Hilltop Cybersecurity Inc.
(formerly, Big Wind Capital Inc.)

700 – 1620 Dickson Avenue
Kelowna, British Columbia V1Y 9Y2

CSE FORM 2A
LISTING STATEMENT

February 15, 2018

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FORWARD LOOKING STATEMENTS

This Listing Statement contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of BWI or Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include: (A) expectations regarding the Resulting Issuer’s ability to raise capital, (B) the intention to grow the business and operations of the Resulting Issuer, (C) the business objectives and milestones of the Resulting Issuer, and (D) the proposed use of available funds by the Resulting Issuer. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Listing Statement. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of the Resulting Issuer to obtain necessary financing; the economy generally; the future growth, results of operations, performance and business prospectus and opportunities; changes in and the effect of government policies; demand for products; competition; anticipated and unanticipated costs; reliance on management; claims and legal proceedings; conflicts of interest; and market price and volatility of the common shares. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, continued availability of capital and financing and general economic, market or business conditions, the loss of key directors, employees, advisors or consultants, technology failures, failure to develop new and innovative products, failure of counterparties to perform their contractual obligations and fees charged by service providers. These forward-looking statements should not be relied upon as representing the Resulting Issuer’s views as of any date subsequent to the date of this Listing Statement. Although the Resulting Issuer has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Resulting Issuer. Additional factors are noted under “Risk Factors” in this Listing Statement. The forward-looking statements contained in this Listing Statement are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Listing Statement are made as of the date of this Listing Statement and neither BWI nor the Resulting Issuer undertakes an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities legislation.

MARKET AND INDUSTRY DATA

This Listing Statement includes market and industry data that has been obtained from third party sources, including industry publications. The Resulting Issuer believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Resulting Issuer has not independently verified any of the data from third party sources referred to in this Prospectus or ascertained the underlying economic assumptions relied upon by such sources.

CONVENTIONS

Certain terms used herein are defined in the “Glossary of Terms”. Unless otherwise indicated, references to $ or “dollars” are to Canadian dollars and references to “US$” are to US dollars.

GLOSSARY

"**Acquisition Agreement**" means the acquisition agreement dated December 19, 2017, by and among BWI, HTSI and the shareholders of HTSI as of such date (the "**HTSI Shareholders**");

"**Acquisitions**" means the (i) Initial Acquisition and (ii) Second Acquisition (hereinafter defined);

"**Affiliate**" shall have the meaning ascribed to such term in NI 45-106;

"**Assets**" means certain of the assets of HTSI proposed to be licensed by HTSI to the Company pursuant to the License Agreement in connection with the Second Acquisition;

"**Associate**" has the meaning ascribed to such term in the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder;

"**Board**" means the board of directors of the Company and the board of directors of the Resulting Issuer, as applicable.

"**BWI**" or the "**Company**" means Hilltop Cybersecurity Inc. (formerly, Big Wind Capital Inc.), a company incorporated under the BCBCA, its common shares listed on the CSE under the stock symbol "CYBX";

"**BWI Financial Statements**" means the audited financial statements of BWI for the financial years ended June 30, 2017, 2016 and 2015 and the unaudited financial statements of BWI for the three-month period ended September 30, 2017, which are attached to this Listing Statement as Schedule "A";

"**BWI Shares**" means the common shares of BWI;

"**BWI $0.35 Units**" means the units of BWI to be issued pursuant to the Private Placement at a price of $0.35 per BWI $0.35 Unit, each consisting of one BWI Share and one BWI Share purchase warrant (each, a "**BWI $0.35 Unit Warrant**"), with each BWI $0.35 Unit Warrant entitling the holder thereof to acquire a BWI Share at an exercise price of $0.40 per BWI Share for a period of 24 months from the closing of the Private Placement, subject to an acceleration clause whereby if the BWI Shares trade equal to or greater than $0.80 for a period of ten (10) consecutive trading days, then the Company may, at its discretion, give notice to the holders of the BWI $0.35 Unit Warrants that the expiry time of the BWI $0.35 Unit Warrants has been accelerated and the BWI $0.35 Unit Warrants will expire on a date that is not less than fifteen (15) days after notice is given;

"**BWI $0.60 Units**" means the units of BWI to be issued pursuant to the Private Placement at a price of $0.60 per BWI $0.60 Unit, each consisting of one BWI Share and one BWI Share purchase warrant (each, a "**BWI $0.60 Unit Warrant**"), with each BWI $0.60 Unit Warrant entitling the holder thereof to acquire a BWI Share at an exercise price of $0.70 per BWI Share for a period of 18 months from the closing of the Private Placement, subject to an acceleration clause whereby if the BWI Shares trade equal to or greater than $1.00 for a period of ten (10) consecutive trading days, then the Company may, at its discretion, give notice to the holders of the BWI $0.60 Unit Warrants that the expiry time of the BWI $0.60 Unit Warrants has been accelerated and the BWI $0.60 Unit Warrants will expire on a date that is not less than fifteen (15) days after notice is given;

"**Closing**" means the closing of the Initial Acquisition on the Closing Date;

"**Closing Date**" means the date of the Closing, being February 14, 2018;

"**company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

"**Computershare**" means Computershare Investor Services Inc.;

"**Consulting Agreements**" means the four (4) consulting agreements between the Company and certain of the officers of the Resulting Issuer as of the Second Closing Date (hereinafter defined) (the "**Consultants**") to be executed immediately upon the closing of the Second Acquisition, in the forms attached to the Acquisition Agreement, pursuant to which the Consultants will provide services to the Company for a fee, all as more particularly described in therein. See "Executive Compensation - Compensation of Executive Officers and Directors".

"**Convertible Shares**" means the convertible common shares of the Resulting Issuer created on the Closing Date by ordinary resolution of the Board of the Resulting Issuer to approve the amendments to the notice of articles and the articles of the Resulting Issuer to create the Convertible Shares pursuant to the special rights and restrictions of the Convertible Shares contained in the articles of the Resulting Issuer as amended;

"**CSE**" or the "**Exchange**" means the Canadian Securities Exchange;

"**CSE Listing**" means the listing of the Resulting Issuer Shares on the CSE;

"**Escrow Agent**" means Computershare, in its capacity as escrow agent for the Convertible Shares to be held in escrow under the Escrow Agreement;

"**Escrow Agreement**" means the escrow agreement to be entered into among the Escrow Agent, the Resulting Issuer, and the HTSI Shareholders in connection with the Second Acquisition, to be entered into prior to the closing of the Second Acquisition, pursuant to which such number of Convertible Shares equal to, upon conversion thereof to Resulting Issuer Shares (on a one for one basis), an aggregate 45% of the issued and outstanding Resulting Issuer Shares (post-issuance), will be held in escrow pursuant to NP 46-201;

"**HTSI**" means Hill Top Security, Inc., a private company incorporated under the laws of the State of Georgia;

"**HTSI Shares**" means the common shares of HTSI;

"**Initial Acquisition**" means the acquisition of 482 HTSI Shares by the Company from HTSI by investing into HTSI US$500,000 and the acquisition of all right, title and interest in and to 487 HTSI Shares from a certain shareholder of HTSI (the "**Seller**") for a cash payment to the Seller of US$160,000, such that in aggregate the Company acquired 25% of the HTSI Shares (post-issuance) in exchange for aggregate consideration to HTSI and the Seller of US$660,000, pursuant to the Acquisition Agreement on the Closing Date;

"**License Agreement**" means the license agreement between the Company and HTSI to be executed immediately upon the closing of the Second Acquisition, in the form attached to the Acquisition Agreement, pursuant to which HTSI will grant to the Company a perpetual, worldwide, royalty free license in and to the Assets;

"**Listing Date**" means the date of the CSE Listing;

"**Listing Statement**" means this listing statement;

"**MD&A**" means management's discussion and analysis;

"**NI 45-106**" means National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators;

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings* of the Canadian Securities Administrators;

"**Person**" means a company or individual;

"**Private Placement**" means the equity financing by way of a non-brokered private placement of BWI Shares, relying on the prospectus exemptions pursuant to NI 45-106 and other applicable laws, rules and regulations, at a price of CAD$0.15 per BWI Share to raise gross proceeds of a minimum of $1,000,000 through the issuance of a minimum of 6,666,666 BWI Shares and up to a maximum of gross proceeds of $2,000,000 through the issuance of a maximum of 13,333,333 BWI Shares, additional gross proceeds of a minimum of $1,050,000 through the issuance of a minimum of 3,000,000 BWI $0.35 Units and up to a maximum of gross proceeds of $2,500,000 through the issuance of a maximum of 7,142,857 BWI $0.35 Units, and additional gross proceeds of a minimum of $1,000,000 through the issuance of a minimum of 1,666,666 BWI $0.60 Units and up to a maximum of gross proceeds of $5,000,000 through the issuance of a maximum of 8,333,333 BWI $0.60 Units;

"**Pro-Forma Financial Statements**" means the unaudited pro-forma balance sheet for the Resulting Issuer as at September 30, 2017 to give effect to the Initial Acquisition as if it had taken place as of September 30, 2017 that is attached to this Listing Statement as Schedule "C";

"**Resulting Issuer**" means the Company after giving effect to the Initial Acquisition;

"**Resulting Issuer Shares**" means the common shares of BWI after the Initial Acquisition;

"**Shareholders' Agreement**" means the shareholders' agreement among the Company, HTSI and the HTSI Shareholders dated effective the Closing Date in respect of HTSI; and

"**Transaction**" means the (i) Acquisitions and (ii) the Private Placement.

2. Corporate Structure

2.1 – Corporate Name and Head Office and Registered Office

The head office of the Company is located at 700 – 1620 Dickson Avenue, Kelowna, British Columbia V1Y 9Y2 and registered and records office of the Company is located at 700 - 1620 Dickson Avenue, Kelowna, British Columbia V1Y 9Y2. In connection with the Initial Acquisition, the Company changed its name from "Big Wind Capital Inc." to "Hilltop Cybersecurity Inc.".

The head office of HTSI is located at 43274 Ardmore Street, Ashburn, Virginia 20147.

The registered and records office of HTSI is located at 20 Inlet Lane, Byron, Georgia, 21217.

The registered and records office and head office of the Resulting Issuer is located at 700 – 1620 Dickson Avenue, Kelowna, British Columbia V1Y 9Y2.

2.2 – Jurisdiction of Incorporation

BWI was incorporated on June 30, 2005 under the BCBCA under the name "0728888 BC Ltd.". On November 3, 2005, BWI changed its name to Toro Resources Corp., and then on June 16, 2015 BWI changed its name to Big Wind Capital Inc.

Prior to the Closing, BWI is a junior mineral exploration company engaged in the acquisition and exploration of strategic mineral properties. During the three most recently completed financial years, BWI engaged in evaluating mineral properties that may have the potential for further examination and development, however, BWI currently does not have any exploration and evaluation assets.

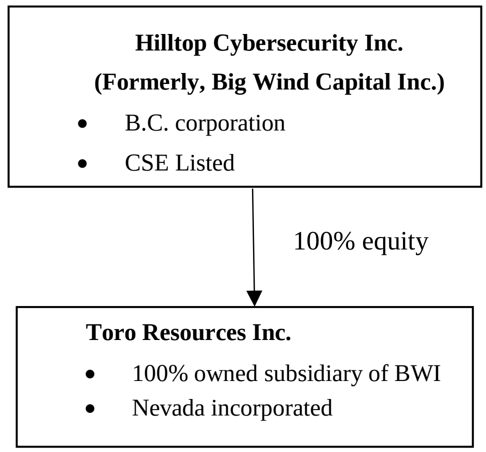
HTSI, a private company, was formed under the laws of the State of Georgia on August 9, 2010.

2.3 – Intercorporate Relationships

The Company has one wholly-owned subsidiary, Toro Resources Inc. ("**TRI**"), incorporated on March 9, 2010, under the laws of the State of Nevada, for the purpose of holding its mineral property interests located in the USA.

All references herein to BWI or the Resulting Issuer, refer to the Resulting Issuer immediately following the Closing and include its wholly-owned subsidiary, TRI, unless indicated otherwise.

The following chart sets forth the corporate structure of the Resulting Issuer following the Closing. As of the Closing, the Resulting Issuer has one wholly-owned subsidiary, TRI, and holds a 25% interest in HTSI as a result of the Initial Acquisition. See "General Development of Business – The Transaction" below.



2.4 – Fundamental Change

BWI is requalifying for listing on the CSE following the Initial Acquisition, which constitutes a "Fundamental Change" under Policy 8 of the CSE. Following the Closing, the Resulting Issuer has one wholly-owned subsidiary, TRI, and holds a 25% interest in HTSI pursuant to the Initial Acquisition. The business of the Resulting Issuer is the principal business of HTSI (see "General Development of Business – The Transaction" below for details regarding the relationship between the Resulting Issuer and HTSI after the completion of the Acquisitions, and see "Narrative Description of the Business" regarding the business of HTSI and the Resulting Issuer).

2.5 – Non-corporate Issuers and Issuers Incorporated Outside of Canada

This section is not applicable.

3. General Development of the Business

3.1 General Development of the Business

BWI

Before the Closing Date, the Company was a company engaged in the identification, evaluation, acquisition and exploration of strategic mineral properties. During the three most recently completed financial years, the Company engaged in evaluating mineral properties. In light of the ongoing challenges, risks, and uncertainties faced by the junior mining industry, and at the discretion of management to be in the best interests of the Company, BWI decided to pursue a change of business into the technology industry through the Acquisitions pursuant to the Acquisition Agreement.

Saskatchewan Property

The Company was most recently focused on an exploration program on a large claim package prospective for gold in the La Ronge Gold Belt and the Flin Flon Greenstone Belt region of northern Saskatchewan (the "**Saskatchewan Project**"). The Saskatchewan Project is comprised of 39 mineral claims in 7 project areas with a total land package of 31,731 hectares. On or about June 9, 2016, the Company entered into a claim purchase agreement with Ross McElroy, pursuant to which the Company was granted the right to acquire the Saskatchewan Property upon the payment of $35,000 in cash and the issuance of 5,000,000 Shares to Mr. McElroy.

During the month of January 2017, 5 claims within the Kidney Lake property, 10 claims in the Miles Lake property and all 10 claims in the Slaney Lake property (all claims part of the Saskatchewan Project) were relinquished due to lack of funding to complete the exploration programs. A value of $185,445 was attributed to these properties and the write-down of exploration and evaluation assets and was recognized in the quarter ended March 31, 2017.

All of the claims compromising the Saskatchewan Property has since lapsed, due to lack of applicable expenditures to maintain the ground tenure. The Company did not meet the initial work and expenditures required to maintain the interest, thus all claims reverted back to the crown at the date that was two years after their initial staking was recorded. Therewith, the Company was relieved from any requirements and liabilities whatsoever under and pursuant to, or otherwise relating to the Saskatchewan Property and in connection with the claim purchase agreement with Ross McElroy.

Taxco Property

During the year ended June 30, 2014, the Company entered into a preliminary agreement to acquire, under an option agreement, the Taxco property from 1002679 B.C. Ltd. The 915 hectare Taxco property is located 125 km southwest of Vanderhoof, 175 km southwest of Prince George, and approximately 150 km west of Quesnel, British Columbia.

During the quarter ended March 31, 2017, the Company relinquished its claim on the Taxco property. No further payments nor liabilities were attributed to the project. A loss on the write down of exploration and evaluation assets of $12,500 was recognized in the quarter ended March 31, 2017.

HTSI

HTSI is a privately company incorporated under the laws of the State of Georgia on August 9, 2010.

HTSI is an enterprise software and services company headquartered in the Commonwealth of Virginia that specializes in creating solutions to provide key organizational stakeholders with accurate and timely business intelligence to increase security posture and reduce risk. See “Narrative Description of the Business”.

The Transaction

Initial Acquisition

On the Closing Date, the Company completed the Initial Acquisition pursuant to the Acquisition Agreement, whereby the Company acquired 482 HTSI Shares from HTSI by investing into HTSI US$500,000 and all right, title and interest in and to 487 HTSI Shares from a certain shareholder of HTSI (the “**Seller**”) for a cash payment to the Seller of US$160,000, such that in aggregate the Company owns and controls 25% of the HTSI Shares (post-issuance) in exchange for aggregate consideration to HTSI and the Seller of US$660,000.

As of the date hereof, the Company has raised total gross proceeds of $5,100,000 under the Private Placement of which US$600,000 was advanced to HTSI (the “**Advance**”) prior to the Closing for HTSI to utilize for further development of its software platform and for general working capital purposes. The Advance reduced dollar for dollar the total amount of US$660,000 required to be paid by the Company to HTSI and the Seller to complete the Initial Acquisition.

Immediately after the Closing, BWI, HTSI and the HTSI Shareholders executed the Shareholders’ Agreement.

