we had $21,835 in accounts receivable outstanding.

Deferred Financing Costs

During the period ended September 30, 2016, we adopted ASU 2015-03 Guidance on Presentation of Debt Issuance Costs issued by the Financial Accounting Standards Board (“FASB”) and started recognizing financing costs associated with loans received as a direct deduction from the face amount of the loans. The amortization of the financing costs is being reported as interest expense.

Recent Accounting Standards and Pronouncements

Recent accounting pronouncements issued by the Financial Accounting Standards Board or other authoritative standards groups with future effective dates are either not applicable or are not expected to be significant to our financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not Applicable.

ITEM 4. CONTROLS AND PROCEDURES.

In connection with the preparation of this Quarterly Report on Form 10-Q, an evaluation was carried out by our management, with the participation of our Chief Executive Officer and the Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act") as of September 30, 2016. Based on the evaluation, our management concluded, as of the end of the period covered by this report, that our disclosure controls and procedures were not effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Securities and Exchange Commission's rules and forms due to lack of segregation of duties.

During the quarter ended September 30, 2016, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS.

The following are certain risk factors that could affect our business, financial position, results of operations or cash flows. These risk factors should be considered along with the forward-looking statements contained in this Quarterly Report on Form 10-Q because these factors could cause our actual results or financial condition to differ materially from those projected in forward-looking statements. The following discussion is not an all-inclusive listing of risks, although we believe these are the more material risks that we face. If any of the following occur, our business, financial position, results of operations or cash flows could be negatively affected. We caution the reader to keep these risk factors in mind and refrain from attributing undue certainty to any forward-looking statements, which speak only as of the date of this Quarterly Report.

We have earned only limited revenues from the sale of products or services related to our Emission Technologies.

Our current principal business focus is on the research, development and marketing of products and services related to our Emission Technologies. However, our efforts in this area are in the development stage and we have earned only limited revenues related to this technology. There is also no assurance that we will be able to earn revenues from this businesses line in the future.

Although we have entered into sales contracts for our Emission Technologies, we have not yet obtained certification that our DSOX and Njord Systems meet current MEPC standards.

Although we have entered into sales contracts with LMS and DCL, and have a term sheet agreement with Prestige, for the installation of our DSOX Systems, and we have completed installation of our DSOX System on board a DCL vessel, we have not yet obtained certification that our DSOX System installed on board the DCL vessel meets current MEPC standards. In addition, we have temporarily suspended our efforts on the LMS Project awaiting results of the onboard testing of the DCL Project, which was halted in October 2015 due to the vessel's scheduled maintenance in dry-dock. Since then, shore based chemical testing has been continuing for the DCL Project. As a result, we have not yet recorded revenue from the LMS or DCL Projects, and there is no assurance that our DSOX Systems as well as future installations of the Njord Systems will obtain certification under current MEPC Standards.

Flag Ship Approval under Regulation 4 of Marpol Annex VI is made on a ship by ship basis.

The approval of the emission abatement technologies is made on a ship by ship basis and it is very difficult to receive a type approval for the system prior to installation. We cannot guarantee that our DSOX Systems and future installations of the exhaust scrubbers will receive type approval. Failure to receive type approval on future installations could have a significant material impact on the financial results of our Company.

Changes in government policies, regulations and laws could adversely affect our financial results.

We expect the majority of our future revenue to come from sales of our DSOX-20 Fuel Purification System, and our newly developed Njord System, which are heavily dependent on current and future IMO Regulations being enforced by international signatories to MARPOL Annex VI. Currently the United States, Canada and the E.U. have Emission Control Area's (ECA) in place that apply stringent engine emission standards and fuel sulfur limits to ships that operate in these ECA's as set under MARPOL Annex VI. There can be no assurance that other reductions in limits will be implemented as planned. A change in the current and upcoming IMO regulations may have a significant material impact on our financial results.

Unforeseen complications during the installation of our DSOX and Njord Systems can potentially halt ships operation, which could adversely affect our sales, results of operations or cash flows, as well as increase potential for lawsuits filed against us.

Our DSOX Fuel Purification System as well as our exhaust gas scrubber, Njord, can be installed on a ship without disruption to the ship’s operations. The DSOX-20 can also be bypassed if needed, reducing the potential operational impact in case of any technical issues. However, if the planning and/or execution of the installation process have flaws, we can face a situation where the ship's operation may have to be halted in order to complete installation. Depending on the type of ship and its machinery, this risk can be mitigated by scheduling the operation of a different engine. However, if the alternative engine is not available, or if bypassing our DSOX System is not possible, we will have no choice but to stop the operation of the ship.

We have a lack of operating history in the emission abatement industry and there is no assurance that our business efforts in this industry will be successful.

Although our Board of Directors and Executive Officers have extensive business experience and relevant expertise in the emission abatement industry, some of our competitors may have top management with greater experience and have greater financial resources than we do at this time. We intend to continue attracting experienced management, sales and consulting teams to develop our business and our products. However, since we have no history of earning revenue in this business line, there is no assurance that our business efforts will prove successful.

Our royalty agreement with WebTech Wireless (“WebTech”) expired on October 31, 2015.

From November 2004, our primary source of revenue was from royalties received from WebTech on the sale of global wireless tracking and telematics equipment from qualified customers. Our royalty agreement with Webtech expired on October 31, 2015, which stopped the cash flow from this source. Until we are able to start generating revenue from the sale of our emission abatement technologies, our operations will continue to be reliant on our ability to generate funds through equity and debt financing.

Inability to protect and enforce our intellectual property rights could adversely affect our financial results.

Intellectual property rights, including patents, trade secrets, confidential information, trademarks, tradenames and other forms of trade dress, are important to our business. We endeavor to protect our intellectual property rights in jurisdictions in which our products are produced or used and in jurisdictions into which our products are imported.

However, we may be unable to obtain protection for our intellectual property in key jurisdictions. We have designed and implemented internal controls to restrict access to and distribution of our intellectual property. Despite these precautions, our intellectual property is vulnerable to unauthorized access through employee error or actions, theft and cybersecurity incidents, and other security breaches.

