
HELLO PAL INTERNATIONAL INC.

(Formerly Neoteck Solutions Inc.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2016 AND 2015
(Unaudited – Expressed in Canadian Dollars)

NOTICE TO READER

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

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management.

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

HELLO PAL INTERNATIONAL INC.
(Formerly Neoteck Solutions Inc.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in Canadian Dollars)

	Note	August 31, 2016 \$	February 29, 2016 \$
ASSETS			
Current assets			
Cash		733,994	47
Receivables	4, 9	22,913	-
Prepaid expenses		109,988	-
Deferred acquisition costs	6	-	6,500
		866,895	6,547
Equipment	5	2,358	-
Software application	6	4,394,897	-
Total assets		5,264,150	6,547
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	109,453	155,184
Due to related parties	7, 9	75,985	54,250
		185,438	209,434
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	6, 8	8,121,683	2,403,006
Contributed surplus	8	1,638,121	189,514
Accumulated other comprehensive loss		(4,550)	-
Deficit		(4,676,542)	(2,795,407)
		5,078,712	(202,887)
Total liabilities and shareholders' equity (deficiency)		5,264,150	6,547

Nature of operations and going concern (Note 1)

Commitment (Note 12)

Approved and authorized on behalf of the Board of Directors on October 31, 2016

“Robert McMorran” Director

“Kean Li Wong” Director

HELLO PAL INTERNATIONAL INC.
(Formerly Neoteck Solutions Inc.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the three and six months ended August 31, 2016 and 2015
(Unaudited – Expressed in Canadian Dollars)

	Note	For the three months ended August 31,		For the six months ended August 31,	
		2016 \$	2015 \$	2016 \$	2015 \$
ADMINISTRATIVE EXPENSES					
Accounting and audit	9	11,611	5,496	26,132	10,113
Depreciation	5	131	-	131	-
Foreign exchange loss		1,497	-	1,628	-
Management and consulting fees	9	42,428	15,750	68,213	31,500
Marketing		72,320	-	92,424	-
Legal	9	3,422	750	5,318	1,125
Office and miscellaneous		22,880	106	29,614	168
Regulatory and stock transfer		21,835	4,205	35,440	6,201
Rent		9,013	-	16,924	6,000
Salaries and benefits		52,707	-	54,583	-
Share-based payments	8	-	-	1,384,907	-
Shareholder communications		100,772	-	165,821	-
		(338,616)	(26,307)	(1,881,135)	(55,107)
NET LOSS FOR THE PERIOD		(338,616)	(26,307)	(1,881,135)	(55,107)
OTHER COMPREHENSIVE LOSS					
Exchange differences on translation of foreign operations		(2,574)	-	(4,550)	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(341,190)	(26,307)	(1,885,685)	(55,107)
NET LOSS PER SHARE – BASIC AND DILUTED		(0.00)	(0.00)	(0.05)	(0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		64,973,978	25,373,978	48,901,152	25,373,978

HELLO PAL INTERNATIONAL INC.
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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Unaudited – Expressed in Canadian dollars, except for share figures)

	Number of Shares #	Share Capital \$	Contributed Surplus \$	AOCI \$	Deficit \$	Total \$
Balance, February 28, 2015	25,373,978	2,403,006	189,514	-	(2,665,470)	(72,950)
Net and comprehensive loss for the period	-	-	-	-	(55,107)	(55,107)
Balance, August 31, 2015	25,373,978	2,403,006	189,514	-	(2,720,577)	(128,057)
Net and comprehensive loss for the period	-	-	-	-	(74,830)	(74,830)
Balance, February 29, 2016	25,373,978	2,403,006	189,514	-	(2,795,407)	(202,887)
Private placement of common shares	12,000,000	1,800,000	-	-	-	1,800,000
Less: cash issue costs	-	(67,623)	-	-	-	(67,623)
Less: Finders' Warrants	-	(63,700)	63,700	-	-	-
Issuance of shares pursuant to asset acquisition	25,000,000	3,750,000	-	-	-	3,750,000
Issuance of finders' shares pursuant to asset acquisition	2,000,000	300,000	-	-	-	300,000
Share-based payments	-	-	1,384,907	-	-	1,384,907
Comprehensive loss for the period	-	-	-	(4,550)	(1,881,135)	(1,885,685)
Balance, August 31, 2016	64,373,978	8,121,683	1,638,121	(4,550)	(4,676,542)	5,078,712