Second Acquisition

In connection with the Initial Acquisition, pursuant to the Acquisition Agreement, on or before 90 days following the Closing Date (the “**Second Closing Date**”), the Resulting Issuer and HTSI will use reasonable commercial efforts to consummate the following series of secondary transactions ((i), (ii) and (iii) together, the “**Second Acquisition**”): (i) HTSI will sell and issue 1,826 HTSI Shares to the Resulting Issuer, equal to 32% of the issued and outstanding HTSI Shares (post-issuance), such that immediately after the aforementioned issuance to the Resulting Issuer and including the HTSI Shares acquired pursuant to the Initial Acquisition, the Resulting Issuer will hold an aggregate 49% of the issued and outstanding HTSI Shares; (ii) HTSI will grant to the Resulting Issuer, an exclusive, perpetual, worldwide, royalty free license in the Assets pursuant to the License Agreement; and (iii) in consideration for the actions of HTSI set forth under (i) and (ii) above, the Resulting Issuer will (a) deliver a payment to HTSI of US$1,500,000.00; (b) issue such number of Convertible Shares equal to, upon conversion thereof to Resulting Issuer Shares (on a one for one basis), an aggregate of 45% of the issued and outstanding Resulting Issuer Shares (post-issuance), to be distributed pro rata to the HTSI Shareholders (other than the Resulting Issuer); (c) issue 1,200,000 Resulting Issuer Shares to be distributed pro rata by HTSI to certain key shareholders and insiders of HTSI; and (d) execute and deliver the Consulting Agreements. See "Description on the Securities – Description of the Company's Securities – Convertible Common Shares" regarding the rights and restrictions of the proposed Convertible Shares.

On the basis of tax considerations, the Second Acquisition was structured such that the HTSI Shareholders will receive Convertible Shares instead of Resulting Issuer Shares. Pursuant to the rights and restrictions attached to the Convertible Shares, upon issuance to the HTSI Shareholders pursuant to the Second Acquisition, the HTSI Shareholders will be granted the right to exchange the Convertible Shares for an equal number of fully paid and non-assessable Resulting Issuer Shares.

In the event that the Resulting Issuer and HTSI do not consummate the Second Acquisition for any reason, pursuant to the terms of the Acquisition Agreement, HTSI has the right to repurchase from the Resulting Issuer any or all of the HTSI Shares purchased pursuant to the Initial Acquisition, in its sole discretion, within 90 days from the date on which either of HTSI or the Resulting Issuer receives written notice from the other of its determination not to consummate the Second Acquisition, but at least 180 days after the Closing, for an amount equal to US$500,000 (being the total amount paid by the Resulting Issuer to HTSI for the HTSI Shares pursuant to the Initial Acquisition), or a lesser proportionate amount corresponding to the portion of such HTSI Shares requested to be repurchased by HTSI.

The Convertible Shares if, and when, issued to the HTSI Shareholders in connection with the Second Acquisition, will be subject to the terms of the Escrow Agreement, and will be subject to a 36 month release schedule in accordance with NP 46-201 as set forth below:

Release Dates	Percentage of Total Escrow Securities to be Released
On the issuance date (the "**Issuance Date**")	10% of escrow securities
6 Months after the Issuance Date	15% of the remaining escrow securities
12 Months after the Issuance Date	15% of the remaining escrow securities
18 Months after the Issuance Date	15% of the remaining escrow securities
24 Months after the Issuance Date	15% of the remaining escrow securities
30 Months after the Issuance Date	15% of the remaining escrow securities
36 Months after the Issuance Date	15% of the remaining escrow securities

(1) Any Convertible Shares exchanged for Resulting Issuer Shares while subject to escrow pursuant to the Escrow Agreement shall remain subject to the release schedule as if such Resulting Issuer Shares were issued instead of the Convertible Shares on the Issuance Date.

In connection with the Acquisitions, the Company has agreed to pay a finder's fee (the "**Finder's Fee**") by issuing Resulting Issuer Shares to Sherman Dhal (the "**Finder**"), upon and subject to the completion of the Second Acquisition, in the amount of 3,000,000 Resulting Issuer Shares (the "**Finder's Fee Shares**") at a deemed price of $0.35 per Finder's Fee Share, subject to the approval of the Exchange, applicable statutory hold period, the terms of an escrow agreement to be entered into on or before the completion of the Second Acquisition among the Resulting Issuer, Computershare and the Finder which shall include a 36 month release schedule in accordance with NP 46-201 as set forth above (the "**Finder's Escrow Agreement**"), and any additional escrow restrictions imposed by the Exchange or applicable securities laws.

Additional information pertaining to the Company and the Resulting Issuer, including financial information, is contained in the various disclosure documents of the Company filed with applicable securities commissions and made available through the Internet on the SEDAR website at www.sedar.com.

The Private Placement

Prior to the Closing, the Company completed six tranches of the Private Placement relying on the prospectus exemptions pursuant to NI 45-106 and other applicable laws, for aggregate gross proceeds of 5,100,000. On November 7, 2017 the Company completed the first tranche of the $0.15 BWI Shares portion of the Private Placement, consisting of 3,355,000 BWI Shares for gross proceeds of $503,250.00 and on November 24, 2017 the Company completed the second tranche of the $0.15 BWI Shares portion of the Private Placement consisting of 3,290,247 BWI Shares for gross proceeds of $493,537.05. On November 30, 2017 the Company completed the first tranche of the BWI $0.35 Units portion of the Private Placement, consisting of 4,377,299 BWI $0.35 Units for gross proceeds of $1,532,054.65. Additionally, on February 13, 2018, the Company completed: the third tranche of the $0.15 BWI Shares portion of the Private Placement for gross proceeds of $1,003,212.95 through the issuance of 6,688,086 $0.15 BWI Shares; the second tranche of the BWI $0.35 Units portion of the Private Placement for gross proceeds of $967,945.35 through the issuance of 2,765,556 BWI $0.35 Units; and the first tranche of the BWI $0.60 Units portion of the Private Placement for gross proceeds of $600,000 through the issuance of 1,000,000 BWI $0.60 Units. Prior to or concurrently with the completion of the Second Acquisition, the Resulting Issuer also intends to raise additional gross proceeds under the Private Placement of up to $4,400,000 through the issuance of up to 2,640,000 BWI $0.60 Units.

All securities issued under the Private Placement are subject to a statutory hold period of four months and one day from the date of issuance, as applicable. No finders or broker fees have been paid in connection with any of the tranches of the Private Placement that have closed as of the date hereof. Finders or brokers fees may be paid in connection with additional tranches of the Private Placement completed after the date hereof.

Pursuant to CSE policies, shareholders of the Company holding an aggregate of at least 50.01% of the total issued and BWI Shares, approved the Transaction by written resolution.

The Board

Prior to the Closing, the Board of the Company consists of three (3) directors, namely, Ross McElroy, Richard Matthews and William Marsh. The Board of the Resulting Issuer was reconstituted in conjunction with the Closing. The Board of the Resulting Issuer immediately following Closing is comprised of three (3) members, being Corby Marshall, William Marsh and Ross McElroy. The Resulting Issuer's senior management consists of Corby Marshall (CEO) and Ryan Cheung (CFO and Corporate Secretary). See "Directors and Officers".

In connection with the Second Acquisition, it is contemplated that the Board of the Resulting Issuer will be reconstituted in conjunction with the closing thereof, such that the Board will be compromised of five (5) members, namely, Corby Marshall, William Marsh, Neiland Wright, Thomas Gilmore and Ross McElroy. Following the completion of the Second Acquisition the Resulting Issuer's senior management will consist of Corby Marshall (CEO), Ryan Cheung (CFO and Corporate Secretary), Neiland Wright (CTO), and Thomas Gilmore (CISO). If required, the Company will seek shareholder approval of an increase in the size of the Resulting Issuer's Board to five (5) members and to elect the fifth member to the Board, being the third nominee-director of HTSI at a special meeting of shareholders to be held after the Closing and before the completion of the Second Acquisition. See "Directors and Officers".

BWI Shares

As of the date of this Listing Statement, the Resulting Issuer has 54,915,915 common shares issued and outstanding. See "Consolidated Capitalization," below.

3.2 – Significant Acquisitions and Dispositions

Other than as described in sections 3.1 and 4.1 in this Listing Statement, no significant acquisitions or significant dispositions have been completed by the Company during the last three financial years or are contemplated.

3.3 – Trends, Commitments, Events or Uncertainties

Other than as described in this section 3.3, there are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on the Company's business, the Company's financial condition or results of operations. However, there are significant risks associated with the Company and the Resulting Issuer's business, as applicable, as described in "Part 17 – Risk Factors".

Prior to the Acquisition, the Company is a mineral exploration company. As discussed above under "General Development of Business", the Company was most recently focused on an exploration program on the Saskatchewan Property. During the first half of 2017, management elected to commence entertaining other business opportunities in an effort to protect and increase shareholder value, and divested any and all of its mineral projects in light of the prospective Initial Acquisition and "fundamental change" and associated transactions pursuant to the Acquisition Agreement. See "General Development of the Business – BWI – Saskatchewan Property".

4. Narrative Description of the Business

4.1 General

Upon Closing, the Resulting Issuer holds a 25% interest in HTSI. The primary business of the Resulting Issuer is the business of HTSI.

HTSI is an enterprise software and services company headquarterd in the Commonwealth of Virginia that specializes in creating solutions to provide key organizational stakeholders with accurate and timely business intelligence to increase security posture and reduce risk.

In 2015, HTSI was awarded a contract by the Intelligence System Support Office, an intelligence community directorate under the US Department of Defense, to license and further develop HTSI's Enterprise Information Service ("**EIS**") software platform. The EIS is a cloud-based, Federal Information Processing Standard, Financial Information Audit Readiness ("**FIPS-FIAR**") compliant portfolio management platform that provides risk-aware planning, budgeting, execution, project management, contract management and financial reporting capabilities. The system was certified and deployed in a classified government cloud environment in December 2015.

In the following year, HTSI was selected as a member of the MACH37 Cyber Accelerator spring 2016 cohort. MACH37 is America's premier market-centric cybersecurity accelerator and provides a $50,000 investment for selected companies. The program HTSI participated in is designed to facilitate the creation of the next generation of cybersecurity product companies. The MACH37 program places heavy emphasis on the validation of product ideas and the development of relationships that produce an initial customer base and investment capital.

In September 2016, HTSI released "Vauban" as its minimum viable product offering for security incident response. HTSI's experienced military management team identified the vulnerability of national infrastructures and, more particularly, small to medium-sized businesses ("**SMBs**") facing the realities of cyber warfare in the 21st century. And in response, HTSI developed a unique, military-grade, cyber security platform for SMBs called Vauban. With previous services including software development, big data analytics, project management, system architecture and sustainability, HTSI has focused on the Vauban platform as its comprehensive product. It is comprised of blockchain event validation, cyber tagging, incident response and rapid restoration. While Vauban, was originally developed for governments and large businesses, HTSI has made it available to the SMB sector.

In September 2016, HTSI received a $25,000 award for winning the Virginia Velocity startup pitch competition. Most recently, HTSI acquired its first two commercial beta customers using the Vauban platform in August 2017.

Vauban Cybersecurity Platform

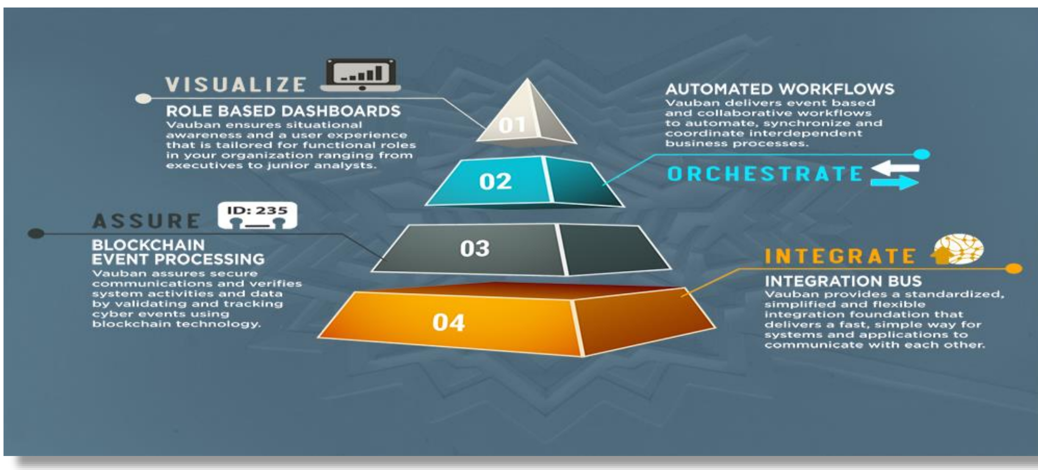
Vauban is a military-grade security platform for small-to-medium businesses that enables rapid detection and comprehensive response for cyber security incidents. Vauban automates the detection and remediation of network security incidents with patent-pending technology for digital cybertagging™ and security event validation. Vauban also provides end-to-end visibility of security events with role-specific dashboards that enhance situational awareness and collaboration.

Vauban is architected as a complete solution for small-to-medium businesses with the options of a cloud-delivered Software as a Service ("**SaaS**") model, an on-premise service or a hybrid approach. All options provide the same set of comprehensive, integrated capabilities.

HTSI's Vauban security platform provides integrated modules that deliver powerful processing capabilities. Business modules may be tailored to specific industries or organizational functions to use data to drive better business performance. The benefit to customers is the ability to process, capture and learn from business processes with a system that is significantly more flexible and cost effective than comparable market offerings. Vauban makes cyber incident detection and response more efficient and more accurate, preventing breaches and avoiding losses.

In terms of distribution, the Vauban SMB Platform is sold as SaaS subscriptions on 1, 2, or 3 year contracts with discounts for 2 and 3 year contracts. SaaS is a software distribution model in which a third-party provides customers applications over the Internet.

As of August 2017, HTSI filed a patent titled "Computerized System and Method for Providing Cybersecurity Detection and Response Functionality" for the Vauban platform's sophisticated cybersecurity event processing system. This intellectual property describes novel technology and processes for addressing some of the most relevant issues in computer network security and is, therefore, important in the current market climate. Vauban has been developed by a team of security experts with substantial military and commercial experience and the company holds a top-secret clearance based on the work it currently carries out for the U.S. government.



Military-grade cybersecurity platform aimed at small to medium-sized businesses. Unique ability to analyze and validate potential system threats.

Enterprise Information Service (EIS)

The EIS is a cloud-based, Federal Information Processing Standard, Financial Information Audit Readiness ("**FIPS-FIAR**") compliant portfolio management platform. Initially deployed in classified US Department of Defense cloud environments, the EIS has received an Authority to Operate ("**ATO**") in one of the most secure computing environments in the world. The EIS provides risk-aware planning, budgeting, execution, project management, contract management and financial reporting capabilities.

The EIS provides additional functionality that allows organizations to transparently manage investments and attain a complete view of their project portfolios. Considering EIS is a U.S. Government specific application for tracking and managing public funds consistent with federal regulations, this product is delivered to government agencies by way of various procurement contracts.

Cryptocurrency

HTSI's "MineCoin" is an advanced-stage development to create a highly secure cryptocurrency platform for mining industry traders that will facilitate buying, selling and exchange of precious metals across international borders in a secure environment and using any national currency. Users of the platform will be able to exchange their own currency for cryptocurrency and purchase or sell precious metals on the open market. Transactions will be executed online, securely and in real-time. As a developmental product, the distribution methods of this potential platform are in development.

Business Objectives and Milestones

Business Objectives

The Resulting Issuer intends to use the proceeds from the Private Placement for completing the Second Acquisition, assisting HTSI with sales and marketing, the filing of additional patents and intellectual property, for further development of its software platform, and for general working capital purposes. The funds from the Private Placement will also be deployed to promote both software and business development. The funding will enable HTSI to hire more employees and consultants immediately and over the 12 months following the Closing. As of the date hereof, the Company has raised total gross proceeds of $5,100,000 under the Private Placement of which US$600,000 was advanced to HTSI prior to the Closing to utilize for further development of its software platform and for general working capital purposes.

Both the EIS and Vauban products are commercially viable with Vauban currently being configured for use in beta mode with two customers and EIS being tailored for commercial customers and users of Oracle's portfolio management software. Additional modules for Vauban are also currently in development that target a cryptocurrency solution for the mining industry. In both cases, the products have achieved the commercial production stage but require additional work to support effective commercialization in their respective target markets.

The major functions associated with commercialization will include, customer relationship management, engineering, development operations, and product development. Using an agile development approach, the plan is comprised of three phases that cover a 12-month period:

a. Phase 1 is a prototyping phase that will involve engaging five early adopter customers to use the software. These early adopters will provide operational test environments, giving valuable feedback that will allow HTSI to better determine the correct developmental path, and ensure product-market fit.

b. Phase 2 will test the product development hypothesis generated during Phase 1. To achieve this, HTSI will identify a second set of 20 companies to buy subscriptions to the software who would be interested in doing a limited roll-out. Based on feedback and lessons learned, HTSI will make appropriate modifications to the software and our business processes.

c. Phase 3 is the final phase and will primarily test HTSI's marketing and sales strategy to enable it to fine tune strategies and tactics for market growth. During this phase, HTSI intends to increase its customer base from 25 to 100 paying subscriber companies. HTSI will be testing its marketing strategy and lead generation plan, as well as determining its initial business metrics. Metrics that HTSI will be developing for future monitoring will include sales closing ratios and SaaS performance measures.

Funds Available

The Resulting Issuer plans to raise additional gross proceeds under the Private Placement following the filing of this Listing Statement. There cannot be any assurances that the Resulting Issuer will be able to raise such additional capital at all, or on terms that are satisfactory to its management. (see "General Development of Business – The Transaction – The Private Placement".

As of the date of this Listing Statement, the Resulting Issuer has consolidated working capital of approximately $1,607,895.