Demand for and supply of our products and services may be adversely affected by several factors, some of which we cannot predict or control, that could adversely affect our financial position, results of operations or cash flows.

The demand for our products and services could be affected by several factors, including:

- economic downturns in the markets in which we sell our products;
- competition from other products;
- changes in customer preferences;
- product obsolescence or technological changes that render our products less desirable to use or more expensive to produce;
- changes in environmental regulations that may make our products illegal to sell and distribute in their present form; and
- inability of our suppliers to obtain materials used in production due to factors such as work stoppages, shortages or supplier plant shutdowns.

If any of these events occur, the demand for and supply of our products and services could suffer, which could have a material adverse effect on our financial position, results of operations and cash flows.

Disruptions in the global credit and financial markets could limit our access to financing, which could negatively impact our business.

Disruptions to credit and financial markets, including volatility in security prices, diminished liquidity and credit availability, declining valuations of certain investments and significant changes in the capital and organizational structures of certain financial institutions may limit our ability to access the capital necessary to grow and maintain our business. Accordingly, we may be forced to delay raising capital, issue shorter tenors than we prefer or pay unattractive interest rates, which could increase our interest expense, decrease our profitability and significantly reduce our financial flexibility. Overall, our results of operations, financial condition and cash flows could be materially adversely affected by disruptions in the global credit and financial markets.

Global economic downturns may have a negative effect on our business and operations.

Global economic downturns cause general tightening in the credit markets, lower levels of liquidity, increases in the rates of default and bankruptcy, and lower business spending, all of which may have a negative effect on our business, results of operations, financial condition and liquidity. Potential customers may be unable to fund purchases, may decide to reduce purchases or inventories, or may cease to continue in business. In addition, our supplier may not be able to supply us with needed raw materials on a timely basis, may increase prices or go out of business, which could result in our inability to meet customer demand or could affect our gross margins.

Such conditions may make it very difficult to forecast operating results, make business decisions and identify and address material business risks and our operating results, financial condition and business could be adversely affected.

The agreements governing our debt contain various covenants that limit our ability to take certain actions, failure to comply with which could have a material adverse effect on us.

The agreements governing our debt obligations contain a number of covenants that, among other things, limit our ability to: transfer or sell all or substantially all of our assets or make certain other restricted payments. Any future refinancing of the term loan is likely to contain similar restrictive covenants.

Our Chief Technical Officer, Senior Vice President of Business Development and Chairman of our Board each hold a significant amount of our outstanding common stock. Together, they hold approximately 58.4% of our common stock and are able to exert considerable influence over our actions.

Rasmus Norling, a director and our Chief Technical Officer and President, and Mitchell Miller, a director and our Senior Vice President of Business Development, each own approximately 23.1% of our outstanding common stock. Robert C. Kopple, Chairman of our Board of Directors, owns approximately 12.2% of our outstanding common stock. Mr. Kopple and Mr. Norling also own a significant number of warrants and options to purchase additional shares of our common stock, further increasing the number of shares beneficially owned by our executive officers and members of our Board of Directors (See “Security Ownership of Certain Beneficial Holders and Management”). In addition, Mr. Kopple is the principal of KF Business Ventures, LP, our principal creditor, which has loaned to us a total of $5,900,000 under the First KF Loan, the Second KF Loan, and the Third KF Loan.

Our executive officers and directors have the power to exert considerable influence over our actions and the outcome of matters on which our stockholders are entitled to vote, including the election of directors and other significant corporate actions. The interests of Mr. Norling, Mr. Miller and Mr. Kopple may be different from the interests of our shareholders.

The loss of key members of our senior management team could disrupt the management of our business.

We believe that our success depends on the continued contributions of the members of our senior management team, including Mr. Rasmus Norling, our Chief Technical Officer and one of our principal stockholders. The loss of Mr. Norling’s services could impair our ability to identify and secure new customer contracts, to maintain good customer relationships and to otherwise manage our business, which could have a material adverse effect on our financial performance and our ability to compete.

We are subject to risks associated with selling our products internationally.

Our non-domestic sales efforts are subject to varying degrees of regulation in each of the foreign jurisdictions in which we may seek to provide services. Local laws and regulations, and their interpretation and enforcement, differ significantly among those jurisdictions, and can change significantly over time. Future regulatory, judicial and legislative changes or interpretations may have a material adverse effect on our ability to deliver services in foreign jurisdictions.

In addition to these international regulatory risks, some of the other risks inherent in conducting business internationally include:

- economic, political and social instability;
- currency restrictions and exchange rate fluctuations;
- potential submission to the jurisdiction of a foreign court or arbitration panel;
- import and export quotas;
- longer payment cycles and problems collecting accounts receivable;
- potential vessel seizure, terrorist attacks, piracy, kidnapping, the expropriation of assets and other governmental acts;
- pandemics or epidemics that disrupt worldwide trade or the movement of vessels;
- additional U.S. and other regulation of non-domestic operations, including regulation under the Foreign Corrupt Practices Act as well as other anti-corruption laws; and
- the imposition of unanticipated or increased taxes, increased environmental and safety regulations or other forms of public and governmental regulation that increase our operating expenses.

Many of these risks are beyond our control, and we cannot predict the nature or the likelihood of the occurrence or corresponding effect of any such events, each of which could have an adverse effect on our financial condition and results of operations.

As of September 30, 2016, we owed approximately $7,034,670 under the terms of the KF Loans. In addition to these amounts, we have other significant short term liabilities. There is no assurance that we will be able to service our debt obligations when due.

We have generated only limited cash from our operations to date. The amount of cash that we have generated from our operations to date is significantly less than our current debt obligations. There is no assurance that we will be able to generate sufficient cash from our operations to repay the amounts owing under the KF Loans when due, or to service our other debt obligations. If we are unable to generate sufficient cash flow from our operations to repay the amounts owing when due, we may be required to raise additional financing from other sources or re-negotiate the terms of our debt obligations.