HELLO PAL INTERNATIONAL INC.
(Formerly Neoteck Solutions Inc.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended August 31, 2016 and 2015
(Unaudited – Expressed in Canadian Dollars)

	2016	2015
	\$	\$
Operating activities:		
Net loss for the period	(1,881,135)	(55,107)
Items not involving cash:		
Depreciation	131	-
Share-based payments	1,384,907	-
	(496,097)	(55,107)
Changes in non-cash working capital related to operations:		
GST recoverable	(15,413)	-
Prepaid expenses	(109,988)	-
Accounts payable and accrued liabilities	(123,771)	41,689
Net cash used in operating activities	(745,269)	(13,418)
Investing activities:		
Purchase of equipment	(2,500)	-
Acquisition and development costs of software application	(256,800)	-
Net cash used in investing activities	(259,300)	-
Financing activities:		
Proceeds from private placement, net of share issue costs	1,732,377	-
Due to related parties	14,235	13,100
Net cash provided by financing activities	1,746,612	13,100
Increase (decrease) in cash during the period	742,043	(318)
Effect of exchange rate changes on cash	(8,096)	-
Cash – beginning of the period	47	479
Cash – end of the period	733,994	161

Non-Cash Transactions (Note 11)

HELLO PAL INTERNATIONAL INC.
(Formerly Neoteck Solutions Inc.)
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended August 31, 2016 and 2015
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1. NATURE OF OPERATIONS AND GOING CONCERN

Hello Pal International Inc. (formerly Neoteck Solutions Inc.) (“the Company”) is incorporated under the Company Act of British Columbia and changed its name to Hello Pal International Inc. on May 9, 2016. Prior to May 13, 2016, the Company was listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol “NEO.H”. On May 13, 2016, the Company received approval from the TSX-V to have its shares de-listed and received acceptance from the Canadian Securities Exchange (“CSE”) to have its shares listed under the symbol “HP”. On June 28, 2016, the Financial Industry Regulatory Authority of the United States cleared the Company’s Form 211 application for a quotation on OTC Link, and as such, the common shares of the Company now trade under the US symbol “HLLPF”. The Company’s registered and corporate head office is located at Suite 200, 550 Denman Street, Vancouver, BC V6G 3H1.

These condensed interim consolidated financial statements have been prepared on the going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. If the going concern assumption were not appropriate for these financial statements, then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

As at August 31, 2016, although the Company had working capital of \$681,457, the Company had not yet achieved profitable operations, had an accumulated deficit of \$4,676,542 since inception and expects to incur further losses in the future. These factors may cast substantial doubt on the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon its ability to obtain the necessary financing to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no guarantee that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, using the same accounting policies as detailed in the Company’s audited annual financial statements for the year ended February 29, 2016. They do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and therefore should be read together with the audited annual financial statements for the year ended February 29, 2016.

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These condensed interim consolidated financial statements were approved by the board of directors for issue on October 31, 2016.

The preparation of these condensed interim consolidated financial statements in accordance with IAS 1, *Presentation of Financial Statements*, requires management to make certain critical accounting estimates and to exercise judgment in applying the Company's accounting policies. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. Critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities include the going concern assumption.

b) Initial adoption of accounting policies

These condensed interim consolidated financial statements have been prepared on a basis consistent with the significant accounting policies disclosed in Note 3 of the annual financial statements for the year ended February 29, 2016, except for the following policies adopted in the current financial period:

(i) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. Control is achieved when the Company is exposed to, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

Details of the subsidiary are as follows:

Name of Subsidiary	Country of Incorporation	Date of Incorporation	Percentage Controlled
Hello Pal Asia Limited	Hong Kong SAR, China	May 6, 2016	100%

(ii) Equipment and software

Equipment and software are carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures directly attributable to bringing the asset to its operating location and condition necessary for it to be capable of operating in the intended manner.