Milestones and Use of Proceeds

The principal milestones that must be met for the Resulting Issuer to accomplish its stated business objectives, described above, are as follows:

Milestone	Target Date	Estimated Cost
Customer Pilot Implementations	April 2018	$120,000
Public Beta Launch (8 SMB customers)	June 2018	$410,000
Strategic Partnerships	July 2018	$50,000
Key Marketing & Sales Hires	August 2018	$550,000

In addition to the above expenditures, the Resulting Issuer estimates that it will also have general and administrative costs (including operating expenses, salaries, audit fees, legal fees, CSE fees, insurance, and transfer agent fees) for the 12 months after Closing of approximately $400,000. It is estimated that the Resulting Issuer will have approximately $77,895 of unallocated working capital.

In connection with the Initial Acquisition, pursuant to the Acquisition Agreement, on or before 90 days following the Closing Date, the Resulting Issuer and HTSI will use reasonable commercial efforts to consummate the Second Acquisition. The Resulting Issuer intends to utilize funds raised under the Private Placement to, among other thing, meet its obligations under the Second Acquisition. The Resulting Issuer intends to raise additional gross proceeds under the Private Placement of up to $4,400,000 through the issuance of up to 2,640,000 BWI $0.60 Units prior to or concurrently with the completion of the Second Acquisition. There are no assurances that the Resulting Issuer will be able to raise such additional capital at all, or on terms that are satisfactory to its management, and there are no assurances that the Resulting Issuer will complete the Second Acquisition if additional funds are either raised or not.

In addition to the cash payment to HTSI for the HTSI Shares acquired pursuant to the Second Acquisition, the Resulting Issuer will issue such number of Convertible Shares equal to, upon conversion thereof to Resulting Issuer Shares (on a one for one basis), an aggregate 45% of the issued and outstanding Resulting Issuer Shares (post-issuance), pro rata to the HTSI Shareholders, on the basis of each HTSI Shareholder's shareholding as at the date of issuance, and the Resulting Issuer will also execute and deliver the Consulting Agreements. See "General Development of the Business – The Transaction – Second Acquisition" for information regarding HTSI's repurchase right upon a failure to consummate the Second Acquisition.

The Resulting Issuer intends to spend the funds available as stated in this Listing Statement. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. Use of proceeds will be subject to the discretion of management.

Overview of the Industry

HTSI operates in two main spaces within the cybersecurity industry: Security Information and Event Management and Managed Detection and Response ("**MDR**"). Information is key and vital to the survival of many government institutions and businesses. Most cybercrime operations involve hacking into a company's existing cyber network and information database and retrieving information and subsequently converting that information to further personal and/or financial gains. Often, hackers are able to enter a network without raising attention from the network administrator. When these efforts do become detectable, the damage is usually already done. Even when the attacks are identified, they are difficult to trace or untraceable because hackers can disguise their tracks and route their information to various computer networks all over the world in attempts to hide their true location.

The United States' Federal Bureau of Investigation cybercrime unit considers this threat "incredibly serious—and growing" as "cyber intrusions are becoming more commonplace, more dangerous, and more sophisticated." A recent *Forbes* article, "Why Cybersecurity Should Be The Biggest Concern Of 2017," points to the profound economic impact of cybersecurity attacks amounting to billions of dollars. Examples include the SimpliSafe hack on smart alarms that required 300,000 devices to be replaced; the UK company TalkTalk that was hacked and lost £50 million, 100,000 customers, and a 20% decline in stock value; as well as Chrysler's 1.4 million car recall and Sony's million-dollar hacking scandals. While these are headlines, cybercrime is prevalent at all levels. Small and medium sized businesses may not be in the headlines but are arguably at a greater risk. FireEye's industry research finds that SMBs are actually attacked more often and the attacks are costlier to smaller firms. In fact, 65% of breaches occur in companies with fewer than 100 employees and 60% of small businesses go out of business within six months of a cyber-attack.

Accordingly, no longer are prevention-only approaches sufficient in the face of these cyber threats. Cybercrime organizations are now structured and sophisticated to a level that puts all users of the internet at risk. As the world of cybercrime progresses, the world of cybersecurity must also. While the latter is currently following behind the former, the MDR industry is progressively closing the gap for both the government and businesses. This is crucial as national infrastructures and businesses are being victimized, causing them to shut down and lose destructive amounts of money. Because of such active and devastating threats, according to Gartner's Newsroom, detection and response strategies are necessary beyond prevention-only approaches.

The Market

As noted above, organizations' need for information security has shifted from prevention-only to detection and response approaches. This is, according to principal research analyst at Gartner, Sid Deshpande, increasing the market space in MDR and will continue to over the next five years[1]. This market space for MDR vendors consists of primarily two groups of buyers: (1) SMBs; and (2) large enterprises investing in security infrastructure (whom are not yet FIPS-FIAR compliant —a rigorous financial standard required by Department of Defense). Because prevention tactics have been used for decades, skilled professionals are limited in number and are, therefore, priced at a premium. SMBs, particularly, do not have the funds to invest in both the personnel and technology required to detect and contain threats 24/7, as is necessary. This is requiring SMBs to invest their limited resources on external sources, such as HTSI, for the level and type of security needed: real-time threat detection and incident response capabilities.

SMBs, businesses with 2,500 employees or less, number over 27 million[2] and are targeted by cyberattacks for a multitude of reasons: the majority of SMBs lack data security policies and cybersecurity defenses; SMB attacks offer cybercriminals both low risks and high rewards; and many are unaware of the threat and value of their information. A UK government survey in April of 2017[3] found that 52% of UK small businesses (10-49 employees) and 66% of UK medium-sized businesses (50-249 employees) experienced a cyber security breach or attack in last 12 months. And cybersecurity firm, FireEye, finds that 77% of cybercrime targets SMBs[4]. With SMBs becoming more aware of the relevant threat posed by cybercrime, the market is only increasing. According to Gartner, the cybersecurity market is expected to exceed $113 billion by 2020[5].

The cybersecurity market for SMBs is currently large and expected to grow rapidly due to the current and future threats of cyberwarfare in all industries. HTSI's target market includes SMBs in industries such as medical, dental, finance, and government—at all levels. The cybersecurity industry is not seasonal but purchasing cycles typically coincide with end of fiscal year spending in both commercial and government markets.

Market Plans and Strategies

SMBs cannot afford enterprise-scale cybersecurity products nor the costly expertise required to competently deploy and manage such products. Despite a proliferation of platforms and companies seeking to address the dramatic rise in cybercrime, there are enormous gaps that remain with current market offerings and no guarantees that one's business will be protected. HTSI provides a unique, proven cybersecurity platform for SMBs that focuses on

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[1] "Gartner Says Detection and Response is Top Security Priority for Organizations in 2017." (2017, March 14). Retrieved from https://www.gartner.com/newsroom/id/3638017.

[2] https://csrc.nist.gov/csrc/media/publications/shared/documents/itl-bulletin/itlbul2014-05.pdf

[3] Klahr, R., Dr, Shah, J. N., Paul Sheriffs, P., Rossington, T., Pestell, G., Button, M., Professor, & Wang, V., Dr. (2017). Cyber security breaches survey 2017 (pp. 39-48, Rep.). London, UK: Department for Culture, Media&Sport. doi: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/609186/Cyber_Security_Breaches_Survey_2017_main_report_PUBLIC.pdf

[4] Verizon, "2012 Data Breach Investigations Report", 11, (table 2, where organizations <1000 employees represent 660 of the 855 data breaches reported via survey).

[5] "Gartner Says Detection and Response is Top Security Priority for Organizations in 2017." (2017, March 14). Retrieved from https://www.gartner.com/newsroom/id/3638017.

delivering business value by finding and eliminating threats then implementing rapid restoration of business operations.

HTSI's plans to penetrate the market by cultivating channel partnerships in the vertical SMB target markets including medical, law, finance, and government——local, state and federal. The optimal channel partner for HTSI's offerings are firms that provide IT support, service, and industry specific solutions for those customers. Such partnerships will allow HTSI to leverage existing customers while providing channel partners opportunities to increase customer sales.

In order to secure market space, HTSI strategies include:

Trade Shows: Attend trade shows for the targeted verticals and present candidates with solutions to protect their business' information and infrastructure.

Seminars: Provide security related seminars to increase customer awareness about the threats and trends that could damage their businesses. Such seminars will also allow HTSI to reach candidate channel partners.

Partnerships: Work with companies, such as Tenable, who are synergistic independent software vendors and value-added reseller companies to resell product to existing customers.

Portfolio: Develop a portfolio of indicators of attack and indicators of compromise which differentiate Vauban and the value HTSI brings to its customers and partners using its intellectual property and expertise.

In market strategy, HTSI intends to stay ahead of competitors by being infrastructure agnostic, providing a full range of services, and executing in the market.

Competition

According to Gartner, the managed detection and response service market is evolving, and vendors are taking varied approaches to delivering their services, making it challenging for buyers to compare providers. The competitive pressures are increasing, but HTSI is aware of and understands the competition in each of the markets it is in or intends to enter.

Currently, HTSI's main competitor within the industry is Phantom Security, a firm also offering a security platform to combat cybercrime targeting businesses. And although internal IT departments are not offering the same kind of product or service, internal IT is seemingly satisfying the same customer need. Managed security service providers, such as Fire Eye and Crowd Strike, are similarly identified as indirect competitors.

Instead, HTSI is strengthening its competitive advantage to retain marketspace as competition changes and new firms enter the market. Assessing the competitive environment provides HTSI awareness of the opportunities and risks within the market.

Geographically, HTSI currently operates in Northern Virginia and Maryland where the competitive conditions are favorable. Given that this geographic market is targeted primarily at federal government and military customers, HTSI enjoys unique competitive status with a Top-Secret security designation.

Lending and Investment Policies and Restrictions

This is not applicable to the Company or HTSI.

Bankruptcy and Receivership

This is not applicable to the Company or HTSI.

Social or Environmental Policies

All aspects of HTSI's field operations are subject to environmental regulations. Any failure to comply could result in fines and penalties. HTSI has not implemented any social or environmental policies that are fundamental to its current operations.

Material Restructuring

There have been no material restructuring transactions for either the Company or HTSI in the last three financial years.

4.2 – Asset Backed Securities

The Resulting Issuer does not have any asset backed securities.

4.3 – Companies with Mineral Properties

There are no resource properties that are material to the Resulting Issuer.

4.4 – Companies with Oil and Gas Operations

The Resulting Issuer does not have oil and gas operations.

5. Selected Consolidated Financial Information

5.1 – Annual Information

The following table is a summary of selected financial information for the Company for the financial years ended June 30, 2017, 2016 and 2015. Refer to Schedule "A" for the complete set of the Company's Financial Statements.

Summary Financial Information	For the Year Ended June 30, 2017 (audited)	For the Year Ended June 30, 2016 (audited)	For the Year Ended June 30, 2015 (audited)
Total revenues (including interest and other revenues)	-	-	-
Loss for the year	(492,397)	(190,510)	(274,142)
Basic and diluted loss per common share	(0.02)	(0.02)	(0.06)
Total assets	147,450	324,231	43,742
Total long-term financial liabilities	-	-	-
Dividends	-	-	-

Annual Information – HTSI

The following table is a summary of selected financial information for HTSI for the financial years ended June 30, 2017, 2016 and 2015. Refer to Schedule "B" for the complete set of the HTSI financial statements.

Summary Financial Information	For the Year Ended June 30, 2017 (audited)	For the Year Ended June 30, 2016 (audited)	For the Year Ended June 30, 2015 (audited)
Total revenues (including interest and other revenues)	$304,786	$409,104	-
Loss for the year	($164,277)	($93,197)	-
Basic and diluted loss per common share	($72.79)	($73.44)	-

Total assets	$59,167	$33,049	-
Total long-term financial liabilities	$190,000	-	-
Dividends	-	-	-

5.2 – Quarterly Information

See Schedule "A" – Management's Discussion and Analysis – the Company.

See Schedule "B" – Management's Discussion and Analysis – HTSI.

Summary Pro Forma Financial Information – Resulting Issuer

The following table is a summary of the selected *pro forma* financial information of the Resulting Issuer as at September 30, 2017, which give effect to the Initial Acquisition:

Pro-forma Information	**September 30, 2017 (unaudited) ($)**
Working capital	4,505,376
Total assets	5,600,099
Total long-term financial liabilities	13,136
Stockholders' equity	4,537,172
Dividends	Nil

See attached Schedule "C" for the *pro forma* consolidated statement of financial position for the Resulting Issuer as at September 30, 2017, which give effect to the Initial Acquisition.

5.3 – Dividends

Dividends can be declared by the Resulting Issuer's Board when deemed appropriate from time to time. As of the date of this Listing Statement, the Resulting Issuer has not declared any dividends on the Resulting Issuer Shares and it is unlikely that earnings will be available for the payment of dividends in the foreseeable future.

5.4 – Foreign GAAP

Not applicable.

6. Management's Discussion and Analysis

The Company's annual MD&A for the year ended June 30, 2017 should be read in conjunction with the Company's audited financial statements for the year ended June 30, 2017, attached to this Listing Statement at Schedule "A". The Company's MD&A for the three-months ended September 30, 2017 should be read in conjunction with the Company's interim financial statements for the three-months ended September 30, 2017, attached to this Listing Statement at Schedule "A".

HTSI's annual MD&A for the year ended June 30, 2017 should be read in conjunction with HTSI's audited financial statements for the year ended June 30, 2017, attached to this Listing Statement at Schedule "B". HTSI's MD&A for the three-months ended September 30, 2017 should be read in conjunction with HTSI's interim financial statements for the three-months ended September 30, 2017, attached to this Listing Statement at Schedule "B".

7. Market for Securities

The BWI Shares are listed on the CSE under the stock symbol "CYBX".

In connection with the Closing, BWI changed its name from "Big Wind Capital Inc." to "Hilltop Cybersecurity Inc.".

8. Consolidated Capitalization

The following table sets out the capitalization of the Company as at June 30, 2017, being the date of the Company's most recent audited financial statements and the consolidated share capital of the Resulting Issuer following Closing:

Capital	Amount Authorized	Outstanding as of June 30, 2017	Outstanding as of the date of this Listing Statement (post-Closing) (1)
Common Shares	Unlimited	30,439,727	54,915,915 (2)(3)(4)(5)(6)(7)(8)(9)
Warrants	N/A	3,800,000(1)	8,942,855 (1)(4)(6)(7)(8)
Stock Options	10% stock option plan	Nil	3,000,000 (10)

(1) On March 20, 2017, the Company completed a non-brokered private placement of 3,800,000 units at a price of $0.05 per unit for aggregate gross proceeds of $190,000. Each such unit comprises one BWI Share and one BWI Share purchase warrant. Each such warrant entitles the holder to purchase one BWI Share at an exercise price of $0.07 per BWI Share for a period of 12 months. These units were subject to a four month hold period that expired on July 18, 2017.

(2) On November 7, 2017, the Company completed the first tranche of the $0.15 BWI Shares portion of the Private Placement, consisting of 3,355,000 BWI Shares for gross proceeds of $503,250.00.

(3) On November 24, 2017, the Company completed the second tranche of the $0.15 BWI Shares portion of the Private Placement consisting of 3,290,247 BWI Shares for gross proceeds of $493,537.05.

(4) On November 30, 2017, the Company completed the first tranche of the BWI $0.35 Units portion of the Private Placement, consisting of 4,377,299 BWI $0.35 Units for gross proceeds of $1,532,054.65. Each BWI $0.35 Unit consists of one BWI Share and one BWI $0.35 Unit Warrant.

(5) On October 19, 2017 and November 15, 2017, 2,000,000 and 1,000,000 BWI Shares, respectively, were issued upon the exercise of 3,000,000 BWI Share purchase warrants from the March 20, 2017 private placement of units, for aggregate gross proceeds of $210,000.

(6) On February 13, 2018, the Company completed the third tranche of the $0.15 BWI Shares portion of the Private Placement consisting of 6,688,086 BWI Shares for gross proceeds of $1,003,212.95.

(7) On February 13, 2018, the Company completed the second tranche of the BWI $0.35 Units portion of the Private Placement, consisting of 2,765,556 BWI $0.35 Units for gross proceeds of $967,945.35. Each BWI $0.35 Unit consists of one BWI Share and one BWI $0.35 Unit Warrant.

(8) On February 13, 2018, the Company completed the first tranche of the BWI $0.60 Units portion of the Private Placement, consisting of 1,000,000 BWI $0.60 Units for gross proceeds of $600,000. Each BWI $0.60 Unit consists of one BWI Share and one BWI $0.60 Unit Warrant.

(9) All of the BWI Shares issued under the $0.15 portion of the Private Placement (13,333,333 BWI Shares) are subject to a voluntary hold period of eight (8) months and one (1) day from the applicable date of distribution.

(10) The Company issued 3,000,000 stock options to certain officers, directors, employees and consultants on July 17, 2017, 10% vesting on the date of grant and the remaining vesting in equal portions on the dates that are three, six, nine, twelve, fifteen and eighteen months after the grant date, exercisable for a period of two years at a price of $0.45 per BWI Share.

9. Option to Purchase Securities

As of the date of this Listing Statement there are 3,000,000 stock options of the Company outstanding. The Company issued 3,000,000 stock options to certain officers, directors, employees and consultants on July 17, 2017, 10% vesting on the date of grant and the remaining vesting in equal portions on the dates that are three, six, nine, twelve, fifteen and eighteen months after the grant date, exercisable for a period of two years at a price of $0.45 per BWI Share.

