Compel Capital Inc.

Financial Statements

Expressed in Canadian Dollars

For the Years Ended December 31, 2014 and 2013

Collins Barrow

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Compel Capital Inc.

We have audited the accompanying financial statements of Compel Capital Inc. which comprise the balance sheets as at December 31, 2014 and December 31, 2013 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years December 31, 2014 and December 31, 2013 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Compel Capital Inc. as at December 31, 2014 and December 31, 2013 and its financial performance and its cash flows for the years ended December 31, 2014 and December 31, 2013 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes material uncertainties that cast significant doubts about Compel Capital Inc.'s ability to continue as a going concern.

Collins Barrow Toronto LLP

Licensed Public Accountants
Chartered Professional Accountants
April 29, 2015
Toronto, Ontario

Compel Capital Inc.
Balance Sheets
Expressed in Canadian Dollars
As at December 31,

	2014	2013
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 3)	**$ 12,360**	$ 6,148
Loan payable - interest bearing (Note 4)	**33,139**	28,592
Loan payable - non-interest bearing (Note 5)	**12,691**	11,191
	58,190	45,931
Shareholders' Deficiency		
Capital stock (Note 6)	**308,165**	308,165
Deficit	**(366,355)**	(354,096)
	(58,190)	(45,931)
	$ -	$ -

Nature of Business and Going Concern (Note 1)

Approved by the Board **"Rob Saltsman"** Director **(Signed)** **"Michael Frank"** Director **(Signed)**

Compel Capital Inc.
Statements of Loss and Comprehensive Loss
Expressed in Canadian Dollars
Years Ended December 31, 2014 and 2013

		2014		2013
Expenses				
General and administrative	**$**	**12,259**	$	14,909
Net loss and comprehensive loss for the year	**$**	**(12,259)**	$	(14,909)
Loss per share (Note 7)				
Basic and diluted	**$**	**(0.006)**	$	(0.007)
Weighted average number of common shares outstanding (Note 7)				
Basic and diluted		**2,127,288**		2,127,288

See accompanying notes

Compel Capital Inc.
Statements of Changes in Equity
Expressed in Canadian Dollars
Years Ended December 31, 2014 and 2013

	Capital Stock	Deficit	Total
Balance, December 31, 2012	**$ 308,165**	**$ (339,187)**	**$ (31,022)**
Net loss and comprehensive loss	-	(14,909)	(14,909)
Balance, December 31, 2013	**$ 308,165**	**$ (354,096)**	**$ (45,931)**
Net loss and comprehensive loss	-	(12,259)	(12,259)
Balance, December 31, 2014	**$ 308,165**	**$ (366,355)**	**$ (58,190)**

Compel Capital Inc.
Statements of Cash Flows
Expressed in Canadian Dollars
Years Ended December 31, 2014 and 2013

	2014	2013
Cash provided by (used in)		
Operations		
Net loss and comprehensive loss	**$ (12,259)**	$ (14,909)
Items not affecting cash		
Interest accrued	**2,859**	1,807
	(9,400)	(13,102)
Net changes in non-cash working capital		
Accounts payable and accrued liabilities	**6,212**	(6,805)
	(3,188)	(19,907)
Financing		
Loan advances - interest bearing	**1,688**	8,716
Loan advances - non-interest bearing	**1,500**	11,191
	3,188	19,907
Cash, beginning and end of year	**$ -**	$ -

See accompanying notes

1. NATURE OF BUSINESS AND GOING CONCERN

Compel Capital Inc. (the "Company") is incorporated under the laws of the Province of Ontario and is inactive. The Company does not engage in commercial operations and has no assets. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a potential acquisition.

While these financial statement have been have prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis that presumes the realization of assets and discharge of liabilities in the normal course of business, there are material uncertainties related to adverse conditions and events that cast significant doubt on the Company's ability to continue as a going concern.

During the year ended December 31, 2014, the Company incurred a loss of $12,259 (2013 - $14,909) and, as of that date, the Company had accumulated deficit of $366,355 (2013 - $354,096), a working capital deficiency of $58,190 (2013 - $45,931) and negative cash flows from operations of $3,188 (2013 - $19,907). These factors create material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

The Company's continuing ability to meet its obligations as they come due is dependent upon continued financial support from directors, shareholders or corporations affiliated with directors and shareholders (Notes 4 and 5) and its ability to raise additional funds through the issuance of shares.

These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments may be material.

The registered office of the Company is located at 38 Edmund Seager Drive, Thornhill, Toronto, Ontario L4J 4R9.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with IFRS and their interpretations adopted by the International Accounting Standards Board ("IASB").

The financial statements of the Company were approved by the Board of Directors on April 29, 2015.