We have not raised significant financing from any sources other than the KF Loans, and there is no assurance that we will be able to raise additional financing in the future in amounts sufficient to repay our obligations under these loans or on commercially reasonable terms. In addition, our ability to raise financing from other sources is restricted under the terms of the KF Loan Agreements. Under the terms of those agreements, we may not incur additional debt financing (other than trade payables incurred in the ordinary course of business), sell any material assets, sell any of our equity securities, which could potentially result in a change in control, or engage in any corporate reorganization while any amounts remain outstanding under those agreements without KFBV's prior written consent.

As of September 30, 2016, we owed a total of $7,034,670 to KFBV under the terms of the KF Loans, consisting of the full principal amount of all advances made to that date ($5,900,000) plus accrued interest thereon. Outstanding principal plus interest under the KF Loans is due on January 15, 2017.

If we are unable to pay our debt obligations when due, we may need to seek to re-negotiate the terms of our debt obligations. Although Robert C. Kopple, the Chairman of our Board of Directors, is the principal of KFBV, there is no assurance that we will be able to re-negotiate the terms of the KF Loans if necessary. If we are unable to pay our debt obligations when due and we are subsequently unable to re-negotiate the terms of our debt obligations, our business could fail and our investors could lose their investment.

Because our stock is a penny stock, stockholders will be more limited in their ability to sell their stock.

The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than $5.00, other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or quotation system.

Because our securities constitute "penny stocks" within the meaning of the rules, the rules apply to us and to our securities. The rules may further affect the ability of owners of shares to sell our securities in any market that might develop for them. As long as the quotation price of our common stock is less than $5.00 per share, the common stock will be subject to Rule 15g-9 under the Exchange Act. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the SEC, that:

- contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;
- contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation to such duties or other requirements of securities laws;
- contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price;
- contains a toll-free telephone number for inquiries on disciplinary actions;
- defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and
- contains such other information and is in such form, including language, type, size and format, as the SEC shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with: (a) bid and offer quotations for the penny stock; (b) the compensation of the broker-dealer and its salesperson in the transaction; (c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (d) a monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules require that, prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for our stock.

FOR ALL OF THE AFORESAID REASONS AND OTHERS SET-FORTH AND NOT SET-FORTH HEREIN, AN INVESTMENT IN OUR SECURITIES INVOLVES A CERTAIN DEGREE OF RISK. ANY PERSON CONSIDERING TO INVEST IN OUR SECURITIES SHOULD BE AWARE OF THESE AND OTHER FACTORS SET-FORTH IN THIS REPORT AND IN THE OTHER REPORTS AND DOCUMENTS THAT WE FILE FROM TIME TO TIME WITH THE SEC AND SHOULD CONSULT WITH HIS/HER LEGAL, TAX AND FINANCIAL ADVISORS PRIOR TO MAKING AN INVESTMENT IN OUR SECURITIES. AN INVESTMENT IN OUR SECURITIES SHOULD ONLY BE ACQUIRED BY PERSONS WHO CAN AFFORD TO LOSE THEIR TOTAL INVESTMENT.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None

ITEM 6. EXHIBITS.

The following exhibits are either provided with this Quarterly Report or are incorporated herein by reference:

Exhibit Number	Description of Exhibit
3.1	Articles of Incorporation.(1)
3.2	Certificate of Amendment to Certificate of Incorporation - Name Change to Artescope Inc.(1)
3.3	Certificate of Amendment to Certificate of Incorporation - Name Change to GlobeTrac Inc.(2)
3.4	Certificate of Amendment to Certificate of Incorporation - Name Change to Poly Shield Technologies Inc.(7)
3.5	Certificate of Amendment to Certificate of Incorporation - Name Change to Triton Emission Solutions Inc.(29)
3.6	Bylaws.(1)
10.1	Termination and Transfer Agreement dated for reference November 1, 2004, among the Company, Global Axxess Corporation Limited, WebTech Wireless International and WebTech Wireless Inc.(3)
10.4	Technology License Agreement with Option to Purchase dated March 12, 2012, between the Company, Teak Shield Corp., and Robert and Marion Diefendorf.(4)
10.5	Loan Agreement dated April 19, 2012, between GlobeTrac Inc. and Acamar Investments Inc.(5)
10.6	Acamar Promissory Note dated April 19, 2012, given the Company in favor of Acamar Investments, Inc.(5)
10.7	Security Agreement dated April 19, 2012, granted by GlobeTrac Inc. in favor of Acamar Investments Inc.(5)
10.8	Loan Agreement dated June 29, 2012, in respect of the principal sum of CDN $40,000 between the Company and Quarry Bay Capital LLC.(6)
10.9	Loan Agreement dated June 29, 2012, in respect of the principal sum of CDN $100,000 between the Company and Quarry Bay Capital LLC.(6)
10.10	Loan Agreement dated June 29, 2012, in respect of the principal sum of CDN $50,000 between the Company and Quarry Bay Capital LLC.(6)
10.11	Extension letter dated October 17, 2012, from Acamar Investments, Inc.(7)
10.12	Amendment No. 1 to Loan Agreement and Promissory Note dated November 16, 2012, between the Company and Acamar Investments, Inc.(8)
10.13	Employment Agreement between Rasmus Norling and Poly Shield Technologies Inc. dated December 1, 2012.(9)
10.14	U.S. Patent Assignment Agreement dated January 12, 2013, between Rasmus Norling and Poly Shield Technologies Inc.(10)
10.15	European Patent Assignment Agreement dated January 12, 2013, between Rasmus Norling and Poly Shield Technologies Inc.(10)
10.16	Share Purchase Agreement dated January 31, 2013, between Rasmus Norling and Poly Shield Technologies Inc.(11)
10.17	Collaboration Agreement dated November 15, 2012, between Ecolutions, Inc. and Green Tech Marine AS.(11)
10.18	Master Distributor Agreement dated November 15, 2012, between Ecolutions, Inc. and Green Tech Marine AS.(11)
10.19	License Agreement dated November 15, 2012, between Ecolutions, Inc. and Green Tech Marine AS.(11)
10.20	Share Purchase Agreement dated April 8, 2013, between J. Douglas Faulkner and Poly Shield Technologies Inc.(12)
10.21	Sales and Purchase Agreement dated July 18, 2013 between LMS Shipmanagement, Inc. and Poly Shield Technologies Inc.(13)
10.22	Purchase and sale Agreement dated August 16, 2013 between Prestige Cruise Holdings, Inc., and Poly Shield Technologies Inc.(14)
10.23	Divestiture and Share Purchase Agreement amongst Octavio Viveros, New World Technologies Group, Inc., and Poly Shield Technologies Inc. dated effective as of December 2, 2013.(15)
10.24	Addendum to December 1, 2012 Employment Agreement, dated effective as of December 30, 2013.(16)