All previous outstanding options and any future options were and will be granted pursuant to the terms of the stock option plan (the "**Stock Option Plan**") that was approved and adopted by the directors of the Company by written resolution dated July 10, 2017. The purpose of the Stock Option Plan is to enable the Company and its subsidiaries or Affiliates to attract and retain directors, officers, employees, consultants and advisors who will contribute to the Company's success by their ability, ingenuity and industry, and to enable such Persons to participate in the long-term success and growth of the Company by giving them a proprietary interest in the Company in the form of options to purchase common shares of the Company. The Stock Option Plan provides that the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Stock Option Plan will be 10% of the number of common shares of the Company issued and outstanding at any given time.

The Stock Option Plan will be administered by the Board of the Resulting Issuer, which will have full and final authority with respect to the granting of all options thereunder.

10. Description of the Securities

10.1 – Description of the Company's Securities

The authorized share capital of the Resulting Issuer is an unlimited number of common shares without par value, an unlimited number of non-voting preferred shares with a par value of CAD$1.00 per non-voting preferred share and an unlimited number of convertible common shares without par value.

Common Shares

The holders of the common shares are entitled to vote at all meetings of shareholders of the Resulting Issuer, to receive dividends, if, as and when declared by the directors and, subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Resulting Issuer. The common shares are not subject to any future call or assessments and do not have any pre-emptive rights or redemption rights.

Non-Voting Preferred Shares

The holders of the non-voting preferred shares are not entitled to vote at any meeting of the shareholders of the Company and are not entitled to receive any notice of or attend any meetings of the shareholders of the Company, are entitled to non-cumulative dividends at the discretion of the directors and at a rate to be determined by the directors at the time of issuance as a percentage of the redemption amount thereof, per annum, redemption right of $100 for each non-voting preferred share, priority participation in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Resulting Issuer.

Convertible Common Shares

The holders of Convertible Shares are entitled to receive notice of, to attend, and to vote in person or by proxy at all meetings of the shareholders of the Resulting Issuer and are entitled to one vote for each such share held, are not entitled to receive dividends or other payments of any kind, automatically convert to Resulting Issuer Shares, on a one for one basis, immediately prior to the liquidation, winding-up or other dissolution of the Resulting Issuer, or merger or business combination or other disposition of all or substantially all of the assets or business of the Resulting Issuer, and are each convertible at the option of the holder thereof into one fully paid and non-assessable Resulting Issuer Share.

10.2 – 10.6 – Miscellaneous Securities Provisions

None of the matters set out in sections 10.2 to 10.6 of CSE Form 2A are applicable to the share structure of the Resulting Issuer.

10.7 – Prior Sales of Common Shares

The following BWI Shares were issued within the last 12 months prior to the date of this Listing Statement:

Date	Type of Security	Number	Issue Price Per Security
March 20, 2017(1)	Units	3,800,000	$0.05
November 7, 2017(2)	Common Shares	3,355,000	$0.15
November 24, 2017(3)	Common Shares	3,290,247	$0.15
November 30, 2017(4)	Units	4,377,299	$0.35
Closing Date(5)	Common Shares	6,688,086	$0.15
Closing Date(6)	Units	2,765,556	$0.35

Closing Date[7]	Units	1,000,000	$0.60

(1) On March 20, 2017, the Company completed a non-brokered private placement of 3,800,000 units at a price of $0.05 per unit for aggregate gross proceeds of $190,000. Each such unit comprises one BWI Share and one BWI Share purchase warrant. Each such warrant entitles the holder to purchase one BWI Share at an exercise price of $0.07 per BWI Share for a period of 12 months. These units were subject to a four month hold period that expired on July 18, 2017.

(2) On November 7, 2017, the Company completed the first tranche of the $0.15 BWI Shares portion of the Private Placement, consisting of 3,355,000 BWI Shares for gross proceeds of $503,250.00.

(3) On November 24, 2017, the Company completed the second tranche of the $0.15 BWI Shares portion of the Private Placement consisting of 3,290,247 BWI Shares for gross proceeds of $493,537.05.

(4) On November 30, 2017, the Company completed the first tranche of the BWI $0.35 Units portion of the Private Placement, consisting of 4,377,299 BWI $0.35 Units for gross proceeds of $1,532,054.65. Each BWI $0.35 Unit consists of one BWI Share and one BWI $0.35 Unit Warrant.

(5) On February 13, 2018, the Company completed the third tranche of the $0.15 BWI Shares portion of the Private Placement consisting of 6,688,086 BWI Shares for gross proceeds of $1,003,212.95.

(6) On February 13, 2018, the Company completed the second tranche of the BWI $0.35 Units portion of the Private Placement, consisting of 2,765,556 BWI $0.35 Units for gross proceeds of $967,945.35. Each BWI $0.35 Unit consists of one BWI Share and one BWI $0.35 Unit Warrant.

(7) On February 13, 2018, the Company completed the first tranche of the BWI $0.60 Units portion of the Private Placement, consisting of 1,000,000 BWI $0.60 Units for gross proceeds of $600,000. Each BWI $0.60 Unit consists of one BWI Share and one BWI $0.60 Unit Warrant.

10. 8 – Stock Exchange Price

The Resulting Issuer Shares are listed on the CSE as of the date of this Listing Statement under the symbol “CYBX”. The following table sets out the high and low trading price and volume of trading of BWI Shares on the CSE during the periods indicated.

Period	**Low ($)**	**High ($)**	**Volume**
Month ended January 31, 2018	-	-	-
Quarter ended December 31, 2017[1]	0.28	1.05	28,951,226
Quarter ended September 30, 2017	0.15	0.59	3,106,004
Quarter ended June 30, 2017	0.07	0.16	358,000
Quarter ended March 31, 2017	0.05	0.07	188,000
Quarter ended December 31, 2016	0.07	0.09	43,000
Quarter ended September 30, 2016	0.07	0.19	345,000
Quarter ended June 30, 2016	0.05	0.10	188,500

(1) The BWI Shares were halted on December 19, 2017 at the request of BWI in connection with the announcement of the execution of the Acquisition Agreement.

11. Escrowed Securities

As of the Closing Date, no securities of the Resulting Issuer are held in escrow.

Upon the closing of the Second Acquisition, the Convertible Shares issued to the HTSI Shareholders pursuant to the Acquisition Agreement under the Second Acquisition, will be subject to the terms of the Escrow Agreement, and will be subject to a 36 month release schedule in accordance with NP 46-201 as set forth below:

Release Dates	**Percentage of Total Escrow Securities to be Released**
On the issuance date (the “**Issuance Date**”)	10% of escrow securities

6 Months after the Issuance Date	15% of the remaining escrow securities
12 Months after the Issuance Date	15% of the remaining escrow securities
18 Months after the Issuance Date	15% of the remaining escrow securities
24 Months after the Issuance Date	15% of the remaining escrow securities
30 Months after the Issuance Date	15% of the remaining escrow securities
36 Months after the Issuance Date	15% of the remaining escrow securities

(2) Any Convertible Shares exchanged for Resulting Issuer Shares while subject to escrow pursuant to the Escrow Agreement shall remain subject to the release schedule as if such Resulting Issuer Shares were issued instead of the Convertible Shares on the Issuance Date.

The Finder's Fee Shares issued to the Finder upon the completion of the Second Acquisition, will be subject to the terms of the Finder's Escrow Agreement, and will be subject to the 36 month release schedule in accordance with NP 46-201 as set forth above

All of the BWI Shares issued under the $0.15 portion of the Private Placement are subject to a voluntary hold period of eight (8) months and one (1) day from the applicable date of distribution.

See "General Development of the Business – The Transaction – Second Acquisition" regarding the terms of the Second Acquisition and proposed escrowed securities in connection with the Second Acquisition.

12. Principal Shareholders

As of the date of this Listing Statement, no Person beneficially owns, or controls or directs, directly or indirectly, voting securities of BWI carrying 10% or more of the voting rights attached to the BWI Shares.

12.1. Voting Trusts

To the knowledge of the Resulting Issuer, no voting trust exists within the Resulting Issuer such that more than 10 percent of any class of voting securities of the Resulting Issuer are held, or are to be held, subject to any voting trust or similar agreement.

12.2. Associates and Affiliates

The Resulting Issuer has no Associates or Affiliates.

13. Directors and Officers

13.1 – 13.3 Directors and Officers

Directors and Officers

The name, municipality of residence, position or office held with the Resulting Issuer and principal occupation of each proposed director and executive officer of the Resulting Issuer, as well as the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, excluding common shares issued on the exercise of convertible securities, are as follows:

Name, place of the residence and position with Resulting Issuer	Principal occupation during the last five years	Date of appointment as director or officer	Resulting Issuer Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed upon Closing
Corby Marshall(1) Georgia, USA	CEO of HTSI.; graduate of U.S. Military Academy, West Point;	Closing Date	Nil(3)

CEO & Director	prior to joining HTSI, Corby was Senior Vice President of Alliances and Partnerships for AppOrbit, where he developed and led the go-to-market programs for all consulting, reseller, and solution partners.		
Ryan Cheung Burnaby, BC, Canada CFO and Corporate Secretary	Ryan Cheung is the founder of MCPA Services Inc., Chartered Professional Accountants. In addition to running a public accounting practice, Mr. Cheung has historically served and currently serves as a director and/or officer of various Canadian listed entities.	May 29, 2017	Nil
Neiland Wright Virginia, USA CTO & Director	Co-Founder and CTO of HTSI; prior to HTSI, Neil worked as a developer in the Securities Industry at Donaldson, Lufkin and Jenrette and as an architect for massively parallel processing systems for global logistics at UPS.	Second Closing Date	Nil(3)
Thomas Gilmore Virginia, USA CISO & Director	Chief Operating Officer, Chief Information Security Officer, and one of the founders of HTSI; He served over 14 years in the U.S. Marine Corps and excelled as an intelligence analyst, marksmanship instructor, and was a member of 2nd Recon Battalion.	Second Closing Date	Nil(3)
William Marsh(1) Calgary, Alberta Director	Independent consultant to publicly traded oil and gas companies. Director of Fission Uranium Corp. Fission 3.0, and Rockwealth Resources Corp.	November 1, 2017	240,000 0.44%(2)
Ross McElroy(1) Kelowna, B.C. Director	Mr. McElroy is the President and COO of Fission Uranium Corp. He is a professional geologist with nearly 30 years of experience in the mining industry.	November 24, 2016	4,900,000 8.9%(2)

(1) Proposed Member of the audit committee.

(2) Based on 54,915,915 Resulting Issuer Shares outstanding post-Closing.

(3) Upon completion of the Second Acquisition, and assuming no additional Resulting Issuer Shares are issued under the Private Placement or otherwise, and including an equivalent of approximately 44,931,203 Resulting Issuer Shares upon conversion (on a one for one basis) of the Convertible Shares issued pro-rata to the HTSI Shareholders pursuant to the Second Acquisition (being approximately 45% of the Resulting Issuer Shares, post-issuance), Corby Marshall, Neiland Wright and Thomas Gilmore, who would each hold approximately 21% of the HTSI Shares immediately prior to the Second Acquisition, would each hold approximately 9,435,552 Resulting Issuer Shares, equal to 9.4% of the total Resulting Issuer Shares each.

Information contained in this Listing Statement regarding the Board of the Resulting Issuer includes disclosure regarding directors and executive officers of the Resulting Issuer immediately following the Closing and immediately following the completion of the Second Acquisition.

Prior to the Closing, the Board of the Company consists of three (3) directors, namely, Ross McElroy, Richard Matthews and William Marsh. The Board of the Resulting Issuer will be reconstituted in conjunction with the Closing. The Board of the Resulting Issuer immediately following Closing will be comprised of three (3) members, being Corby Marshall, William Marsh and Ross McElroy.

In connection with the Second Acquisition, it is contemplated that the Board of the Resulting Issuer will be reconstituted in conjunction with the closing thereof, such that the Board will be compromised of five (5) members, namely, Corby Marshall, William Marsh, Neiland Wright, Thomas Gilmore and Ross McElroy.

The HTSI team possesses the specialized skills required for the production and sales of the Vauban security platform, including advanced software development expertise, expert proficiency in cloud architecture, basic agile software project management and expertise with the associated tool set, and advanced security engineering expertise.

13.4 – Board Committees of the Company

The Resulting Issuer currently has the following committee:

Audit Committee

The overall purpose of the Board's audit committee is to assist the Board in fulfilling its oversight responsibilities with respect to: the financial reporting process and the quality, transparency and integrity of the financial statements and other related public disclosures; internal controls over financial reporting; compliance with legal and regulatory requirements relevant to the financial statements and financial reporting; ensuring that there is an appropriate standard of corporate conduct for senior financial personnel and employees including, if necessary, adopting a corporate code of ethics; the external auditors' qualifications and independence; and the performance of the internal audit function and the external auditor. The audit committee of the Resulting Issuer will consist of Corby Marshall, William Marsh, and Ross McElroy.

13.5 – Principal Occupation of Directors and Officers

See table 13.1 – 13.3 above.

13.6 – Corporate Cease Trade Orders or Bankruptcies

No proposed director or officer of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other issuer that, while that Person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(d) within a year of that Person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

13.7 - 13.8 - Penalties Sanctions and Settlements

No proposed director or executive officer of the Resulting Issuer, or a shareholder holding a sufficient number of the Resulting Issuer's securities to affect materially the control of the Resulting Issuer, has been subject to:

(a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13.9 – Personal Bankruptcies

Except as set out below, no proposed director or executive officer of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such Persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

In March 2011 Mr. Corby Marshall made a declaration for personal bankruptcy in the jurisdiction of Florida, United States. Subsequent to the declaration, a discharge was officially completed in June 2013.

13.10 – Conflicts of Interest

Conflicts of interest may arise as a result of the proposed directors and officers of the Resulting Issuer also holding positions as directors and/or officers of other companies and situations may arise where the directors and officers will be in direct competition with the Resulting Issuer.

13.11 – Directors and Officers

The following sets out details respecting the directors and executive officers of the Resulting Issuer:

Corby Marshall – CEO and Director (Age: 48)

Corby Marshall is the Chief Executive Officer of HTSI and a graduate of U.S. Military Academy, West Point. Prior to joining HTSI, Corby was Senior Vice President of Alliances and Partnerships for AppOrbit, where he developed and led the go-to-market programs for all consulting, reseller, and solution partners. He previously led sales, consulting, marketing, and operations for several leading companies, including Metastorm (OpenText), Mercator (IBM), Niku and LabCorp. Mr. Marshall previously served as an Airborne-qualified Field Artillery Officer in the United States Army.

Mr. Marshall has not entered into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote approximately 100% of his time to the business of the Resulting Issuer to effectively fulfill his duties as chief executive officer and director. Mr. Marshall is an independent contractor of the Resulting Issuer.

Ryan Cheung, CFO and Corporate Secretary (Age: 39)

Ryan Cheung, CA, CPA, is the founder and managing partner of MCPA Services Inc., Chartered Professional Accountants in Vancouver, B.C. Leveraging his experience as a former auditor of junior mining and resource companies, Mr. Cheung serves as a director and/or officer or consultant for public and private companies providing financial reporting, taxation and strategic guidance. He has been an active member of the Institute of Chartered Accountants of British Columbia since January 2008. Mr. Cheung holds a Diploma in Accounting from the University of British Columbia and a Bachelor of Commerce from the University of Victoria.

Mr. Cheung has not entered into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote approximately 20% of his time to the business of the Resulting Issuer to effectively fulfill his duties as chief financial officer. Mr. Cheung is an independent contractor of the Resulting Issuer.

Neiland Wright, CTO & Director (Age: 47)

Mr. Wright is a founder and Chief Technology Officer of HTSI. Mr. Wright is responsible for developing the Incident Management and Response System (IMRS) which serves as the core enabling engine for HTSI's Vauban technology platform. Prior to HTSI, Neil worked as a developer in the Securities Industry at Donaldson, Lufkin and Jenrette and as an architect for massively parallel processing systems for global logistics at UPS. Neil holds a B.S. from the United States Military Academy at West Point and an M.S. from Stevens Institute of Technology.

Mr. Wright has not entered into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote approximately 100% of his time to the business of the Resulting Issuer to effectively fulfill his duties as chief technology officer and director. Mr. Wright is an independent contractor of the Resulting Issuer.

Thomas Gilmore, CISO & Director (Age: 54)

Mr. Gilmore is the Chief Operating Officer, Chief Information Security Officer, and one of the founders of HTSI. He served over 14 years in the U.S. Marine Corps and excelled as an intelligence analyst, marksmanship instructor, and was a member of 2nd Recon Battalion. He previously started and sold a small defense systems integrator that made the Inc. 500 list of fastest growing companies in the United States. In addition to entrepreneurial activities, Mr. Gilmore has provided cyber-security advisory services to senior leaders throughout the intelligence community. Mr. Gilmore graduated with honors from American Military University with a degree in Homeland Security. His certifications include Certified Information Systems Security Professional (CISSP) and Project Management Professional (PMP).

Mr. Gilmore has not entered into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote approximately 100% of his time to the business of the Resulting Issuer to effectively fulfill his duties as chief information security officer and director. Mr. Gilmore is an independent contractor of the Resulting Issuer.

William Marsh, Director (Age: 69)

Mr. Marsh is a public-company director and consultant and has over 30 years' experience in the oil and gas exploration and drilling business. He is presently a director of Fission Uranium Corp. Fission 3.0, and Rockwealth Resources Corp. After attending the Southern Alberta Institute of Technology and the University of Calgary, Mr. Marsh began his career in oil and gas exploration working for small independent oil companies in Calgary, Alberta, Canada, and continues to be active in the resource industry.

Mr. Marsh has not entered into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote approximately 20% of his time to the business of the Resulting Issuer to effectively fulfill his duties as Director. Mr. Marsh is an independent contractor of the Resulting Issuer.