Basis of Presentation

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Functional and Presentation Currency

These financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

Financial Instruments

Financial assets classified as fair value through profit and loss ("FVTPL") are measured at fair value with any resultant gain or loss recognized in profit or loss. Financial assets classified as available-for-sale are measured at fair value with any resultant gain or loss being recognized directly under other comprehensive income. Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. When available-for-sale financial assets are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss. Financial assets classified as loans and receivables and held to maturity, are measured at amortized cost using the effective interest rate method.

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. Financial liabilities are classified as other financial liabilities, and are subsequently measured at amortized cost using effective interest rate method.

The Company's financial liabilities include accounts payable and other liabilities. Classification of these financial instruments is as follows:

Financial Instrument	Classification
Accounts payable and accrued liabilities	Other financial liabilities
Loans payable	Other financial liabilities

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Company has no financial instruments measured at fair value on the balance sheet.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding, if any, that may add to the total number of common shares.

Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not record that excess.

Significant Accounting Judgments and Estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods. There have been no significant judgments made by management in the application of IFRS that have a significant effect on these financial statements.

Expressed in Canadian Dollars

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Recent Accounting Pronouncements

The following standard has been issued but is not yet effective.

(a) IFRS 9, *Financial Instruments* ("IFRS 9") was issued in final form in July 2014 by the IASB and will replace IAS 39, *Financial Instruments – Recognition and Measurement* ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Early application is permitted.

The Company is currently evaluating the impact of the above standard on its financial performance and financial statement disclosures but expects that such impact will not be material.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
Trade payables	**$ 102**	$ 102
Accrued liabilities:		
Audit	**8,346**	4,846
Transfer agent fees	**3,912**	1,200
	$ 12,360	$ 6,148

4. LOAN PAYABLE - INTEREST BEARING

The loan payable in the amount of $33,139 (2013 - $28,592) is due to a shareholder and director. The loan bears interest at 10% per annum, is unsecured and due on demand. Included in this loan payable amount is interest owing of $6,272 (2013 - $3,413).

5. LOAN PAYABLE - NON-INTEREST BEARING

The loan payable in the amount of $12,691 (2013 - $11,191) is due to a corporation which shares a common director with the Company. The loan is non-interest bearing, unsecured and due on demand.

Expressed in Canadian Dollars

6. CAPITAL STOCK

a) Authorized

unlimited common shares
unlimited preference shares, rights to be determined on issuance

b) Issued and outstanding:

Common Shares	Number of Shares		Amount
Balance as at December 31, 2013 and 2014	**2,127,288**	**$**	**308,165**

7. LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2014 was based on the loss attributable to common shareholders of $12,259 (2013 - $14,909) and the weighted average number of common shares outstanding of 2,127,288 (2013 - 2,127,288).

8. INCOME TAXES

Provision for Income Taxes

The Company's effective income tax rate differs from the amount that would be computed by applying the combined federal and provincial statutory rate of 26.5% (2013 - 26.5%) to the net loss and comprehensive loss for the period. The reason for the difference is as follows:

		2014		2013
Loss before income taxes	**$**	**(12,259)**	$	(14,909)
Statutory rate		**26.5 %**		26.5 %
Expected income tax recovery	**$**	**(3,200)**	$	(4,000)
Increase (decrease) resulting from:				
Change in rates and other		**-**		(2,500)
Change in deferred tax assets not recognized		**3,200**		6,500
Income tax expense	**$**	**-**	$	-

Expressed in Canadian Dollars

8. INCOME TAXES (Cont'd)

The Company's deferred income tax assets are estimates as follows:

	2014	2013
Deferred income tax assets		
Non-capital losses	**$ 52,700**	$ 49,500
Less: Deferred tax assets not recognized	**(52,700)**	(49,500)
Net deferred income tax asset	**$ -**	$ -

Losses Carried Forward

As at December 31, 2014, the Company has non-capital losses for income tax purposes of $198,900 available to apply against future taxable income. If not utilized, the non-capital losses will expire as follows:

2027	$ 22,000
2028	52,600
2029	54,500
2030	23,900
2031	8,100
2032	10,600
2033	14,900
2034	12,300
	$ 198,900

9. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions.

The loan payable described in Note 4 is a related party transaction as this loan is due to a director.

The loan payable described in Note 5 is a related party transaction as this loan is due to a corporation which shares a common director with the Company.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

Included in general and administration expense is interest expense of $2,860 (2013 - $1,807) incurred to a shareholder and director of the Company. This interest expense relates to amounts accrued on an interest bearing loan due to a shareholder and director of the Company, refer to Note 4.

10. CAPITAL RISK MANAGEMENT

The Company includes equity, comprised of issued common shares and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

There has been no change with respect to the overall capital risk management strategy during the year ended December 31, 2014.

11. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's financial instruments, consisting accounts payable and accrued liabilities and loans payable, approximate fair values due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The Company has accounts payable and accrued liabilities of $12,360 (2013 - $6,148) due within 12 months and has cash of $Nil (2013 - $Nil). As a result the Company has liquidity risk and may not have sufficient funds to meet its ongoing obligations.