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Repairs and maintenance costs are charged to expense as incurred, except when these repairs significantly extend the life or result in an operating improvement. In these instances, the portion of these repairs relating to the betterment is capitalized as part of equipment and software.

Depreciation of software is recorded at the date the development is complete and it is available for its intended use. Depreciation is recorded on a declining-balance basis at the annual rate of 30%.

Equipment and software are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

(iii) Impairment of non-financial assets

The Company performs impairment tests on its non-financial assets when events or circumstances occur which indicate the assets may not be recoverable. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount, and an impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

The recoverable amount is the higher of the fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units, or “CGU”s). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market estimates of the time value of money and the risks specific to the asset. Fair value less cost to sell is the amount obtainable from the sale of an asset or CGU in an arm’s length transaction between knowledgeable, willing parties, less the costs of disposal.

3. RECENT ACCOUNTING PRONOUNCEMENTS

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not completed its assessment of the impact that the new and amended standards will have on its financial statements. The Company also has not early adopted any of these standards in the consolidated financial statements.

The IASB issued IFRS 15, *Revenue from Contracts with Customers* (“IFRS 15”) in May 2014. The new standard provides a comprehensive five-step revenue recognition model for all contracts with customers and requires management to exercise judgment and make estimates that affect revenue recognition. IFRS

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15 is effective for annual periods commencing on or after January 1, 2017. The Company is currently evaluating the impact that the new guidance is expected to have on its financial statements.

IFRS 9, *Financial Instruments* (“IFRS 9”) as issued, reflects the first phase of the IASB’s work on the replacement of IAS 39, *Financial Instruments: Recognition and Measurement* and applies the classification and measurement of financial assets and liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 1, 2013, but the complete version of IFRS 9, issued July 2014, moved the mandatory effective date to January 1, 2018. The Company is currently evaluating the impact, if any, that the new guidance is expected to have on its financial statements.

In January 2016, the IASB amended IAS 7, *Statement of Cash Flows*. The amendments require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. One way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities. This amendment will be mandatory for reporting periods beginning on or after January 1, 2018. The Company is currently evaluating the impact, if any, that the new guidance is expected to have on its financial statements.

IFRS 16, *Leases* (“IFRS 16”) specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact that the new guidance is expected to have on its consolidated financial statements.

4. RECEIVABLES

	August 31, 2016	February 29, 2016
	\$	\$
GST recoverable	15,413	-
Due from related party	7,500	-
	22,913	-

During the six months ended August 31, 2016, the Company advanced \$7,500 (2015 - \$nil) to the former President of the Company, which remained outstanding as at August 31, 2016. Subsequent to August 31, 2016, the balance was repaid in full.

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5. EQUIPMENT

	Cost (\$)	Accumulated Depreciation (\$)	Net Book Value (\$)
Balance, February 29, 2016	-	-	-
Additions	2,500	-	2,500
Depreciation	-	(131)	(131)
Foreign exchange	(10)	(1)	(11)
Balance, August 31, 2016	2,490	(132)	2,358

6. SOFTWARE APPLICATION

On May 13, 2016, the Company completed an asset purchase agreement (the “Transaction”) with a private Hong Kong based company (“PrivCo”), whereby the Company agreed to acquire all of the assets that comprise the Hello Pal software application (the “HPI Platform”), in consideration for 25,000,000 post-consolidation common shares of the Company. The Company also issued 2,000,000 post-consolidation common shares for finder’s fees. The HPI Platform is a proprietary and open social exchange language and learning mobile application and network for use in a whole host of applications – including for language learning and socialization.

The shares issued were valued at \$3,750,000 using a market value of \$0.15 per share, which was determined based on the share issue price of the private placement financing closed on the date of the acquisition in conjunction with the Transaction. Transaction costs, comprised of professional fees of \$25,167 and 2,000,000 post-consolidation common shares issued in finder’s fees valued at \$0.15 per share, are included in the consideration paid to acquire the HPI Platform. \$6,500 of the transaction costs incurred were recorded as deferred acquisition costs as at February 29, 2016.