Ross McElroy, Director (Age: 54)

Mr. McElroy is the President and Chief Operating Officer of Fission Uranium Corp. He is a professional geologist with nearly 30 years of experience in the mining industry. Mr. McElroy received a Bachelor's Degree in Science, with a Specialization in Geology from the University of Alberta in 1987 and is a registered professional geologist in Alberta, Saskatchewan and Nunavut/Northwest Territories.

Mr. McElroy has not entered into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote approximately 20% of his time to the business of the Resulting Issuer to effectively fulfill his duties as chief operating officer. Mr. McElroy is an independent contractor of the Resulting Issuer.

14. Capitalization

14.1 – Capitalization

Issued Capital (common shares)

	Number of Securities (non-diluted)	**Number of Securities (fully-diluted)**	**%of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total outstanding (A)	54,915,915	63,858,770	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by Persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	9,205,000	10,980,000	Approximately 16.76%	Approximately 17.19%
Total Public Float (A-B)	45,710,915	52,878,770	Approximately 93.24%	Approximately 82.80%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	21,476,188[(1)]	29,619,043[(2)]	Approximately 39.11%	Approximately 46.38%
Total Tradeable Float (A-C)	33,439,727	34,239,727	Approximately 60.90%	Approximately 53.62%

Notes:
(1) Includes 21,476,188 Resulting Issuer Shares issued under the Private Placement.
(2) Includes 21,476,188 Resulting Issuer Shares and 8,142,855 Resulting Issuer Share purchase warrants issued under the Private Placement.

Public Securityholders (Registered)

Class of Security
(common shares)

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	8	367
100 – 499 securities	31	5,095
500 – 999 securities	112	51,041
1,000 – 1,999 securities	119	140,181
2,000 – 2,999 securities	66	146,427
3,000 – 3,999 securities	46	151,980
4,000 – 4,999 securities	40	167,991
5,000 or more securities	392	45,047,833
Total	**814**	**45,710,915**

Public Securityholders (Beneficial)

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	8	367
100 – 499 securities	31	5,095
500 – 999 securities	112	51,041
1,000 – 1,999 securities	119	140,181
2,000 – 2,999 securities	66	146,427
3,000 – 3,999 securities	46	151,980
3,999 – 4,999 securities	40	167,991
5,000 or more securities	392	45,047,833
Total	**814**	**45,710,915**

Non-Public Securityholders (Registered)

Size of Holding	Number of holders	Total number of securities
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
3,999 – 4,999 securities		
5,000 or more securities	3	9,205,000
Total	**3**	**9,205,000**

14.2 – Convertible/Exchangeable Securities

The following table sets out information regarding and securities convertible or exchangeable into Resulting Issuer Shares:

Description of Security	Number of Convertible / Exchangeable Securities Outstanding	Number of Listed Securities Issuable Upon Conversion / Exercise
Stock Options(1)	3,000,000	3,000,000
Warrants(2)(3)(4)(5)(6)(7)	8,942,855	8,942,855

(1) The Company issued 3,000,000 stock options to certain officers, directors, employees and consultants on July 17, 2017, 10% vesting on the date of grant and the remaining vesting in equal portions on the dates that are three, six, nine, twelve, fifteen and eighteen months after the grant date, exercisable for a period of two years at a price of $0.45 per BWI Share.

(2) On March 20, 2017, the Company completed a non-brokered private placement of 3,800,000 units at a price of $0.05 per unit for aggregate gross proceeds of $190,000. Each such unit comprises one BWI Share and one BWI Share purchase warrant. Each such warrant entitles the holder to purchase one BWI Share at an exercise price of $0.07 per BWI Share for a period of 12 months. These units were subject to a four month hold period that expired on July 18, 2017.

(3) On November 30, 2017, the Company completed the first tranche of the BWI $0.35 Units portion of the Private Placement, consisting of 4,377,299 BWI $0.35 Units for gross proceeds of $1,532,054.65. Each BWI $0.35 Unit consists of one BWI Share and one and one BWI $0.35 Unit Warrant.

(4) On October 19, 2017 and November 15, 2017, 2,000,000 and 1,000,000 BWI Shares, respectively, were issued upon the exercise of 3,000,000 BWI Share purchase warrants from the March 20, 2017 private placement of units, for aggregate gross proceeds of $210,000.

(5) On February 13, 2018, the Company completed the third tranche of the $0.15 BWI Shares portion of the Private Placement consisting of 6,688,086 BWI Shares for gross proceeds of $1,003,212.95.

(6) On February 13, 2018, the Company completed the second tranche of the BWI $0.35 Units portion of the Private Placement, consisting of 2,765,556 BWI $0.35 Units for gross proceeds of $967,945.35. Each BWI $0.35 Unit consists of one BWI Share and one BWI $0.35 Unit Warrant.

(7) On February 13, 2018, the Company completed the first tranche of the BWI $0.60 Units portion of the Private Placement, consisting of 1,000,000 BWI $0.60 Units for gross proceeds of $600,000. Each BWI $0.60 Unit consists of one BWI Share and one BWI $0.60 Unit Warrant.

<u>14.3 – Other Listed Securities</u>

The Company has no other listed securities reserved for issuance.

15. Executive Compensation

15.1 – Compensation of Executive Officers and Directors

BWI

BWI's Statement of Executive Compensation for the most recent financial year (June 30, 2016), is attached hereto as Schedule "D".

Resulting Issuer

<u>Compensation Discussion and Analysis</u>

The objectives, criteria and analysis of the compensation of the executive officers of the Resulting Issuer will be determined by the Board of the Resulting Issuer. See BWI's "Statement of Executive Compensation" attached as Schedule "D" to this Listing Statement.

The executive officers ("**NEOs**") of the Resulting Issuer are Corby Marshall, the CEO of the Resulting Issuer; Neiland Wright, the CTO of the Resulting Issuer; Thomas Gilmore, the CISO of the Resulting Issuer; and Ryan Cheung, the CFO and Corporate Secretary of the Resulting Issuer.

It is expected that the Resulting Issuer will enter into a Consulting Agreement with Corby Marshall (CEO). Mr. Marshall is expected to receive an annual base salary of approximately US$50,000. It is expected that the Resulting Issuer will enter into a Consulting Agreement with Neiland Wright (CTO). Mr. Wright is expected to receive an annual base salary of approximately US$50,000. It is expected that the Resulting Issuer will enter into a Consulting Agreement with Thomas Gilmore (CISO). Mr. Gilmore is expected to receive an annual base salary of approximately US$50,000. It is expected that the Resulting Issuer will enter into a Consulting Agreement with Ryan Cheung (CFO and Corporate Secretary). Mr. Cheung is expected to receive an annual base salary of approximately $30,000.

Option Based Awards

The Resulting Issuer Stock Option Plan will remain the current Stock Option Plan of the Company.

To briefly summarize, under the Stock Option Plan, the options are non-assignable and may be granted for a term not exceeding ten years from the date of grant. Options may be granted under the Stock Option Plan to directors, executive officers, employees, consultants and management Company employees.

The Resulting Issuer Stock Option Plan reserves a "rolling" maximum of 10% of the issued and outstanding Resulting Issuer Shares (determined at the time of the stock option grant) for issuance upon the exercise of stock options granted pursuant to the Stock Option Plan.

Pension Plan Benefits

The Resulting Issuer does not plan to have a pension plan, defined benefit plan, defined contribution plan or deferred compensation plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination of Employment, Change in Responsibilities and Employment Contracts

There are no written employment contracts between the Resulting Issuer and its NEOs. There are no compensatory plan(s) or arrangements(s), with respect to the NEOs resulting from the resignation, retirement or any other termination of the officer's employment. Corby Marshall (CEO), Neiland Wright (CTO), Thomas Gilmore (CISO), and Ryan Cheung (CFO and Corporate Secretary) will be party to the Consulting Agreements with the Resulting Issuer. Pursuant to the Consulting Agreements, a change of an NEOs' responsibilities following a change of control will trigger an NEOs right to terminate his Consulting Agreement for "good reason", requiring the Resulting Issuer to make a compensatory payment as a result. In case of termination of any NEO, the Consulting Agreement between an NEO and the Resulting Issuer governs.

There are no other arrangements from those disclosed above under which directors or officers may be compensated by the Resulting Issuer as of the date of this Listing Statement or contemplated as at the Closing Date.

DIRECTORS COMPENSATION

Summary Compensation for Directors

The Resulting Issuer may decide to grant option-based awards to its directors during the 12 month period following the Closing. Details of such grants will be announced by the Resulting Issuer in the event such a determination is made.

The Resulting Issuer expects to compensate directors primarily through the grant of stock options and reimbursement of expenses incurred by such Persons acting as directors of the Resulting Issuer.

Pension Plan Benefits for Directors

The Resulting Issuer does not plan to have a pension plan, defined benefit plan, defined contribution plan or deferred compensation plan that provides for payments or benefits to the directors, other than NEOs, at, following, or in connection with retirement.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director or officer of BWI or HTSI, nor any director or officer of the Resulting Issuer, is or has been indebted to BWI or HTSI at any time.

INVESTOR RELATIONS ARRANGEMENTS

No written or oral agreement or understanding has been reached with any Person to provide promotional or investor relations services for the Resulting Issuer.

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

The following table provides information as to options to purchase Resulting Issuer Shares that, as of the date of this Listing Statement, are outstanding.

Category of Optionholder	Number of Options to Acquire Resulting Issuer Shares Held as a Group (1)
1. All proposed officers of the Resulting Issuer	100,000
2. All Directors of the Resulting Issuers who are not also proposed officers	200,000
3. All other employees as a group	Nil
4. All consultants as a group who are not also Officers or Directors	2,700,000 (2)

(1) A total of 3,000,000 options to purchase Resulting Issuer Shares are outstanding as of the date of this Listing Statement.
(2) 1,475,000 options to purchase Resulting Issuer Shares held by former directors and officers of the Company.

16. Indebtedness of Directors and Executive Officers

No director or officer of BWI or Person who acted in such capacity in the last financial year of BWI, or director or officer of the Resulting Issuer, or any Associate of any such director or officer is, or has been, at any time since the beginning of the most recently completed financial year of BWI, indebted to BWI nor is any indebtedness of any such Person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by BWI.

17. Risk Factors

17.1 – Description of Risk Factors

General

The following are certain factors relating to the business of the Resulting Issuer, which factors investors should carefully consider when making an investment decision concerning the shares of the Resulting Issuer. The Resulting Issuer will face a number of challenges in the development of its business. These risks and uncertainties are not the only ones facing the Resulting Issuer. Additional risks and uncertainties not presently known to the Resulting Issuer or which are currently deemed immaterial, may also impair the operations of the Resulting Issuer. If any such risks actually occur, shareholders could lose all or part of their investment and the financial condition, liquidity and results of operations of the Resulting Issuer could be materially adversely affected and the ability of the Resulting Issuer to implement its growth plans could be adversely affected. Potential investors should consult with their professional advisors to assess an investment in the Resulting Issuer.

An investment in the Resulting Issuer is speculative. An investment in the Resulting Issuer will be subject to certain material risks and investors should not invest in securities of the Resulting Issuer unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Resulting Issuer. No representation is or can be made as to the future performance of the Resulting Issuer and there can be no assurance that the Resulting Issuer will achieve its objectives. Readers should not rely upon forward-looking statements as a prediction of future results. Readers should carefully consider all such risks, including those set out in the discussion below. No representation is or can be made as to the future performance of the Resulting Issuer and there can be no assurance that the Resulting Issuer will achieve its objectives.

The market in which the Resulting Issuer participates is intensely competitive, and if the Resulting Issuer does not compete effectively, its operating results could be harmed.

The market for cybersecurity services is fragmented, rapidly evolving and highly competitive, with relatively low barriers to entry for certain applications and services. Many of the Resulting Issuer's competitors and potential competitors are larger and have greater name recognition, longer operating histories, larger marketing budgets and significantly greater resources than the Resulting Issuer does. With the introduction of new technologies and market entrants, the Resulting Issuer expects competition to continue to intensify in the future. If the Resulting Issuer fails to compete effectively, its business will be harmed. Some of the Resulting Issuer's principal competitors may offer their products or services at a lower price, which would result in pricing pressures on the Resulting Issuer's business. If the Resulting Issuer is unable to achieve its target pricing levels, its operating results would be negatively impacted. In addition, pricing pressures and increased competition generally could result in reduced sales, lower margins, losses or the failure of the Resulting Issuer's services to achieve or maintain widespread market acceptance, any of which could harm the Resulting Issuer's business.

Many of the Resulting Issuer's competitors are able to devote greater resources to the development, promotion and sale of their products or services. In addition, many of the Resulting Issuer's competitors have established marketing relationships and major distribution agreements with channel partners, consultants, system integrators, and resellers. Furthermore, some potential customers, particularly large enterprises, may elect to develop their own internal solutions. For these reasons, the Resulting Issuer may not be able to compete successfully against its current and future competitors.

Limited Operating History

The Resulting Issuer will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenue and the risk that it will not achieve its growth objective. There can be no assurance that the Resulting Issuer's operations will be profitable in the future or will generate sufficient cash flow to satisfy its working capital requirements. Even if the Resulting Issuer does achieve profitability, it cannot predict the level of such profitability. If the Resulting Issuer sustains losses over an extended period of time, it may be unable to continue its business.

The Resulting Issuer may not successfully address all of the risks and uncertainties or successfully implement its existing and new products and services. If the Resulting Issuer fails to do so, it could materially harm its business and impair the value of its common shares, resulting in a loss to shareholders. Even if the Resulting Issuer accomplishes these objectives, the Resulting Issuer may not generate the anticipated positive cash flows or profits. The Resulting Issuer has accumulated net losses since inception. No assurance can be given that the Resulting Issuer can or will ever be successful in its operations and operate profitably.

Any failure by the Resulting Issuer to maintain its significant customers would harm the Resulting Issuer's future operating results.

Historically and currently, the Resulting Issuer has a limited number of customers. Although the Resulting Issuer intends to add new customers, if one or more of its larger customers becomes dissatisfied with the Resulting Issuer's services, the effectiveness of the Resulting Issuer's customer support services or the Resulting Issuer's pricing, or ceases to do business with the Resulting Issuer for any other reason, the operating results of the Resulting Issuer would be negatively and substantially impacted.

The Resulting Issuer cannot accurately predict expansion rates and the impact these rates may have on its future revenue and operating results.

In order for the Resulting Issuer to improve its operating results and continue to grow its business, it is important for the Resulting Issuer to continue to attract new customers and expand the deployment of its solutions with existing customers. To the extent the Resulting Issuer is successful in increasing its customer base, it could incur increased losses because the costs associated with attracting new customers are generally incurred up front, while revenue is recognized ratably over the term of a contract for services. Alternatively, to the extent the Resulting Issuer is unsuccessful in increasing its customer base, the Resulting Issuer could also incur increased losses as the costs associated with marketing programs and new products intended to attract new customers would not be offset by incremental revenue and cash flow. Furthermore, if the Resulting Issuer's customers do not expand their deployment of its products and services, the Resulting Issuer's revenue may grow more slowly than the Resulting Issuer expects. All of these factors could negatively impact the Resulting Issuer's future revenue and operating results.

If the Resulting Issuer fails to effectively manage its technical operations infrastructure, its customers may experience service outages and delays in the further deployment of its services, which may adversely affect its business.

The Resulting Issuer is expecting significant growth in the number of customers being added to its managed services solutions. The Resulting Issuer seeks to maintain sufficient excess capacity in its operations infrastructure to meet the needs of all of its customers. The Resulting Issuer also seeks to maintain excess capacity to facilitate the rapid provisioning of new customer deployments and the expansion of existing customer deployments. In addition, the Resulting Issuer needs to properly manage its technological operations infrastructure in order to support version control, changes in hardware and software parameters and the evolution of its services. Despite the fact that the Resulting Issuer has taken a number of steps to allow its infrastructure to handle significant increases in demand, it may in the future experience website disruptions, outages and other performance problems. These problems may be caused by a variety of factors, including infrastructure changes, human or software errors, viruses, security attacks, fraud, spikes in customer usage and denial of service issues. In some instances, the Resulting Issuer may not be able to identify the cause or causes of these performance problems within an acceptable period of time, which may harm the Resulting Issuer's reputation and operating results. Furthermore, although the Resulting Issuer has a number of disaster recovery measures, if it does not accurately predict its infrastructure requirements, its existing customers may experience service outages that may subject the Resulting Issuer to financial penalties, financial liabilities and customer losses. If the Resulting Issuer's operations infrastructure fails to keep pace with increased sales, customers may experience delays as the Resulting Issuer seeks to obtain additional capacity, which could adversely affect the Resulting Issuer's reputation and its revenue.

Interruptions or delays in service from the Resulting Issuer's data center hosting facilities could impair the delivery of the Resulting Issuer's services and harm its business.