Exhibit Number	Description of Exhibit
10.25	Letter Agreement dated January 15, 2014 between Poly Shield Technologies Inc. and KF Business Ventures, LP.(17)
10.26	Loan Agreement dated as of January 15, 2014 between Poly Shield Technologies Inc. and KF Business Ventures, LP.(18)
10.27	Addendum No. 2 to December 1, 2012 Employment Agreement, dated effective as of February 28, 2014.(19)
10.28	Technology Transfer Agreement between Paer Tomas Rasmus Norling and Poly Shield Technologies Inc. dated effective as of March 10, 2014.(20)
10.29	Management Consulting Agreement between Paer Tomas Rasmus Norling and Poly Shield Technologies Inc. dated effective as of March 10, 2014.(20)
10.30	Amendment No. 1 to Loan Agreement between Poly Shield Technologies Inc. and KF Business Ventures, LP dated effective as of March 10, 2014.(20)
10.31	Purchase and Services Agreement between Magical Cruise Company, Limited and Poly Shield Technologies Inc. dated effective as of April 15, 2014.(21)
10.32	Loan Agreement and Promissory Note dated April 17, 2014 between Poly Shield Technologies Inc. and New World Technologies Group Inc.(22)
10.33	Loan Agreement and Promissory Note dated May 22, 2014 between Poly Shield Technologies Inc. and New World Technologies Group Inc.(22)
10.34	Loan Agreement and Promissory Note dated June 30, 2014 between Poly Shield Technologies Inc. and New World Technologies Group Inc.(22)
10.35	Amended and Restated Technology License Agreement among Poly Shield Technologies Inc., Teak Shield Corp., Marion Diefendorf and the Estate of Robert Diefendorf entered into on June 24, 2014.(22)
10.36	Management Consulting Agreement between Joao da Costa and Poly Shield Technologies Inc. dated effective as of June 25, 2014.(23)
10.37	Management Consulting Agreement between Mitchell Reed Miller and Poly Shield Technologies Inc. dated effective as of June 25, 2014.(23)
10.38	Loan Agreement between Poly Shield Technologies Inc. and KF Business Ventures, LP dated July 28, 2014.(24)
10.39	Management Consulting Agreement between Robert Lipp and Triton Emission Solutions Inc. dated effective as of September 3, 2014.(25)
10.40	Amendment No. 2 to that Loan Agreement dated January 15, 2014 between the Triton Emission Solutions Inc. and KF Business Ventures, LP dated effective July 29, 2014.(26)
10.41	2014 Stock Option Plan(26)
10.42	Non-Qualified Stock Option Agreement for Robert C. Kopple dated September 8, 2014(26)
10.43	Amendment No. 1 to Sales and Purchase Agreement dated as of January 12, 2015 between LMS Shipmanagement, Inc. and Triton Emission Solutions Inc.(27)
10.44	Employment Agreement dated March 6, 2015, and effective as of March 23, 2015, between Anders Aasen and Triton Emission Solutions Inc.(28)
10.45	Loan Agreement dated July 28, 2015, in respect of the principal sum of $200,000 between Triton Emission Solutions Inc. and Paer Tomas Rasmus Norling.(30)
10.46	Loan Agreement dated August 31, 2015, in respect of the principal sum of $200,000 between Triton Emission Solutions Inc. and KF Business Ventures, LP.(31)
10.47	Consulting Agreement between Robert Lipp and Triton Emission Solutions Inc. dated effective as of September 4, 2015.(32)
10.48	Amendment No. 2 to Sales and Purchase Agreement dated as of November 5, 2015 between LMS Shipmanagement, Inc. and Triton Emission Solutions Inc. (36)
10.49	Loan Agreement dated November 6, 2015, in respect of the principal sum of $200,000 between Triton Emission Solutions Inc. and Paer Tomas Rasmus Norling.(33)
10.50	Amendment to Sales and Purchase Agreement dated as of December 1, 2015 between LMS Shipmanagement, Inc. and Triton Emission Solutions Inc.(36)
10.51	Letter Agreement dated December 17, 2015 between Triton Emission Solutions Inc. and KF Business Ventures, LP.(34)
10.52	Loan Agreement dated January 8, 2016 between Triton Emission Solutions Inc. and KF Business Ventures, LP.(35)

Exhibit Number	Description of Exhibit
10.53	Amendment Agreement to those loan agreements dated as of January 15, 2014, July 28, 2014, and August 31, 2015 between Triton Emission Solutions Inc. and KF Business Ventures, LP dated January 8, 2016.(35)
10.54	Amendment Agreement to those loan agreements dated July 28, 2015 and November 6, 2015 between Triton Emission Solutions Inc. and Paer Tomas Rasmus Norling dated January 8, 2016.(35)
10.55	Promissory Note dated September 13, 2016, in respect of the principal sum of $110,000 between Triton Emission Solutions Inc. and KF Business Ventures, LP.
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.