The components of the software application costs are as follows:

	\$
Balance, February 29, 2016	-
25,000,000 post-consolidation common shares of the Company at \$0.15 per share	3,750,000
2,000,000 post-consolidation common shares issued in finder’s fees at \$0.15 per share	300,000
Transaction costs	25,167
Development costs	316,173
Foreign exchange	3,557
Balance, August 31, 2016	4,394,897

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7. DUE TO RELATED PARTIES

During the six months ended August 31, 2016, the Company received a total of \$9,575 (2015 - \$13,100) from the former President of the Company and a shareholder, which were non-interest bearing loans made to the Company to finance its activities in order to continue its operations. The loans were due on demand, unsecured and had no maturity date. During the six months ended August 31, 2016, the Company repaid the outstanding balance of the loans in full.

During the six months ended August 31, 2016, the Company received a total of \$75,985 (2015 - \$nil) from a company controlled by the Chief Executive Officer of the Company, which are non-interest bearing, due on demand, unsecured and have no maturity date. The amount of loans outstanding as at August 31, 2016 was \$75,985 (February 29, 2016 – \$nil).

8. SHARE CAPITAL

a) **Authorized** – Unlimited common shares without par value.

b) **Consolidation:**

On May 9, 2016, the Company consolidated its common shares on the basis of one-post consolidation common share of the Company for every 1.5 pre-consolidation common share of the Company. All share numbers and amounts have been retroactively restated for the periods presented in these statements.

c) **Financings:**

On May 13, 2016, the Company closed a private placement financing of 12,000,000 post-consolidation common shares of the Company at a price of \$0.15 per post-consolidation common share for gross proceeds of \$1,800,000 (the “Financing”). In connection with the Financing, the Company incurred legal fees of \$13,775, paid finder’s fees of \$53,848 and issued 375,189 finders’ warrants valued at \$63,700. Each finder’s warrant entitles the holder to purchase one additional common share at an exercise price of \$0.15 on or before May 13, 2018. The fair value of the finders’ warrants is estimated using the Black-Scholes option valuation model with the following assumptions:

Dividend yield	Nil
Expected annualized volatility (%)	137
Risk-free interest rate (%)	1.15
Expected life of options (years)	2.00
Grant date fair value (\$)	0.17
Forfeiture rate	Nil

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On May 13, 2016, the Company issued 25,000,000 post-consolidation common shares pursuant to the Transaction valued at \$3,750,000 using a market value of \$0.15 per share, which was determined based on the share issue price of the private placement financing closed on the date of the acquisition in conjunction with the Transaction. 13,725,000 of these post-consolidation common shares were placed in escrow (Note 8(f)). The Company also issued 2,000,000 post-consolidation common shares as finder's fees valued at \$0.15 per share.

d) Stock options:

The Company has a stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant. Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as a director or officer of the Company and, in the case of death, expire within one year thereafter.

Details of options activity for the six months ended August 31, 2016 are as follows:

	Number of Options #	Weighted average exercise price \$
Balance, March 1, 2016	-	-
Granted	6,400,000	0.15
Balance, August 31, 2016	6,400,000	0.15

During the six months ended August 31, 2016, the Company granted 6,400,000 stock options to certain directors, officers, and consultants. The stock options have an exercise price of \$0.15 per share and a life of 5 years. The stock options vested immediately upon issuance. The estimated fair value of the options granted during the six months ended August 31, 2016 was \$1,384,907.

The fair value of the options granted during the six months ended August 31, 2016 is estimated on the dates of grant using the Black-Scholes option valuation model with the following assumptions:

	August 31, 2016
Dividend yield	Nil
Expected annualized volatility (%)	159
Risk-free interest rate (%)	1.38
Expected life of options (years)	5.00
Grant date fair value (\$)	0.22
Forfeiture rate	Nil

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Option pricing models require the input of subjective assumptions including the expected price volatility and the expected option life. Expected price volatility was calculated based on the Company's historical share prices. Changes in these assumptions can materially affect the estimated fair value of the stock options granted.