Despite the fact that the Resulting Issuer has taken a number of disaster recovery and preventive measures, the facilities may be vulnerable to damage or interruption due to floods, fires, power loss, telecommunications failures, and similar events. They may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct. Any damage to, or failure of, the Resulting Issuer's systems generally could result in interruptions in its service. Interruptions in its service may reduce its revenue, cause the Resulting Issuer to issue credits or pay penalties, cause customers to terminate their contracts and adversely affect the Resulting Issuer's renewal rate and its ability to attract new customers. The Resulting Issuer's business will also be harmed if its customers and potential customers believe the Resulting Issuer's service is unreliable. Despite precautions taken at these facilities, the occurrence of a natural disaster, an act of terrorism, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities could result in lengthy interruptions in the Resulting Issuer's services. Even with the disaster recovery arrangements, the Resulting Issuer's services could be interrupted. As the Resulting Issuer continues to add data centers and add capacity in the Resulting Issuer's existing data centers, the Resulting Issuer may move or transfer its data and its customers' data. Despite precautions taken during this process, any unsuccessful data transfers may impair the delivery of the Resulting Issuer's services. Further, as the Resulting Issuer continues to grow and scale its business to meet the needs of its customers, additional burdens may be placed on its hosting facilities. In particular, a rapid expansion of the Resulting Issuer's business could cause its network or systems to fail.

The Resulting Issuer depends on highly skilled personnel to grow and operate its business, and if the Resulting Issuer is unable to hire, retain and motivate its personnel, the Resulting Issuer may not be able to grow effectively.

The Resulting Issuer's future success will depend upon its continued ability to identify, hire, develop, motivate and retain highly skilled personnel, including senior management, engineers, designers, product managers, sales representatives, and customer support representatives. The Resulting Issuer's ability to execute efficiently is dependent upon contributions from its employees, including its senior management team. In addition, there may occasionally be changes in the Resulting Issuer's senior management team that may be disruptive to its business. If the Resulting Issuer's senior management team, including any new hires that the Resulting Issuer may make, fails to work together effectively and to execute on its plans and strategies on a timely basis, its business could be harmed.

The Resulting Issuer's growth strategy also depends on its ability to expand its organization with highly skilled personnel. Identifying, recruiting, training and integrating qualified individuals will require significant time, expense and attention. In addition to hiring new employees, the Resulting Issuer must continue to focus on retaining its best employees. The Resulting Issuer may need to invest significant additional amounts of cash and equity to attract and retain new employees, and the Resulting Issuer may never realize returns on these investments. If the Resulting Issuer is not able to effectively add and retain employees, its ability to achieve its strategic objectives will be adversely impacted, and its business will be harmed.

Failure to adequately expand the Resulting Issuer's direct sales force will impede its growth.

The Resulting Issuer will need to continue to expand and optimize its sales infrastructure in order to grow its customer base and its business. The Resulting Issuer plans to continue to expand its direct sales force, both domestically and internationally. Identifying and recruiting qualified personnel and training them requires significant time, expense and attention. The Resulting Issuer's business may be adversely affected if its efforts to expand and train its direct sales force do not generate a corresponding increase in revenue. If the Resulting Issuer is unable to hire, develop and retain talented sales personnel or if new direct sales personnel are unable to achieve desired productivity levels in a reasonable period of time, the Resulting Issuer may not be able to realize the intended benefits of this investment or increase its revenue.

If the Resulting Issuer is unable to maintain and promote its brand, its business and operating results may be harmed.

The Resulting Issuer believes that maintaining and promoting its brand is critical to expanding its customer base. Maintaining and promoting its brand will depend largely on its ability to continue to provide useful, reliable and innovative services, which the Resulting Issuer may not do successfully. The Resulting Issuer may introduce new features, products, services or terms of service that its customers do not like, which may negatively affect its brand and reputation. Maintaining and enhancing the Resulting Issuer's brand may require it to make substantial investments, and these investments may not achieve the desired goals. If the Resulting Issuer fails to successfully promote and maintain its brand or if the Resulting Issuer incurs excessive expenses in this effort, its business and operating results could be adversely affected.

The Resulting Issuer's growth depends in part on the success of its strategic relationships with third parties.

In order to grow its business, the Resulting Issuer anticipates that it will continue to depend on its relationships with third parties, such as alliance partners, distributors, system integrators and developers. Identifying partners, and negotiating and documenting relationships with them, requires significant time and resources. The Resulting Issuer's competitors may be effective in providing incentives to third parties to favor their products or services, or to prevent or reduce subscriptions to its services. In addition, acquisitions of its partners by its competitors could result in a decrease in the number of current and potential customers, as its partners may no longer facilitate the adoption of the Resulting Issuer's services by potential customers.

If the Resulting Issuer is unsuccessful in establishing or maintaining its relationships with third parties, its ability to compete in the marketplace or to grow its revenue could be impaired and its operating results may suffer. Even if the Resulting Issuer is successful, the Resulting Issuer cannot assure investors that these relationships will result in increased customer usage of the Resulting Issuer's services or increased revenue. Furthermore, if the Resulting Issuer's partners fail to perform as expected, the Resulting Issuer's reputation may be harmed and its business and operating results could be adversely affected.

The Resulting Issuer employs third-party licensed software for use in or with its services, and the inability to maintain these licenses or errors in the software the Resulting Issuer licenses could result in increased costs, or reduced service levels, which would adversely affect the Resulting Issuer's business.

The Resulting Issuer's services incorporate certain third-party software obtained under licenses from other companies. The Resulting Issuer anticipates that it will continue to rely on such third-party software and development tools in the future. Although the Resulting Issuer believes that there are commercially reasonable alternatives to the third-party software the Resulting Issuer currently licenses, this may not always be the case, or it may be difficult or costly to replace. In addition, integration of the software used in the Resulting Issuer's services with new third-party software may require significant work and require substantial investment of the Resulting Issuer's time and resources. Also, to the extent that the Resulting Issuer's services depend upon the successful operation of third-party software in conjunction with its own software, any undetected errors or defects in this third-party software could prevent the deployment or impair the functionality of the Resulting Issuer's services, delay new services introductions, result in a failure of the Resulting Issuer's services, and injure the Resulting Issuer's reputation. The Resulting Issuer's use of additional or alternative third-party software would require the Resulting Issuer's to enter into additional license agreements with third parties.

Intellectual Property Rights

The Resulting Issuer could be adversely affected if it does not adequately protect its intellectual property rights. The Resulting Issuer regards its marks, rights, and trade secrets and other intellectual property rights as critical to its success. To protect its investments and the Resulting Issuer's rights in these various intellectual properties, it may rely on a combination of patents, trademark and copyright law, trade secret protection and confidentiality agreements and other contractual arrangements with its employees, clients, strategic partners, acquisition targets and others to protect proprietary rights. There can be no assurance that the steps taken by the Resulting Issuer to protect proprietary rights will be adequate or that third parties will not infringe or misappropriate the Resulting Issuer's copyrights, trademarks and similar proprietary rights, or that the Resulting Issuer will be able to detect unauthorized use and take appropriate steps to enforce rights. In addition, although the Resulting Issuer believes that its proprietary rights do not infringe on the intellectual property rights of others, there can be no assurance that other parties will not assert infringement claims against the Resulting Issuer. Such claims, even if not meritorious, could result in the expenditure of significant financial and managerial resources.

Proprietary Technology

The Resulting Issuer's success and ability to compete in its markets depend, in part, upon its proprietary technology. The Resulting Issuer relies primarily on copyright, trade secret and trademark laws to protect its technology including the source code for its proprietary software, documentation and other proprietary information.

Software

The Resulting Issuer's software is highly technical, and if it contains undetected errors, the Resulting Issuer's business could be adversely affected. The Resulting Issuer's products incorporate software that is highly technical and complex. The Resulting Issuer's software may now or in the future contain, undetected errors, bugs, or vulnerabilities. Some errors in the Resulting Issuer's software codes may only be discovered after the codes have been released. Any errors, bugs, or vulnerabilities discovered in the Resulting Issuer's codes after release could result in damage to the Resulting Issuer's reputation, loss of users, loss of revenue, or liability for damages, any of which could adversely affect the Resulting Issuer's business and financial results.

The expansion or development of the business, including through acquisitions, increased product offerings or other strategic growth opportunities, may cause disruptions in the Resulting Issuer's business, which may have an adverse effect on the Resulting Issuer's business, operations or financial results.

The Resulting Issuer may seek to expand and develop its business, including through acquisitions, increased product offerings, or other strategic growth opportunities. In the ordinary course of business, the Resulting Issuer may review, analyze, and evaluate various potential transactions or other activities in which it may engage. Such transactions or activities could cause disruptions in, increase risk or otherwise negatively impact its business. Among other things, such transactions and activities may:

- disrupt the Resulting Issuer's business relationships with its customers, depending on the nature of or counterparty to such transactions and activities;
- direct the time or attention of management away from other business operations;
- fail to achieve revenue or margin targets, operational synergies or other benefits contemplated;
- increase operational risk or volatility in the Resulting Issuer's business; or
- result in current or prospective employees experiencing uncertainty about their future roles with the Resulting Issuer, which might adversely affect the Resulting Issuer's ability to retain or attract key managers or other employees.

The Resulting Issuer may be vulnerable to security breaches that could adversely affect its operations, business, operations, and reputation.

The Resulting Issuer's wireless infrastructure may be vulnerable to damage, disruptions, or shutdowns due to unauthorized access, computer viruses, cyber-attacks, and other security breaches. An attack attempt or security breach could potentially result in (1) interruption or cessation of certain of the Resulting Issuer's services to its customers, (2) the Resulting Issuer's inability to meet expected levels of service, or (3) data transmitted over the Resulting Issuer's customers' networks being compromised. The Resulting Issuer cannot guarantee that its security measures will not be circumvented, resulting in customer network failures or interruptions that could impact its customers' network availability and have a material adverse effect on its business, financial condition, or operational results. The Resulting Issuer may be required to expend significant resources to protect against or recover from such threats. If an actual or perceived breach of its security occurs, the market perception of the effectiveness of its security measures could be harmed, and the Resulting Issuer could lose customers. Further, the perpetrators of cyber-attacks are not restricted to particular groups or Persons. These attacks may be committed by the Resulting Issuer's employees, contractors or external actors operating in any geography. Any such events could result in legal claims or penalties, disruption in operations, misappropriation of sensitive data, damage to the Resulting Issuer's reputation, negative market perception, or costly response measures, which could adversely affect its business.

Regulatory Risks

The activities of the Resulting Issuer will be subject to regulation by governmental authorities. Achievement of the Resulting Issuer's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals. The Resulting Issuer cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

The business of the Resulting Issuer is subject to rapid regulatory changes. Failure to keep up with such changes may adversely affect the business of the Resulting Issuer. Failure to follow regulatory requirements will have a detrimental impact on the business. Changes in legislation cannot be predicted and could irreparably harm the business.

Lack of Demand

A failure in the demand for the Resulting Issuer's products or services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Reliance on Management and Key Personnel

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. The Resulting Issuer attempts to enhance its management and technical expertise by recruiting qualified individuals who possess desired skills and experience in certain targeted areas. The Resulting Issuer's inability to retain employees and attract and retain sufficient additional employees as well as, engineering, and technical support resources could have a material adverse impact on the Resulting Issuer's financial condition and results of operation. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer's business, operating results or financial condition.

Additional Financing

The Resulting Issuer's future capital requirements depend on many factors, including its ability to market products successfully, cash flows from operations, locating and retaining talent, and competing market developments. Based on the Resulting Issuer's current financial situation, the Resulting Issuer may have difficulty continuing operations at the current level, or at all, if it does not raise additional financing in the near future.

In order to execute the Resulting Issuer's business plan, the Resulting Issuer will require some additional equity and/or debt financing to undertake capital expenditures. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer's inability to raise financing to support on-going operations or to fund capital expenditures could limit the Resulting Issuer's operations and may have a material adverse effect upon future profitability. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital or to pursue business opportunities, including potential acquisitions. If adequate funds are not obtained, the Resulting Issuer may be required to reduce, curtail, or discontinue operations.

Competition

There is potential that the Resulting Issuer will face intense competition from numerous other companies, some of which can be expected to have longer operating histories and more financial resources and marketing experience than the Resulting Issuer. See "Narrative Description of the Business - Competition" for further details about the competition faced and to be faced by the Resulting Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the

Resulting Issuer. The Resulting Issuer’s industry is highly competitive and tenants have numerous alternatives in leasing antenna space. Competitive pricing from competitors could materially and adversely affect the Resulting Issuer’s lease rates.

To remain competitive, the Resulting Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Some of the Resulting Issuer’s current and potential competitors have significantly greater resources and better competitive positions in certain markets than the Resulting Issuer does. These factors may allow the Resulting Issuer’s competitors to respond more effectively than the Resulting Issuer to new or emerging technologies and changes in market requirements. The Resulting Issuer’s competitors may develop products, features, or services that are similar to the Resulting Issuer or that achieve greater market acceptance, may undertake more far-reaching and successful product development efforts or marketing campaigns, or may adopt more aggressive pricing policies. Certain competitors could use strong or dominant positions in one or more markets to gain a competitive advantage against the Resulting Issuer. As a result, the Resulting Issuer’s competitors may acquire and engage users at the expense of the growth or engagement of its user base, which may negatively affect the Resulting Issuer’s business and financial results.

The Resulting Issuer believes that its ability to compete effectively depends upon many factors both within and beyond the Resulting Issuer’s control, including:

- the usefulness, ease of use, performance, and reliability of the Resulting Issuer’s products and services compared to its competitors;
- customer service and support efforts;
- marketing and selling efforts;
- the Resulting Issuer’s financial condition and results of operations;
- changes mandated by legislation, regulatory authorities, or litigation, some of which may have a disproportionate effect on the Resulting Issuer;
- acquisitions or consolidation within the Resulting Issuer’s industry, which may result in more formidable competitors;
- the Resulting Issuer’s ability to attract, retain, and motivate talented employees and consultants;
- the Resulting Issuer’s ability to cost-effectively manage and grow its operations; and
- the Resulting Issuer’s reputation and brand strength relative to that of its competitors.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Resulting Issuer intends to acquire businesses, technologies, services or products that the Resulting Issuer believes are strategic. The Resulting Issuer currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued. There can be no assurance that the Resulting Issuer will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired business, technology, service or product into the Resulting Issuer may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Resulting Issuer’s business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Resulting Issuer’s business, results of operations and financial condition. Any such future acquisitions of other businesses, technologies, services or products might require the Resulting Issuer to obtain additional equity or debt financing, which might not be available on terms favourable to the Resulting Issuer, or at all, and such financing, if available, might be dilutive.

Operating Risk and Insurance Coverage

The Resulting Issuer will obtain and maintain insurance to protect its assets, operations and employees. However, insurance that is otherwise readily available, such as workers compensation, general liability, and directors and officers' insurance, may be more difficult for the Resulting Issuer to obtain and more costly because the industry in which the Resulting Issuer is engaged in. As of the date of this Listing Statement, the Resulting Issuer has been successful in finding such policies, but at a cost higher than other businesses. There are no guarantees that the Resulting Issuer will be able to find such insurance coverage in the future or that the cost will be affordable to the Resulting Issuer. While the Resulting Issuer believes its insurance coverage will address all material risks to which it is exposed and will be adequate and customary in its current state of operations, such insurance will be subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Resulting Issuer is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Resulting Issuer's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Resulting Issuer were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Resulting Issuer were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Management of Growth

The Resulting Issuer may in the future, experience rapid growth and development in a relatively short period of time by aggressively marketing its products and services. The Resulting Issuer may be subject to growth related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and prospects.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Resulting Issuer and as officers and directors of such other companies.

Litigation

The Resulting Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for Resulting Issuer Shares and could use significant resources. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant company resources.

The market price of Resulting Issuer Shares may be subject to wide price fluctuations

The market price of Resulting Issuer Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Resulting Issuer, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Resulting Issuer, general economic conditions, legislative changes, and other events and factors outside of the Resulting Issuer's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for Resulting Issuer Shares.

Limited Market for Securities

Upon completion of the Initial Acquisition, the Resulting Issuer Shares will be listed on the CSE, however, there can be no assurance that an active and liquid market for the Resulting Issuer Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Resulting Issuer.

Dividends

The Resulting Issuer has no earnings or dividend record, and does not anticipate paying any dividends on the common shares in the foreseeable future. Dividends paid by the Resulting Issuer would be subject to tax and, potentially, withholdings. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

Use of Proceeds

Although the Resulting Issuer has set out its intended use of proceeds in this Listing Statement, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Resulting Issuer to apply these funds effectively could have a material adverse effect on the Resulting Issuer's business, including the Resulting Issuer's ability to achieve its stated business objectives.

Economic Environment

The Resulting Issuer's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Resulting Issuer's sales and profitability.

Global Economy Risk

Any economic slowdown and downturn of global capital markets could make the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. These factors may impact the Resulting Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Resulting Issuer. If uncertain market conditions persist, the Resulting Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Resulting Issuer's operations and the trading price of the Resulting Issuer's Shares on the Exchange.

Going-Concern Risk

The financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Resulting Issuer's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Resulting Issuer will be successful in completing an equity or debt financing or in achieving profitability.

The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Resulting Issuer be unable to continue as a going concern.

Financial Risk Exposures

The Resulting Issuer may have financial risk exposure to varying degrees relating to the currency of each of the countries where it operates.

17.2 – Additional Securityholder Risk

There is no risk that securityholders of the Resulting Issuer may become liable to make an additional contribution beyond the price of the security.

17.3 – Other Risks

Subject to the risk factors set out under section 17.1 above, there are no other material risk factors that a reasonable investor would consider relevant to an investment in the Resulting Issuer Shares.

18. Promoters

18.1 – 18.3 – Promoter Consideration

Upon the Closing, Corby Marshall, the Chief Executive Officer of the Resulting Issuer, is considered a promoter of the Resulting Issuer, and if and upon the closing of the Second Acquisition, Neiland Wright, CTO and director of the Resulting Issuer and Thomas Gilmore, CISO and director of the Resulting Issuer, would also be considered promoters of the Resulting Issuer, as these three individuals were the founders of HTSI.