Notes:

(1) Filed as an exhibit to our Registration statement on Form SB-2 filed on August 2, 2001.
(2) Filed as an exhibit to our Quarterly Report on Form 10-QSB filed on April 15, 2003.
(3) Filed as an exhibit to our Current Report on Form 8-K filed on November 14, 2005.
(4) Filed as an exhibit to our Current Report on Form 8-K filed on March 16, 2012.
(5) Filed as an exhibit to our Current Report on Form 8-K filed on April 23, 2012.
(6) Filed as an exhibit to our Current Report on Form 8-K filed on July 13, 2012.
(7) Filed as an exhibit to our Current Report on Form 8-K filed on November 6, 2012.
(8) Filed as an exhibit to our Current Report on Form 8-K filed on December 7, 2012.
(9) Filed as an exhibit to our Current Report on Form 8-K filed on December 11, 2012.
(10) Filed as an exhibit to our Current Report on Form 8-K filed on January 17, 2013.
(11) Filed as an exhibit to our Current Report on Form 8-K filed on February 6, 2013.
(12) Filed as an exhibit to our Quarterly Report on Form 10-Q filed on May 14, 2013.
(13) Filed as an exhibit to our Current Report on Form 8-K filed on July 24, 2013.
(14) Filed as an exhibit to our Current Report on Form 8-K filed on August 22, 2013.
(15) Filed as an exhibit to our Current Report on Form 8-K filed on December 9, 2013.
(16) Filed as an exhibit to our Current Report on Form 8-K filed on January 3, 2014.
(17) Filed as an exhibit to our Current Report on Form 8-K filed on January 17, 2014.
(18) Filed as an exhibit to our Current Report on Form 8-K filed on February 18, 2014.
(19) Filed as an exhibit to our Current Report on Form 8-K filed on March 3, 2014.
(20) Filed as an exhibit to our Current Report on Form 8-K filed on March 11, 2014.
(21) Filed as an exhibit to our Current Report on Form 8-K filed on April 17, 2014.
(22) Filed as an exhibit to our Quarterly Report on Form 10-Q filed on August 14, 2014.
(23) Filed as an exhibit to our Current Report on Form 8-K filed on July 1, 2014.
(24) Filed as an exhibit to our Current Report on Form 8-K filed on August 1, 2014
(25) Filed as an exhibit to our Current Report on Form 8-K filed on September 9, 2014.
(26) Filed as an exhibit to our Current Report on Form 8-K filed on September 12, 2014.
(27) Filed as an exhibit to our Current Report on Form 8-K filed on January 26, 2015.
(28) Filed as an exhibit to our Current Report on Form 8-K filed on March 12, 2015.
(29) Filed as an exhibit to our Current Report on Form 8-K filed on August 27, 2014.
(30) Filed as an exhibit to our Current Report on Form 8-K filed on August 3, 2015.
(31) Filed as an exhibit to our Current Report on Form 8-K filed on September 4, 2015.
(32) Filed as an exhibit to our Current Report on Form 8-K filed on September 10, 2015.
(33) Filed as an exhibit to our Current Report on Form 8-K filed on November 12, 2015.
(34) Filed as an exhibit to our Current Report on Form 8-K filed on December 23, 2015.
(35) Filed as an exhibit to our Current Report on Form 8-K filed on February 1, 2016.
(36) Filed as an exhibit to our Annual Report on Form 10-K filed on April 14, 2016.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRITON EMISSION SOLUTIONS INC.

Date:	November 21, 2016	By:	*/s/ Anders Aasen* ANDERS AASEN Chief Executive Officer (Principal Executive Officer)
Date:	November 21, 2016	By:	*/s/ John Da Costa* JOHN DA COSTA Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

<SEC-DOCUMENT>0001393905-16-001107-index.html : 20161121
<SEC-HEADER>0001393905-16-001107.hdr.sgml : 20161121
<ACCEPTANCE-DATETIME>20161121165000
ACCESSION NUMBER: 0001393905-16-001107
CONFORMED SUBMISSION TYPE: 10-Q
PUBLIC DOCUMENT COUNT: 62
CONFORMED PERIOD OF REPORT: 20160930
FILED AS OF DATE: 20161121
DATE AS OF CHANGE: 20161121

FILER:

COMPANY DATA:
COMPANY CONFORMED NAME: Triton Emission Solutions Inc.
CENTRAL INDEX KEY: 0001143238
STANDARD INDUSTRIAL CLASSIFICATION: TELEPHONE COMMUNICATIONS (NO RADIO TELEPHONE) [4813]
IRS NUMBER: 330953557
STATE OF INCORPORATION: DE
FISCAL YEAR END: 1231

FILING VALUES:
FORM TYPE: 10-Q
SEC ACT: 1934 Act
SEC FILE NUMBER: 000-33309
FILM NUMBER: 162010796

BUSINESS ADDRESS:
STREET 1: 151 SAN FRANCISCO ST.
STREET 2: SUITE 201
CITY: SAN JUAN
STATE: PR
ZIP: 00901
BUSINESS PHONE: 1-800-648-4287

MAIL ADDRESS:
STREET 1: 151 SAN FRANCISCO ST.
STREET 2: SUITE 201
CITY: SAN JUAN
STATE: PR
ZIP: 00901

FORMER COMPANY:
FORMER CONFORMED NAME: Poly Shield Technologies Inc.
DATE OF NAME CHANGE: 20120713

FORMER COMPANY:
FORMER CONFORMED NAME: GLOBETRAC INC
DATE OF NAME CHANGE: 20020815

FORMER COMPANY:
FORMER CONFORMED NAME: ARTESCOPE INC
DATE OF NAME CHANGE: 20010620
</SEC-HEADER>
<DOCUMENT>
<TYPE>10-Q
<SEQUENCE>1
<FILENAME>dsox_10q.htm
<DESCRIPTION>QUARTERLY REPORT
<TEXT>
Document 1 - file: dsox_10q.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>EX-10.55
<SEQUENCE>2
<FILENAME>dsox_ex1055.htm
<DESCRIPTION>PROMISSORY NOTE
<TEXT>

