Compel Capital Inc.

Financial Statements

Expressed in Canadian Dollars

For the Years Ended December 31, 2015 and 2014

Collins Barrow

Collins Barrow Toronto LLP
Collins Barrow Place
11 King Street West
Suite 700, Box 27
Toronto, Ontario
M5H 4C7 Canada

T. 416.480.0160
F. 416.480.2646

www.collinsbarrow.com

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, 2015 and December 31, 2014 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years ended December 31, 2015 and December 31, 2014 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, 2015 and December 31, 2014 and its financial performance and its cash flows for the years ended December 31, 2015 and December 31, 2014 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 doubt about Compel Capital Inc.'s ability to continue as a going concern.

Collins Barrow Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants
April 29, 2016
Toronto, Ontario

Compel Capital Inc.
Balance Sheets
Expressed in Canadian Dollars
As at December 31, 2015

	2015	2014
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 3)	**$ 12,388**	$ 12,360
Loan payable - interest bearing (Note 4)	**42,880**	33,139
Loan payable - non-interest bearing (Note 5)	**12,691**	12,691
	67,959	58,190
Shareholders' Deficiency		
Capital stock (Note 6)	**308,165**	308,165
Accumulated Deficit	**(376,124)**	(366,355)
	(67,959)	(58,190)
	$ -	$ -

Nature of Business and Going Concern (Note 1)

Approved on behalf of 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, 2015 and 2014

		2015		2014
Expenses				
General and administrative	**$**	**9,769**	$	12,259
Net loss and comprehensive loss for the year	**$**	**(9,769)**	$	(12,259)
Net Loss per share (Note 7)				
Basic and diluted	**$**	**-**	$	(0.01)
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 Shareholders' Deficiency
Expressed in Canadian Dollars
Years Ended December 31, 2015 and 2014

	Capital Stock	Deficit	Total
January 1, 2014	**$ 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)**
Net loss and comprehensive loss	-	(9,769)	(9,769)
Balance, December 31, 2015	**$ 308,165**	**$ (376,124)**	**$ (67,959)**

See accompanying notes

Compel Capital Inc.
Statements of Cash Flows
Expressed in Canadian Dollars
Years Ended December 31, 2015 and 2014

	2015	2014
Cash provided by (used in)		
Operations		
Net loss and comprehensive loss	$ (9,769)	$ (12,259)
Items not affecting cash		
Interest accrued	3,646	2,859
	(6,123)	(9,400)
Net changes in non-cash working capital		
Accounts payable and accrued liabilities	30	6,212
	(6,093)	(3,188)
Financing		
Loan advances - interest bearing	6,093	1,688
Loan advances - non-interest bearing	-	1,500
	6,093	3,188
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 statements 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, 2015, the Company incurred a loss of $9,769 (2014 - $12,259) and, as of that date, the Company had accumulated deficit of $376,124 (2014 - $366,355), a working capital and shareholder deficiency of $67,959 (2014 - $58,190) and negative cash flows from operations of $6,093 (2014 - $3,188). 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, 2016.

Basis of Presentation

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 receivables and other financial liabilities, 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 loans payable. 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Recent Accounting Pronouncements

The Company is currently evaluating the impact of the below standards on its financial performance and financial statement disclosures but the impact is not expected to be material.

a) IFRS 9, Financial Instruments ("IFRS 9") was issued by the IASB in July 2014 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 and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. Final amendments released in July 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

(b) IFRS 15 Revenue from Contracts with Customers was issued in May 2014, and replaces IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The standard provides clarification for recognizing revenue from contracts with customers and establishes a single revenue recognition and measurement framework that applies to contracts with customers. The standard is required to be adopted either retrospectively or using a modified transaction approach for fiscal years beginning on or after January 1, 2018 with earlier adoption permitted. The Company is currently evaluating the impact of the standard on the Company's financial statements.

(c) IFRS 16 Leases was issued in January 2016 and replaces IAS 17 Leases. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. If the lease was classified as a finance lease, a lease liability was included on the statement of financial position. IFRS 16 now requires lessees to recognize a right of use asset and lease liability reflecting future lease payments for virtually all lease contracts. The right of use asset is treated similarly to other non-financial assets and depreciated accordingly. The lease liability accrues interest. The IASB has included an optional exemption for certain short term leases and leases of low value assets; however, this exemption can only be applied by lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and obtain substantially all the economic benefits from that use. IFRS 16 is effective for annual periods beginning on or after January 1 2019 with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied. The Company is currently evaluating the impact of the standard on the Company's financial statements.

Expressed in Canadian Dollars

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		2015		2014
Trade payables	**$**	**102**	$	102
Audit		**11,109**		8,346
Legal Fees		**1,177**		3,912
	$	**12,388**	$	12,360

4. LOAN PAYABLE - INTEREST BEARING

a) The total loan payable in the amount of $38,074 (2014 - $33,139) is split in equal proportions between two corporations which share a common director with the Company. The loans bear interest at 10% per annum, is unsecured and due on demand. The total amount of accrued interest included in the loans payable is $9,614 (2014 - $6,272).

b) A loan payable for $4,805 (2014 - $Nil) is due to a corporation, which shares a common director with the Company. The loan bears interest at 10% per annum, is unsecured and due on demand. Included in this loan payable amount is interest owing of $305 (2014 - $NIL).

5. LOAN PAYABLE - NON-INTEREST BEARING

a) A loan payable for $12,691 (2014 - $12,691) is due to a corporation, which shares a common director with the Company. The loan is non-interest bearing, unsecured and due on demand.

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, 2014, and 2015	**2,127,288**	**$**	**308,165**

Expressed in Canadian Dollars

7. LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2015 was based on the loss attributable to common shareholders of $9,769 (2014 - $12,259) and the weighted average number of common shares outstanding of 2,127,288 (2014 - 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% (2014 - 26.5%) to the net loss and comprehensive loss for the period. The reason for the difference is as follows:

		2015		2014
Loss before income taxes	**$**	**(9,769)**	$	(12,259)
Statutory rate		**26.5 %**		26.5 %
Expected income tax recovery	**$**	**(2,600)**	$	(3,200)
Increase (decrease) resulting from:				
Change in deferred tax assets not recognized		**2,600**		3,200
Income tax expense	**$**	**-**	$	-

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

		2015		2014
Deferred income tax assets				
Non-capital losses	**$**	**55,300**	$	52,700
Less: Deferred tax assets not recognized		**(55,300)**		(52,700)
Net deferred income tax asset	**$**	**-**	**$**	**-**

Expressed in Canadian Dollars

8. INCOME TAXES (Cont'd)

Losses Carried Forward

As at December 31, 2015, the Company has non-capital losses for income tax purposes of $208,700 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
2035		9,800
	$	**208,700**

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 loans payable described in Note 4 are related party transactions as these loans are due to three corporations which share a common director with the Company.

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 $3,646 (2014 - $2,860) incurred to two shareholders and directors of the Company. This interest expense relates to amounts accrued on three interest bearing loans due to two of the shareholders and directors 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, 2015.

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 $12,388 (2014 - $12,360) due within 12 months and has cash of $Nil (2014 - $Nil). As a result the Company has liquidity risk and may not have sufficient funds to meet its ongoing obligations.