19. Legal Proceedings

19.1 - Legal Proceedings

BWI

There are no legal proceedings to which BWI is, or has been, a party or of which any of its property is, or has been, the subject matter. Additionally, to the reasonable knowledge of the management of BWI, there are no such proceedings contemplated.

Resulting Issuer

There are no legal proceedings to which the Resulting Issuer is, or has been, a party or of which any of its property is, or has been, the subject matter. Additionally, to the reasonable knowledge of the management of the Resulting Issuer, there are no such proceedings contemplated.

19.2 – Regulatory Actions

The Resulting Issuer is not subject to any penalties or sanctions imposed by any court or regulatory authority relating to securities legislation or by a securities regulatory authority, nor has the Resulting Issuer entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that are necessary to provide full, true and plain disclosure of all material facts relating to the Resulting Issuer's securities or would be likely to be likely to be considered important to a reasonable investor making an investment decision.

20. Interest of Management and Others in Material Transactions

Except as set out below and elsewhere in this Listing Statement, none of the directors or executive officers of the BWI, principal shareholders, or any associate or Affiliate of such Persons, has or has had any material interest, direct or indirect, in any material transaction within the three years before the date of this Listing Statement or in any proposed transaction that has materially affected or may affect the Resulting Issuer.

21. Auditors, Transfer Agents and Registrars

21.1 – Auditors

The firm of DeVisser Gray LLP, Chartered Professional Accountants ("**DeVisser Gray**") is the independent registered certified auditor of BWI and HTSI with a Vancouver office address of 401-905 West Pender St., Vancouver, B.C. V6C 1L6.

The auditors of the Resulting Issuer will be DeVisser Gray.

21.2 – Transfer Agent and Registrar

The Resulting Issuer's registrar and transfer agent is Computershare, located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

22. Material Contracts

22.1 – Material Contracts

Except for contracts entered into by BWI in the ordinary course of business, the only material contracts entered into by BWI in the previous two years are the following:

(a) On December 19, 2017, BWI entered into the Acquisition Agreement. See "General Development of the Business – The Transaction";

22.2 – Special Agreements

The Resulting Issuer is not a party to any co-tenancy, unitholders' or limited partnership agreements.

23. Interest of Experts

The Persons or companies whose profession or business gives authority to a statement made by such Person or company and who is named in this Listing Statement as having prepared or certified a part of this Listing Statement or a report or valuation described or included in this Listing Statement, are as follows:

(1) The audited financial statements of BWI included in this Listing Statement have been included in reliance upon the report of DeVisser Gray, and upon the authority of such firm as experts in accounting and auditing and their audit report is included herein. DeVisser Gray has advised that they are independent with respect to BWI within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

(2) The audited financial statements of HTSI included in this Listing Statement have been included in reliance upon the report of DeVisser Gray, and upon the authority of such firm as experts in accounting and auditing and their audit report is included herein. DeVisser Gray have advised that they are independent with respect to HTSI within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Based on information provided by the relevant Persons, none of those Persons or companies or any director, officer, employee or partner thereof has received or will receive any direct or indirect interest in our property or the property of any associate or Affiliate of us, nor has any beneficial ownership, direct or indirect, in any securities issued by us. None of those Persons is or is expected to be elected, appointed, or employed as a director or employee of us.

24. Other Material Facts

Neither BWI nor HTSI are aware of any other material facts relating to BWI or HTSI or to the Acquisitions that are not disclosed under the preceding items and are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to BWI, HTSI and the Resulting Issuer, other than those set forth herein.

25. Financial Statements

Schedule "A" contains the audited financial statements for BWI for the years ended June 30, 2017, 2016 and 2015, BWI's interim financial statements for the three-months ended September 30, 2017, the MD&A of BWI for the year ended June 30, 2017 and the MD&A of BWI for the three-months ended September 30, 2017.

Schedule “B” contains the audited financial statements for HTSI for the years ended June 30, 2017, 2016 and 2015, HTSI’s interim financial statements for the three-months ended September 30, 2017, the MD&A of HTSI for the year ended June 30, 2017 and the MD&A of HTSI for the three-months ended September 30, 2017.

Schedule “C” contains the pro-forma financial statements.

Schedule “D” contains the Statement of Executive Compensation for BWI for the year ended June 30, 2017.

Additionally, the Resulting Issuer’s other public disclosure documents can be found under the Resulting Issuer’s profile at www.sedar.com.

CERTIFICATE OF THE RESULTING ISSUER

The foregoing contains full, true and plain disclosure of all material information relating to the Resulting Issuer. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 15th day of February, 2018.

"Corby Marshall"
Corby Marshall
Chief Executive Officer

"Ryan Cheung"
Ryan Cheung
Chief Financial Officer

"William Marsh"
William Marsh
Director

"Ross McElroy"
Ross McElroy
Director

"Corby Marshall"
Corby Marshall
Promoter

CERTIFICATE OF HTSI

The foregoing contains full, true and plain disclosure of all material information relating to Hill Top Security, Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 15th day of February, 2018.

"Corby Marshall"	*"Tom Gilmore"*
Corby Marshall	**Tom Gilmore**
Chief Executive Officer	Chief Financial Officer

SCHEDULE “A”

FINANCIAL STATEMENTS & MD&A OF BWI

[See Attached.]

Big Wind Capital Inc.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
JUNE 30, 2017 AND 2016

DeVISSERGRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
t 604.687.5447
f 604.687.6737

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Big Wind Capital Inc.,

We have audited the accompanying consolidated financial statements of Big Wind Capital Inc. which comprise the consolidated statements of financial position as at June 30, 2017 and 2016, and the consolidated statements of net loss and comprehensive loss, cash flows and changes in equity (deficiency) for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated 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 audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Big Wind Capital Inc. as at June 30, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company has limited working capital, no current sources of revenue and is dependent upon its ability to secure new sources of financing. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
October 27, 2017

Big Wind Capital Inc.
Consolidated Statements of Financial Position
Expressed in Canadian Dollars

	Note	**June 30, 2017**	June 30, 2016
		$	$
Assets			
Current assets:			
Cash		**138,026**	19,437
Sales tax receivable		**9,424**	7,169
Prepaid expenses		**-**	125
		147,450	26,731
Exploration and evaluation assets	**5**	**-**	297,500
Total Assets		**147,450**	324,231
Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities	**8**	**231,418**	80,802
Loan payable	**8**	**-**	25,000
		231,418	105,802
Shareholders' Equity (Deficiency)			
Share capital	**6**	**3,519,955**	3,329,955
Reserves		**208,951**	208,951
Deficit		**(3,812,874)**	(3,320,477)
		(83,968)	218,429
Total Liabilities and Shareholders' Equity (Deficiency)		**147,450**	324,231

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 9)
Subsequent Event (Note 12)

Approved on Behalf of the Board of Directors:

/s/ Devinder Randhawa	*/s/ Ross McElroy*
Director	Director

The accompanying notes are integral to these consolidated financial statements.

Big Wind Capital Inc.
Consolidated Statements of Net Loss and Comprehensive Loss
For the years ended June 30, 2017 and 2016
Expressed in Canadian dollars

		2017	2016
		$	$
General and administrative expenses			
Consulting and management fees	**8**	**147,746**	147,500
Office and administration	**8**	**1,055**	1,112
Professional fees		**20,196**	13,775
Public relations and communications		**5,198**	2,183
Regulatory fees		**6,750**	6,275
Rent	**8**	**1,800**	2,400
Transfer agent		**6,640**	14,750
Travel	**8**	**5,818**	-
Loss before other items		**(195,203)**	(187,995)
Other items – income (expense)			
Write-down of exploration and evaluation assets	**5**	**(297,500)**	-
Interest income		**184**	(2,500)
Foreign exchange gain (loss)		**122**	(15)
		(297,194)	(2,515)
Net loss and comprehensive loss for the year		**(492,397)**	(190,510)
Basic and diluted loss per common share		**(0.02)**	(0.02)
Weighted average number of common shares outstanding		**27,732,878**	9,565,754

The accompanying notes are integral to these consolidated financial statements.

Big Wind Capital Inc.
Consolidated Statements of Changes in Equity (Deficiency)
Expressed in Canadian Dollars

	Share Capital				
	Number of Shares	**Amount**	**Reserves**	**Deficit**	**Total Shareholders' Equity (Deficiency)**
		$	$	$	$
Balance, June 30, 2015	4,839,727	2,239,766	208,951	(3,129,967)	(681,250)
Shares issued for debt settlement	16,800,000	840,189	-	-	840,189
Shares issues for exploration and evaluation assets	5,000,000	250,000	-	-	250,000
Net loss for the year	-	-	-	(190,510)	(190,510)
Balance, June 30, 2016	26,639,727	3,329,955	208,951	(3,320,477)	218,429
Balance, June 30, 2016	**26,639,727**	**3,329,955**	**208,951**	**(3,320,477)**	**218,429**
Private placement	**3,800,000**	**190,000**	**-**	**-**	**190,000**
Net loss for the year	**-**	**-**	**-**	**(492,397)**	**(492,397)**
Balance, June 30, 2017	**30,439,727**	**3,519,955**	**208,951**	**(3,812,874)**	**(83,968)**

The accompanying notes are integral to these consolidated financial statements.

Big Wind Capital Inc.
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2017 and 2016
Expressed in Canadian Dollars

	2017	2016
	$	$
Cash (used in) provided by:		
Operating activities		
Net loss for the year	**(492,397)**	(190,510)
Non-cash items:		
Write-down of exploration and evaluation assets	**297,500**	-
Changes in non-cash working capital:		
(Increase) decrease in sales tax receivable	**(2,255)**	923
(Increase) decrease in prepaid expenses	**125**	(125)
Increase in accounts payable and accrued liabilities	**150,616**	160,999
Net cash used by operating activities	**(46,411)**	(28,713)
Financing activities		
Proceeds from loan payable	**25,000**	25,000
Repayment of loan payable	**(50,000)**	-
Proceeds from private placement	**190,000**	-
Net cash provided by financing activities	**165,000**	25,000
Increase (decrease) in cash	**118,589**	(3,713)
Cash, beginning of year	**19,437**	23,150
Cash, end of year	**138,026**	19,437
Non-cash transactions:		
Shares issued for debt settlement	**-**	840,189
Shares issued for exploration and evaluation assets	**-**	250,000
Exploration and evaluation assets included in accounts payable	**35,000**	35,000

The accompanying notes are integral to these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Big Wind Capital Inc., (the "Company" or "BWC"), formerly Toro Resources Corp., is a company incorporated on June 30, 2005 under the Business Corporation Act of British Columbia, Canada. The registered office of the Company is 700-595 Howe Street, Vancouver, British Columbia, V6C 2T5. The principle address and records office of the Company is 700-1620 Dickson Ave., Kelowna, British Columbia, V1Y 9Y2. The Company's shares are publicly listed on the Canadian Securities Exchange ("CSE") under the symbol "BWC". The Company formerly traded on the TSX-Venture Exchange under the symbol "TRK".

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in North America. The Company presently has no proven or probable reserves and on the basis of information to date, it has yet to determine whether these properties contain economically recoverable ore reserves.

On June 30, 2017, the Company entered into an LOI with HTSI (see Note 9).

These consolidated financial statements have been prepared by management on a going concern basis with the assumption that the Company will continue for the foreseeable future and will be able to meet its obligations to continue operations. Management has carried out an assessment of the going concern assumption and concludes that the continued operations of the Company are dependent upon equity financing and/or joint venturing project development as primary sources of funding. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The realized values of net assets may be significantly different from carrying values shown and these consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

The Company had a $492,397 net loss for the year ended June 30, 2017 (June 30, 2016 - $190,510). The accumulated deficit recorded as at June 30, 2017 is $3,812,874 (June 30, 2016 - $3,320,477). As at June 30, 2017, the Company had a working capital deficiency of $83,968 (June 30, 2016 - $79,071).

2. BASIS OF PRESENTATION

These consolidated financial statements, including comparative figures, have been prepared using accounting policies in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting standards Board ("IASB").

These consolidated financial statements have been prepared in Canadian dollars on a historical cost basis except for certain financial instruments which are measured at fair value. They include the previously wholly-owned U.S. subsidiary, Toro Resources Inc. ("TRI").

The issuance of these consolidated financial statements has been authorized by the Board of Directors on October 27, 2017.

2. BASIS OF PRESENTATION (Continued)

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for 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 on-going 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. See Note 4 for critical accounting estimates and judgments made by management in the application of IFRS.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements set out below have been applied consistently in all material respects.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its previously wholly-owned Nevada subsidiary, Toro Resources Inc. During the year ended June 30, 2017, the Company wound up this subsidiary, and therefore will no longer be a consolidated entity going forward.

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the net loss for the year by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

Cash and Cash Equivalents

Cash includes cash on hand and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to insignificant risk of change, with maturities within three months, held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. At June 30, 2017 and 2016 the Company held no cash equivalents.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and Evaluation Assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures for mineral properties

Once the legal right to explore a property has been acquired, exploration and evaluation expenditures are recognized and capitalized. Mineral exploration costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Once the technical feasibility and commercial viability of extraction of the mineral resources has been determined, the property is considered to be a property under development and is reclassified as such. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while those costs for the prospects abandoned are written off.

On an annual basis or when impairment indicators arise, the Company evaluates the future recoverability of its mineral property costs. Impairment losses or write-downs are recorded in the event the net book value of such assets exceeds the estimated indicated future cash flows attributable to such assets.

The recoverability of the amounts capitalized for the undeveloped mineral property is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, the title to its properties are in good standing.

Management’s capitalization of exploration and evaluation expenditures and assumptions regarding the future recoverability of such costs are subject to significant measurement uncertainty. Management’s assessment of recoverability is based on, among other things, the Company’s estimate of current mineral reserves and resources which are supported by geological estimates, estimated commodity prices, and the procurement of all necessary regulatory permits and approvals. These assumptions and estimates could change in the future and this could materially affect the carrying value and the ultimate recoverability of the amounts recorded for mineral properties.

Share-based Payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. The fair value determined at the grant date of the equity-settled share-based payments is expensed using the graded vesting method over the vesting period based on the Company’s estimate of shares that will eventually vest. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share-based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based Payments (Continued)

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

Income Taxes

Income tax expense is comprised of current and deferred tax. Current and deferred tax is recognized in the statement of net loss and comprehensive loss except to the extent that it relates to a business combination or items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current income taxes are the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets and liabilities are presented as non-current.

Impairment of Long-lived Assets

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in the statement of net loss and comprehensive loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-lived Assets (Continued)

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. 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 assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial assets in the following categories depending on the purpose for which the instruments were acquired: financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity investments, available for sale ("AFS") financial assets and loans and receivables.

The Company has classified cash as FVTPL.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of net loss and comprehensive loss.

Impairment losses on loans and receivables carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale financial instruments are not reversed.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at FVTPL, or other financial liabilities, as appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value.

The Company's financial liabilities include accounts payable and accrued liabilities and loan payable, which are classified as other financial liabilities. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

Rehabilitation Provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of tangible long-lived assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to the amount of the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset. The liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognition in the statement of net loss and comprehensive loss.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision.

The Company's estimates are reviewed at each reporting date for changes in regulatory requirements, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to the statement of net loss and comprehensive loss for the year.

Translation of Foreign Currencies

The functional currency of the Company's foreign subsidiary was the Canadian dollar, being the currency of the primary economic environment of the parent entity. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined and not subsequently restated.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of net loss and comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

(Expressed in Canadian Dollars) CSE: BWC

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

IFRS Standards, Amendments and Interpretations

Accounting standards issued but not yet effective

Effective for annual periods beginning on or after January 1, 2018:
- IFRS 9, Financial Instruments; and
- IFRS 16, Leases.

The Company has not early adopted this new standard to existing standards and does not expect the impact of this standard on the Company's consolidated financial statements to be material.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

i) The determination that the Company will continue as a going concern for the next year.

5. EXPLORATION AND EVALUATION ASSETS

Although the company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements and title may be affected by undetected defects.

	TAXCO	LA RONGE	TOTAL
	$	$	$
BALANCE, JUNE 30, 2015	**12,500**	**-**	**12,500**
ACQUISITION	**-**	**285,000**	**285,000**
BALANCE, JUNE 30, 2016	**12,500**	**285,000**	**297,500**
ACQUISITION	**-**	**-**	**-**
IMPAIRMENT	**(12,500)**	**(285,000)**	**(297,500)**
BALANCE, JUNE 30, 2017	**-**	**-**	**-**

La Ronge Gold Belt, Saskatchewan, Canada

In June 2016, the Company entered into a claim purchase agreement to acquire a 100% interest in 39 mineral claims in the La Ronge Gold Belt and the Flin Flon Greenstone Belt region of northern Saskatchewan. The Company accrued a $35,000 payment and issued 5,000,000 common shares at a value of $0.05 per share to Mr. Ross McElroy.

During the year ended June 30, 2017, the Company decided not to pursue this project. A loss on the write-down of this exploration and evaluation asset was recorded in the amount of $285,000.

5. EXPLORATION AND EVALUATION ASSETS (Continued)

Taxco Property, British Columbia, Canada

During the year ended June 30, 2014, the Company entered into an option agreement to acquire the Taxco property from 1002679 B.C. Ltd.

During the year ended June 30, 2017, the Company relinquished all rights to the Taxco property. In agreement with 1002679 B.C. Ltd., no further cash payments or share issuances are required, and no liability will be incurred going forward. A loss on the write-down of this exploration and evaluation asset was recorded in the amount of $12,500.