Document 2 - file: dsox_ex1055.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>EX-31.1
<SEQUENCE>3
<FILENAME>dsox_ex311.htm
<DESCRIPTION>CERTIFICATION
<TEXT>
Document 3 - file: dsox_ex311.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>EX-31.2
<SEQUENCE>4
<FILENAME>dsox_ex312.htm
<DESCRIPTION>CERTIFICATION
<TEXT>
Document 4 - file: dsox_ex312.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>EX-32.1
<SEQUENCE>5
<FILENAME>dsox_ex321.htm
<DESCRIPTION>CERTIFICATION
<TEXT>
Document 5 - file: dsox_ex321.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>EX-32.2
<SEQUENCE>6
<FILENAME>dsox_ex322.htm
<DESCRIPTION>CERTIFICATION
<TEXT>
Document 6 - file: dsox_ex322.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>EX-101.INS
<SEQUENCE>7
<FILENAME>dsox-20160930.xml
<TEXT>
Document 7 - file: dsox-20160930.xml

</DOCUMENT>
<DOCUMENT>
<TYPE>EX-101.SCH
<SEQUENCE>8
<FILENAME>dsox-20160930.xsd
<TEXT>
Document 8 - file: dsox-20160930.xsd

</DOCUMENT>
<DOCUMENT>
<TYPE>EX-101.CAL
<SEQUENCE>9
<FILENAME>dsox-20160930_cal.xml
<TEXT>
Document 9 - file: dsox-20160930_cal.xml

</DOCUMENT>
<DOCUMENT>
<TYPE>EX-101.DEF
<SEQUENCE>10
<FILENAME>dsox-20160930_def.xml
<TEXT>

Document 10 - file: dsox-20160930_def.xml

</DOCUMENT>
<DOCUMENT>
<TYPE>EX-101.LAB
<SEQUENCE>11
<FILENAME>dsox-20160930_lab.xml
<TEXT>
Document 11 - file: dsox-20160930_lab.xml

</DOCUMENT>
<DOCUMENT>
<TYPE>EX-101.PRE
<SEQUENCE>12
<FILENAME>dsox-20160930_pre.xml
<TEXT>
Document 12 - file: dsox-20160930_pre.xml

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>13
<FILENAME>R1.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 13 - file: R1.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>14
<FILENAME>R2.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 14 - file: R2.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>15
<FILENAME>R3.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 15 - file: R3.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>16
<FILENAME>R4.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 16 - file: R4.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>17
<FILENAME>R5.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 17 - file: R5.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>18
<FILENAME>R6.htm

<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 18 - file: R6.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>19
<FILENAME>R7.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 19 - file: R7.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>20
<FILENAME>R8.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 20 - file: R8.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>21
<FILENAME>R9.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 21 - file: R9.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>22
<FILENAME>R10.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 22 - file: R10.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>23
<FILENAME>R11.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 23 - file: R11.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>24
<FILENAME>R12.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 24 - file: R12.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>25
<FILENAME>R13.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 25 - file: R13.htm

</DOCUMENT>

<DOCUMENT>
<TYPE>XML
<SEQUENCE>26
<FILENAME>R14.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 26 - file: R14.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>27
<FILENAME>R15.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 27 - file: R15.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>28
<FILENAME>R16.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 28 - file: R16.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>29
<FILENAME>R17.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 29 - file: R17.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>30
<FILENAME>R18.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 30 - file: R18.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>31
<FILENAME>R19.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 31 - file: R19.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>32
<FILENAME>R20.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 32 - file: R20.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>33
<FILENAME>R21.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT

<TEXT>
[Document 33 - file: R21.htm]

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>34
<FILENAME>R22.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
[Document 34 - file: R22.htm]

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>35
<FILENAME>R23.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
[Document 35 - file: R23.htm]

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>36
<FILENAME>R24.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
[Document 36 - file: R24.htm]

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>37
<FILENAME>R25.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
[Document 37 - file: R25.htm]

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>38
<FILENAME>R26.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
[Document 38 - file: R26.htm]

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>39
<FILENAME>R27.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
[Document 39 - file: R27.htm]

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>40
<FILENAME>R28.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
[Document 40 - file: R28.htm]

</DOCUMENT>
<DOCUMENT>

<TYPE>XML
<SEQUENCE>41
<FILENAME>R29.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 41 - file: R29.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>42
<FILENAME>R30.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 42 - file: R30.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>43
<FILENAME>R31.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 43 - file: R31.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>44
<FILENAME>R32.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 44 - file: R32.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>45
<FILENAME>R33.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 45 - file: R33.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>46
<FILENAME>R34.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 46 - file: R34.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>47
<FILENAME>R35.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 47 - file: R35.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>48
<FILENAME>R36.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>

Document 48 - file: R36.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>49
<FILENAME>R37.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 49 - file: R37.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>50
<FILENAME>R38.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 50 - file: R38.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>51
<FILENAME>R39.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 51 - file: R39.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>52
<FILENAME>R40.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 52 - file: R40.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>53
<FILENAME>R41.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 53 - file: R41.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>54
<FILENAME>R42.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 54 - file: R42.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>55
<FILENAME>R43.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 55 - file: R43.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML

<SEQUENCE>56
<FILENAME>R44.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 56 - file: R44.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>57
<FILENAME>R45.htm
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 57 - file: R45.htm

</DOCUMENT>
<DOCUMENT>
<TYPE>EXCEL
<SEQUENCE>58
<FILENAME>Financial_Report.xlsx
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 58 - file: Financial_Report.xlsx

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>59
<FILENAME>Show.js
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 59 - file: Show.js

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>60
<FILENAME>report.css
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 60 - file: report.css

</DOCUMENT>
<DOCUMENT>
<TYPE>XML
<SEQUENCE>62
<FILENAME>FilingSummary.xml
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 62 - file: FilingSummary.html