As at August 31, 2016, the Company had 6,400,000 options outstanding with an exercise price of \$0.15 per share and a remaining life of 4.70 years.

e) Finders' Warrants

	Number of Warrants #	Weighted average exercise price \$
Balance, March 1, 2016	-	-
Issued	375,189	0.15
Balance, August 31, 2016	375,189	0.15

As at August 31, 2016, the Company had 375,189 finders' warrants outstanding with an exercise price of \$0.15 per share and a remaining life of 1.70 years.

f) Escrow shares

13,725,000 post-consolidation shares were placed in escrow upon completion of the Transaction on May 13, 2016. On May 13, 2016, 10% of escrowed shares were released and 15% of the escrowed shares will be released each six month period thereafter. As at August 31, 2016, 12,352,500 issued and outstanding post-consolidation common shares were held in escrow.

9. RELATED PARTY TRANSACTIONS

The Company incurred charges to directors and officers, or to companies associated with these individuals during the three and six months ended August 31, 2016 and 2015 as follows:

	Three months ended August 31 2016		Six months ended August 31 2016	
	2016 \$	2015 \$	2016 \$	2015 \$
Accounting and corporate secretarial fees	10,576	3,070	19,701	5,262
Application development costs	19,855	-	19,855	-
Management fees	23,830	7,875	42,053	15,750
Share issue costs	-	-	5,750	-
	54,261	10,945	87,359	21,012

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Accounts payable and accrued liabilities at August 31, 2016 includes \$3,225 (February 29, 2016 – \$63,978) due to the Chief Technology Officer, the former President of the Company and a company controlled by a director and in which the CFO is an associate. Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Key management of the Company includes the President, Chief Technology Officer, CFO and the Directors. During the three and six months ended August 31, 2016, compensation paid to key management consisted of management fees of \$23,830 and \$42,053 (2015 – \$7,875 and \$15,750) paid to the former and current President, application development costs of \$19,855 and \$19,855 (2015 – \$nil and \$nil) paid to the Chief Technology Officer, and accounting, corporate secretarial fees of \$10,576 and \$19,701 (2015 – \$3,070 and \$5,262) and share issue costs of \$nil and \$5,750 paid to a company controlled by a director and in which the CFO is an associate.

Other related party transactions are disclosed in Notes 4 and 7.

10. SEGMENT INFORMATION

The Company's operations are limited to a single industry, being a provider of an international open social exchange language and learning mobile application and network. Geographic segment information of the Company's total assets is as follows:

	August 31, 2016 \$	February 29, 2016 \$
Canada	4,920,217	6,547
Hong Kong	343,933	-
Total assets	5,264,150	6,547

Geographic segmentation of the Company's net loss during the three and six months ended August 31, 2016 and 2015 is as follows:

	Three months ended August 31, 2016		Six months ended August 31, 2016	
	2016 \$	2015 \$	2016 \$	2015 \$
Canada	149,019	26,307	1,670,443	55,107
Hong Kong	189,597	-	210,692	-
Net loss	338,616	26,307	1,881,135	55,107

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11. NON CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the condensed interim consolidated statements of cash flows. During the six months ended August 31, 2016, the follow transactions were excluded from the condensed interim consolidated statement of cash flows:

- \$78,040 of application development costs included in accounts payable and accrued liabilities at August 31, 2016, less expenditures included in accounts payable and accrued liabilities at February 29, 2016 of \$nil.
- The Company issued 25,000,000 post-consolidation common shares at a value of \$3,750,000 pursuant to the Transaction (Note 6).
- The Company issued 2,000,000 post-consolidation common shares at a value of \$300,000 pursuant to the Transaction (Note 6).
- The Company issued 375,189 finders' warrants at a value of \$63,700 pursuant to a private placement (Note 8).

During the six months ended August 31, 2015, the Company had no non-cash investing and financing activities.

12. COMMITMENT

On April 25, 2016, the Company entered into a lease agreement for the use of office premises in Vancouver, BC, Canada in the amount of \$2,050 per month from May 1, 2016 until April 30, 2017. The amount of the total lease payments committed is \$20,500 for the fiscal year ending February 28, 2017 and \$4,100 for the fiscal year ending February 28, 2018.