Document 62 - RAW XML: FilingSummary.xml

</DOCUMENT>
<DOCUMENT>
<TYPE>ZIP
<SEQUENCE>64
<FILENAME>0001393905-16-001107-xbrl.zip
<DESCRIPTION>IDEA: XBRL DOCUMENT
<TEXT>
Document 64 - file: 0001393905-16-001107-xbrl.zip

</DOCUMENT>
</SEC-DOCUMENT>

$110,000.00 **September13, 2016**

PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned, **TRITON EMISSION SOLUTIONS INC.** (formerly known as "Poly Shield Technologies Inc."), a Delaware corporation with an address located at 151 San Francisco Street, Suite 201, San Juan, Puerto Rico 00901 ("Borrower"), hereby promises to pay to **KF BUSINESS VENTURES, LP**, and/or its affiliated nominee or other permitted assignee ("Lender" or "Note Holder" used interchangeably), the principal sum of up to One Hundred Ten Thousand Dollars ($110,000.00), or so much thereof as may be advanced from time to time by Lender in its sole and absolute discretion (the "Principal Amount"), in lawful money of the United States of America. Payments of the Principal Amount and interest shall be made to Lender by Borrower at the address at the record of Lender, or at such other place as may be designated in writing by the Note Holder.

Interest shall accrue on the outstanding Principal Amount from the dates advanced until paid in full at a simple interest rate equal to ten percent (10%) per annum (each an "Interest Payment, and collectively the "Interest Payments"), and shall be payable at the end of the term of this Note (the "Interest Date"). Upon the occurrence of an Event of Default (as defined below), interest shall accrue on the outstanding Principal Amount at a rate of fifteen percent (15%) per annum from the date of the occurrence of such Event of Default until such Event of Default is cure or waived in writing by the Note Holder as determined in its sole and absolute discretion, and shall be payable upon demand therefor by the Note Holder. All interest under this Note shall be computed on the basis of a 360-day year and the actual number of days elapsed. Each payment required or permitted in respect to this Note shall be applied first in payment of accrued and unpaid interest, whether or not then due, and then in payment of the remaining outstanding principal balance of this Note.

Subject to acceleration upon the occurrence of an Event of Default, this Note shall mature and the outstanding Principal Amount and all accrued but unpaid interest hereunder shall become due and payable in a single lump sum payment on January 15, 2017 (the "Maturity Date"), without notice or demand.

Borrower may its sole and absolute discretion voluntarily prepay the unpaid Principal Amount of this Note, in whole but not in part and without penalty, by paying to the Note Holder the sum equal to the outstanding Principal Amount being redeemed, together with any and all then accrued but unpaid interest on the outstanding Principal Amount being prepaid.

Borrower, for itself and its legal representatives, successors, and assigns, expressly waives presentment, demand, protest, notice of dishonor, notice of non-payment, notice of maturity, notice of protest, presentment for the purposes of accelerating maturity, diligence in collection, and any other condition precedent to action against Borrower for the payment hereof.

The Note Holder shall have the right, but not the obligation, to require Borrower to offset the cash payable upon an exercise by the holder of any warrants to purchase shares of Common Stock of Borrower issued to KF Business Ventures, LP, or its permitted assignee, or any of them, in each case, against the corresponding amount of outstanding indebtedness under this Note; provided, however that such offset shall not be deemed to be an exchange of securities for the purposes of Rule 144.

The occurrence of any one or more of the following events, acts or occurrences shall constitute an event of default in respect to the indebtedness evidenced by this Note and in respect to the indebtedness evidenced by any and all other notes of the Company payable to Lender, and each of them (each an "Event of Default"): (a) Borrower fails to pay in full the entire outstanding principal balance of this Note and all then-accrued unpaid interest thereon on the Maturity Date, time being of the essence thereof, without notice or demand therefor, or fails to pay in full any other sum under the this Note, or any of them, within five (5) business days after the same first becomes due and payable thereunder, or fails to pay in full when due any other sum under any other promissory note, agreement or document evidencing, securing or otherwise pertaining to indebtedness evidenced by any and all other notes of the Company payable to Lender, (ii) Borrower shall breach or fail to perform, comply with or observe, or shall be in default under, any of its other obligations, terms, covenants or conditions on its part to be performed, complied with and observed under this Note or any other promissory note, agreement or document evidencing, securing or otherwise pertaining to indebtedness evidenced by any and all other notes of the Company payable to Lender, or any of them, in any material respect, (iv) any representation or warranty made by Borrower in this Note or any other promissory note, agreement or document evidencing, securing or otherwise pertaining to indebtedness evidenced by any and all other notes of the Company payable to Lender, or any of them, or any other agreement or instrument delivered in connection herewith, or any of them, was not true and correct in all material respects when made, (v) Rasmus Norling, Mitch Miller and Anders Aasen, or any of them, defaults, breaches or otherwise fails to perform or observe any of their respective obligations, terms or conditions under the Waiver and Release of such party in favor of the Company dated on or about the date hereof, revokes, repudiates or asserts the invalidity of any term or condition thereof or otherwise takes any action inconsistent therewith, in each instance without the prior written consent of Lender in its sole and absolute discretion, (vi) there shall be commenced against Borrower an involuntary case seeking the liquidation or reorganization under Title 11 of the United States Code (11 U.S.C. Section 101 et seq. as amended from time to time) or an involuntary case or proceeding seeking the appointment of a receiver, custodian, trustee or similar official for it, or to take possession of all or a substantial portion of its property or to operate all or a substantial portion of its business, and any of the following events occur: (a) Borrower consents to such involuntary case or proceeding or fails to diligently contest it in good faith; (b) the petition commencing the involuntary case or proceeding is not timely controverted; (c) the petition commencing the involuntary case or proceeding remains undismissed or unstayed for a period of sixty (60) calendar days; or (d) an order for relief shall have been issued or entered therein or a receiver, custodian, trustee or similar official appointed; or (vii) Borrower shall institute a voluntary case seeking liquidation or reorganization under (11 U.S.C. Section 101 et seq. as amended from time to time), or shall consent thereto; or shall consent to the conversion of an involuntary case to a voluntary case; or shall file a petition, answer a complaint or otherwise institute any proceeding seeking, or shall consent or acquiesce to the appointment of, a receiver, custodian, trustee or similar official for it, or to take possession of all or a substantial portion of its property or to operate all or a substantial portion of its business; or shall make a general assignment for the benefit of creditors; or the board of directors of Borrower (or any committee thereof) adopts any resolution or otherwise authorizes action to approve any of the foregoing, then in each such event (y) the outstanding principal balance of this Note shall bear interest at the rate of fifteen percent (15%) per annum ("Default Interest Rate") from the date of the occurrence of the Event of Default until such Event of Default is cured or waived in writing by Lender as determined in its sole and absolute discretion, payable upon demand therefore by Lender, and (z) the entire principal balance of the this Note, together with all accrued and unpaid interest thereon, shall become immediately due and payable in full at the option of the Note Holder if as a result of an Event of Default specified in Clause (i), (ii), (iii), (iv) or (v), or the entire principal balance of this Note, together with all accrued and unpaid interest thereon, shall become immediately due and payable in full automatically without any election, declaration or other act on the part of the Note Holder if as a result of an Event of Default specified in Clause (vi) or (vii) above, without notice or demand whatsoever except as otherwise required by applicable law.

In order to induce the Lender to make the loans to Borrower evidenced by this Note, Borrower hereby represents and warrants to the Note Holder (a) by reason of its own business and financial experience, Borrower and Lender could reasonably be assumed to have the capacity to protect its own interests in connection with the transactions contemplated by this Note, and (b) as a consequence, that the indebtedness evidenced by this Note, including all interest thereon and other consideration therefor is exempt from the usury restrictions under California law pursuant to the exemption set for in California Corporation Code Section 2511S(b). Without limiting the effectiveness of said representations, warranties and exemptions, however, it is nevertheless the intent of Borrower and the Holder that the holder of this Note shall never be entitled to receive, collect or apply, as interest or other consideration of any kind under this Note, any amount in excess of the maximum rate of interest permitted to be charged by applicable law; and in the event the holder of this Note ever receives, collects or applies as interest or other consideration of any kind any such excess, such amount which would be excess interest or other consideration shall be deemed a partial prepayment of the Principal Amount and treated hereunder as such; and if the Principal Amount is paid in full, any remaining excess interest or other consideration shall be paid to Borrower forthwith upon demand.

This Note and all acts and transactions pursuant hereto shall be governed by and construed in accordance with the laws of the State of California, without regard to principles of conflicts of laws. Borrower hereby irrevocably consent to the exclusive jurisdiction of any federal or state court located in the County of Los Angeles, State of California, and consents that all service of process be sent by nationally recognized overnight courier service directed to Borrower at Borrower's address set forth herein and service so made will be deemed to be completed on the business day after deposit with such courier. Borrower and Lender (by acceptance of this Note) acknowledge and agree that the venue provided above is the most convenient forum for both Lender and Borrower. Borrower and Lender (by acceptance of this Note) waive any objection to venue and any objection based on a more convenient forum in any action instituted under this Note. BOTH PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY IRREVOCABLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS NOTE, TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAWS.

This Note is non-negotiable, and may not to be assigned, transferred, pledged, or hypothecated by Lender other than to an assignee controlling, controlled by or under common control of Lender without the prior written consent of Borrower, which consent shall not be unreasonably withheld.

Borrower agrees to pay all costs and expenses (including, without limitation, reasonable attorney fees) incurred or payable by Lender in enforcing each provision of this Note including, without limitation, respecting the collection of any and all amounts payable under this Note.

Borrower acknowledges that its obligations to make payments hereunder are absolute and unconditional and valid obligations of Borrower, and agrees that such payments shall not be requested to be, and shall not be, subject to any defense, setoff, or counterclaim of any kind or nature, or any other action similar to the foregoing, provided that nothing contained herein shall preclude any separate proceeding by Borrower against Lender so long as such proceeding does not in any manner relate to or otherwise impair the payment or the collection of the amounts due hereunder in accordance with the terms of this Note. Borrower further represents that this Note has received all necessary approvals and is a valid and binding corporate act.

No amendment, modification, rescission, waiver, consent, forbearance, or release of any provision of this Note shall be valid or binding unless made in writing and executed by a duly authorized representative of Borrower and Lender. No consent or waiver, express or implied, by Lender to the breach by Borrower in the performance by it of any of its obligations hereunder shall be deemed or construed to be a consent to or waiver of the further breach in the performance of the same or any other obligation of Borrower hereunder. Failure on the part of Lender to complain of the act or failure to act by Borrower or to declare Borrower in breach, irrespective of how long such failure continues, shall not constitute a waiver by Lender of any of its rights hereunder.

IN WITNESS WHEREOF, Borrower has executed and delivered this Promissory Note on the date first above written.

TRITON EMISSION SOLUTIONS INC.

By: *_/s/ Anders Aasen_*

Name: Anders Aasen

Title: CEO

TRITON EMISSION SOLUTIONS INC.
CERTIFICATIONS PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Anders Aasen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ending September 30, 2016 of Triton Emission Solutions Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 21, 2016

/s/ Anders Aasen
Anders Aasen
Chief Executive Officer

TRITON EMISSION SOLUTIONS INC.
CERTIFICATIONS PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John da Costa, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ending September 30, 2016 of Triton Emission Solutions Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 21, 2016

/s/ John da Costa
John da Costa
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Triton Emission Solutions Inc. (the “Company”) on Form 10-Q for the period ending September 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Anders Aasen, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 21, 2016

/s/ Anders Aasen
Anders Aasen
Chief Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Triton Emission Solutions Inc. (the “Company”) on Form 10-Q for the period ending September 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John da Costa, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 21, 2016

/s/ John da Costa
John da Costa
Chief Financial Officer