6. SHARE CAPITAL

a) Authorized:

Unlimited voting common shares without par value
Unlimited non-voting preferred shares with a par value of $1 each (none issued)

b) Issued and Outstanding - Common Shares:

Fiscal 2017

On March 20, 2017, the Company completed a non-brokered private placement of 3,800,000 units (“Units”) at a price of $0.05 per Unit for aggregate gross proceeds of $190,000. Each Unit was comprised of one common share (“Share”) and one Share purchase warrant of the Company (”Warrant”). Each Warrant entitles the holder to purchase one Share at an exercise price of $0.07 per Share for a period of 12 months. The Units are subject to a four month hold period expiring on July 18, 2017.

Fiscal 2016

During the year ended June 30, 2016, the Company issued 16,800,000 common shares in a debt settlement arrangement and issued 5,000,000 shares for the purchase of mineral properties.

On June 19, 2015, the Company consolidated its issued and outstanding share capital on the basis of one post consolidation share for five pre-consolidation shares.

c) Share Purchase Warrants

As at June 30, 2017, the Company had 3,800,000 share purchase warrants outstanding exercisable at $0.07 per share expiring on March 20, 2018.

(Expressed in Canadian Dollars) CSE: BWC

6. SHARE CAPITAL (Continued)

d) Stock Options

The Company has a stock option plan that provides for the issuance of stock options to its officers, directors, employees and consultants. Stock options must be non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to stock options may not exceed 10% of the issued shares of the Company at the time of granting and may not exceed 5% to any individual.

The exercise price of stock options is determined by the board of directors of the Company at the time of grant and may not be less than the closing market price of the Company's shares on the day immediately prior to the award date, less any discount which may be permitted by the exchange on which the Company is listed. Options have a maximum term of five years. Upon exercise of any stock options, consideration paid by the option holder together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

During the years ended June 30, 2017 and June 30, 2016, no stock options were granted.

No options are outstanding at June 30, 2017.

7. INCOME TAXES

The Company is subject to income taxes on its unconsolidated financial statements. The consolidated provision for income taxes varies from the amount that would be computed from applying the combined statutory income tax rates to the net loss before taxes. The income tax provision is approximately as follows:

	2017	2016
Combined statutory tax rate	**26%**	26%
Expected income tax recovery	**$ 124,700**	$ 49,500
Non-deductible differences	**(74,500)**	-
Unrecognized benefit of loss carry forwards	**(50,200)**	(49,500)
Income tax provision	**$ -**	$ -

The significant components of the company's deferred income tax assets were approximately as follows:

	2017	2016
Capital loss carryforwards	**$ 134,000**	$ 805,000
Exploration and evaluation assets	**37,000**	37,000
Non-capital loss carryforwards	**578,000**	-
Valuation allowance	**(749,000)**	(842,000)
Net deferred income tax asset	**$ -**	$ -

(Expressed in Canadian Dollars) CSE: BWC

7. INCOME TAXES (Continued)

As of June 30, 2017, the Company has Canadian non-capital losses of approximately $2,224,000 (2016 – $2,031,000). These losses may be carried forward and applied against taxable income in future years. These losses expire as follows:

	CANADA	
2026	$	33,000
2027		165,000
2028		139,000
2029		70,000
2030		138,000
2031		341,000
2032		218,000
2033		250,000
2034		235,000
2035		251,000
2036		191,000
2037		193,000
	$	2,224,000

The Company has resource pools of approximately $144,000 (2016 – $144,000) in Canada available to offset future taxable income. The tax benefit of these amounts is available for carry-forward indefinitely. The potential tax benefits of these items have not been recognized as realization is not considered likely.

United States resource pools which had previously been recognized are no longer available as TRI was dissolved during the year.

8. RELATED PARTY TRANSACTIONS

The following related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Unless otherwise noted, amounts due to and from related parties were non-interest bearing, unsecured and had no fixed terms of repayment.

(Expressed in Canadian Dollars) CSE: BWC

8. RELATED PARTY TRANSACTIONS (Continued)

In addition to those related party transactions disclosed elsewhere in the consolidated financial statements, the Company incurred the following transactions and balances:

a) Key management includes the CEO and CFO, who have authority and responsibility for planning, directing, and controlling the activities of the Company. During the year ended June 30, 2017 and 2016, the Company incurred the following expenses paid or payable to key management personnel and directors, and to companies with a common director or officer:

	YEARS ENDED JUNE 30, 2017	2016
Amounts paid or payable to key management personnel:		
Management fees	**$ 145,833**	$ **147,500**
Loan interest	**-**	**2,500**
	145,833	**150,000**
Amounts paid or payable to other related parties:		
Office expenses	**570**	**720**
Rent	**1,800**	**2,400**
	2,370	**3,120**
	$ 148,203	$ **153,120**

b) Included in accounts payable and accrued liabilities is $230,558 (June 30, 2016 – $74,375) payable to executives of the Company, and related corporations with related directors and executives.

c) On April 26, 2013, the Company secured an interim loan of $100,000 with interest of 5% per annum, calculated monthly, from RD Capital Inc. a company controlled by Dev Randhawa, Chairman and CEO. On May 21, 2013 the Company issued 400,000 pre-consolidation common shares to RD Capital Inc. as a loan bonus. The 400,000 pre-consolidation common shares were valued at $20,000. This loan was due on demand and was secured by a promissory note. The loan was repaid through a debt settlement agreement on March 21, 2016.

d) On March 21, 2016, debt settlement agreements were completed with key management personnel. 11,800,000 shares valued at $0.05 per share were issued to the CEO to settle debt comprised of a $100,000 loan payable and $490,000 of accrued management fees. 3,800,000 shares valued at $0.05 per share were issued to the CFO to settle debt of $190,000, comprised of accrued management fees.

e) In April 2016, RD Capital Inc. loaned the Company $25,000. The amount is non-interest bearing with no fixed terms of repayment. In January 2017, an additional $25,000 was loaned to the Company from RD Capital Inc. with the same terms. In March 2017, the Company repaid the loans.

9. COMMITMENTS AND CONTINGENCIES

On June 30, 2017, the Company entered into a letter of intent (the "LOI") with Hill Top Security Inc. ("HTSI"). Pursuant to the LOI, the Company and HTSI will execute a definitive agreement that replaces and supersedes the LOI. Pursuant to the LOI:

- The Company will acquire 49% of the issued and outstanding common shares of HTSI and certain of HTSI's assets (as defined) in two sequential closings. The selling shareholders will retain 45% of the post-issuance outstanding common shares of HTSI.
- At the first closing, the Company will acquire 487 shares (15%) of HTSI from a founder of HTSI by making an aggregate cash payment of $160,000 for the shares and the cancellation of a promissory note. HTSI will issue an additional 10% interest to the Company and the Company will pay HTSI $500,000.
- At the second closing, HTSI will issue an additional 24% interest to the Company, HTSI will sell certain assets to the Company, the Company will pay HTSI $1,500,000 and the Company will issue shares to the selling shareholders equal to an aggregate post-issuance interest of 45% of the Company.
- The Company will grant HTSI a perpetual, worldwide, royalty-free license in the assets and all inventions and improvements derived from the assets.
- The Company will advance $100,000 to HTSI towards the $500,000 noted above. If the LOI is terminated for cause (as defined) by the Company, the advance becomes a non-refundable deposit. If the LOI is terminated for any other reason, HTSI must repay the advance within five days of termination.
- The closing of the transaction is subject to specified conditions including all necessary regulatory approvals and the approval of the Canadian Stock Exchange (the "CSE").

Unless extended by mutual agreement, the LOI will terminate on the earlier of the execution date of the definitive agreement, December 22, 2017 and the date the transaction is rejected by the CSE or any other governmental authority and all avenues of appeal have been exhausted.

10. CAPITAL DISCLOSURES

The Company was formed for the purpose of acquiring exploration and development stage natural resource properties. The Board determines the Company's capital structure and makes adjustments to it based on funds available to the Company in order to support the acquisition, exploration and development of mineral properties. The Directors have not established quantitative return on capital criteria for capital management.

The Company does not generate any revenue, and accordingly, the Company will be dependent in the future upon external financing to fund future exploration programs and its administrative costs. The Company will spend existing working capital and raise additional amounts as needed.

The directors review their capital management approach on an ongoing basis and believe that this approach, given the relative size of the Company, is reasonable.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, assuring continued returns for shareholders and benefits for other stakeholders.

(Expressed in Canadian Dollars) CSE: BWC

10. CAPITAL DISCLOSURES (Continued)

The Company considers the items included in the statement of shareholders' equity (deficiency) as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company has no externally imposed capital requirements.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The Company has no assets or liabilities subject to fair value measurement on a recurring basis. For assets and liabilities measured at fair value on a non-recurring basis, the following table provides the fair value measures by level of valuation assumptions used:

	FAIR VALUE INPUT LEVEL	**YEAR ENDED JUNE 30, 2017**		YEAR ENDED JUNE 30, 2016	
		CARRYING AMOUNT	**ESTIMATED FAIR VALUE**	CARRYING AMOUNT	ESTIMATED FAIR VALUE
Financial Assets:					
Cash	1	**$ 138,026**	**$ 138,026**	$ 19,437	$ 19,437

Due to the relatively short-term nature of cash and accounts payable and accrued liabilities, the fair value of these instruments approximates their carrying value. Risk management is carried out by the Company's management team with guidance from the Board of Directors.

The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

a) Credit Risk

The Company's credit risk is primarily attributable to cash. Cash is held with one reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2017, the Company held cash of $138,026 (June 30, 2016 - $19,437) and had current liabilities of $231,418 (June 30, 2016 - $105,802). All of the Company's current liabilities, excluding amounts owed to related parties, have contractual maturities of less than 30 days and are subject to normal trade terms.

c) Market Risk

i) Interest Rate Risk

The Company has cash balances, and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

ii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar. Periodically the Company incurs charges to its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company does not participate in any hedging activities to mitigate any gains or losses which may arise as a result of exchange rate changes.

As at June 30, 2017, there are no financial assets and liabilities denominated in currencies other than the Canadian dollar.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

12. SUBSEQUENT EVENT

On July 17, 2017, the Company granted 3,000,000 stock options to various officers, directors and consultants. The options are exercisable at $0.45 per share and expire on July 17, 2019, and follow a vesting schedule whereby 10% of the options vest immediately and the remaining options vest in equal portions on the dates that are three, six, nine, twelve, fifteen and eighteen months after grant date.

Big Wind Capital Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2017

DeVISSERGRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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AUDITOR'S INTERIM REVIEW REPORT

November 29, 2017

To the Audit Committee of Big Wind Capital Inc.

Dear Sirs:

In accordance with our engagement letter dated November 22, 2017, we have performed an interim review of the statement of financial position of Big Wind Capital Inc. as at September 30, 2017 and the statement of net loss and comprehensive loss, cash flows and changes in equity (deficiency) for the three-month period ended September 30 2017. These financial statements are the responsibility of Big Wind Capital Inc.'s management.

We performed our interim review in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditor.

An interim review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements. Accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our interim review, we are not aware of any material modification that needs to be made for these interim financial statements to be in accordance with the International Financial Reporting Standards.

This report is solely for the use of the Audit Committee of Big Wind Capital Inc. to assist it in discharging its regulatory obligation to review these financial statements, and should not be used for any other purpose.

Yours truly,

De Visser Gray LLP

De Visser Gray LLP

Big Wind Capital Inc.
Condensed Interim Consolidated Statements of Financial Position
Expressed in Canadian Dollars

	Note	**September 30, 2017**	June 30, 2017
		$	$
Assets			
Current assets:			
Cash		**426,495**	138,026
Sales tax receivable		**9,929**	9,424
Advance on first closing	**7, 8**	**130,000**	-
		566,424	147,450
Exploration and evaluation assets	**5**	**-**	-
Total Assets		**566,424**	147,450
Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities	**7**	**265,749**	231,418
Promissory note payable	**7**	**124,800**	-
		390,549	231,418
Shareholders' Equity (Deficiency)			
Share capital	**6**	**3,519,955**	3,519,955
Share subscriptions received	**6**	**336,500**	-
Reserves		**276,691**	208,951
Deficit		**(3,957,271)**	(3,812,874)
		175,875	(83,968)
Total Liabilities and Shareholders' Equity (Deficiency)		**566,424**	147,450

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 8)
Subsequent Events (Note 11)

Approved on Behalf of the Board of Directors:

/s/ Devinder Randhawa — Director

/s/ Ross McElroy — Director

The accompanying notes are integral to these interim consolidated financial statements.

Big Wind Capital Inc.
Condensed Interim Consolidated Statements of Net Loss and Comprehensive Loss
Expressed in Canadian dollars

		For the three months ended	
		September 30, 2017	September 30, 2016
		$	$
General and administrative expenses			
Consulting and management fees	**7**	**41,000**	37,500
Office and administration	**7**	**7,280**	210
Professional fees		**29,239**	-
Public relations and communications		**885**	663
Regulatory fees		**1,500**	1,775
Rent	**7**	**-**	600
Transfer agent		**1,953**	965
Loss before other items		**(81,857)**	(41,713)
Other items – income (expense)			
Share-based payments	**6**	**(67,740)**	-
Foreign exchange gain on promissory note payable	**7**	**5,200**	-
		(62,540)	(41,713)
Net loss and comprehensive loss for the year		**(144,397)**	(41,713)
Basic and diluted loss per common share		**(0.00)**	(0.00)
Weighted average number of common shares outstanding		**30,439,727**	26,639,727

The accompanying notes are integral to these interim consolidated financial statements.

Big Wind Capital Inc.
Condensed Interim Consolidated Statements of Changes in Equity (Deficiency)
Expressed in Canadian Dollars

	Share Capital					
	Number of Shares	**Amount**	**Share Subscriptions Received**	**Reserves**	**Deficit**	**Total Shareholders' Equity (Deficiency)**
		$	$	$	$	$
Balance, June 30, 2016	26,639,727	3,329,955	-	208,951	(3,320,477)	218,429
Net loss for the period	-	-	-	-	(41,713)	(41,713)
Balance, September 30, 2016	26,639,727	3,329,955	-	208,951	(3,362,190)	176,716
Balance, June 30, 2017	**30,439,727**	**3,519,955**	**-**	**208,951**	**(3,812,874)**	**(83,968)**
Share subscriptions received	**-**	**-**	**336,500**	**-**	**-**	**336,500**
Share-based payments				**67,740**	**-**	**67,740**
Net loss for the period	**-**	**-**	**-**	**-**	**(144,397)**	**(144,397)**
Balance, September 30, 2017	**30,439,727**	**3,519,955**	**336,500**	**276,691**	**(3,957,271)**	**175,875**

The accompanying notes are integral to these interim consolidated financial statements.

Big Wind Capital Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended September 30, 2017 and 2016
Expressed in Canadian Dollars

	For the three months ended	
	September 30, 2017	September 30, 2016
	$	$
Cash (used in) provided by:		
Operating activities		
Net loss for the period	**(144,397)**	(41,713)
Non-cash items:		
Share-based payments	**67,740**	-
Foreign exchange gain on promissory note payable	**(5,200)**	-
Changes in non-cash working capital:		
(Increase) decrease in sales tax receivable	**(505)**	(2,078)
(Increase) decrease in prepaid expenses	**-**	125
Increase (decrease) in accounts payable and accrued liabilities	**34,331**	33,543
Net cash used by operating activities	**(48,031)**	(10,123)
Financing activities		
Proceeds from share subscriptions	**336,500**	-
Increase (decrease) in cash	**288,469**	(10,123)
Cash, beginning of period	**138,026**	19,437
Cash, end of period	**426,495**	9,314
Non-cash transactions:		
Advance of funds to HTSI of behalf of the Company	**130,000**	**-**

The accompanying notes are integral to these interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Big Wind Capital Inc., (the "Company" or "BWC"), formerly Toro Resources Corp., is a company incorporated on June 30, 2005 under the Business Corporation Act of British Columbia, Canada. The registered office of the Company is 700-595 Howe Street, Vancouver, British Columbia, V6C 2T5. The principle address and records office of the Company is 700-1620 Dickson Ave., Kelowna, British Columbia, V1Y 9Y2. The Company's shares are publicly listed on the Canadian Securities Exchange ("CSE") under the symbol "BWC". The Company formerly traded on the TSX-Venture Exchange under the symbol "TRK".

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in North America. The Company presently has no proven or probable reserves and on the basis of information to date, it has yet to determine whether these properties contain economically recoverable ore reserves.

On June 30, 2017, the Company entered into an LOI with HTSI (see Note 8).

These interim consolidated financial statements have been prepared by management on a going concern basis with the assumption that the Company will continue for the foreseeable future and will be able to meet its obligations to continue operations. Management has carried out an assessment of the going concern assumption and concludes that the continued operations of the Company are dependent upon equity financing and/or joint venturing project development as primary sources of funding. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The realized values of net assets may be significantly different from carrying values shown and these consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

The Company had a $144,397 net loss for the three months ended September 30, 2017 (September 30, 2016 - $41,713). The accumulated deficit recorded as at September 30, 2017 is $3,957,271 (June 30, 2017 - $3,812,874). As at September 30, 2017, the Company had a working capital of $175,875 (June 30, 2017 - $83,968 deficiency).

2. BASIS OF PRESENTATION

These interim consolidated financial statements, including comparative figures, have been prepared using accounting policies in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting standards Board ("IASB").

These consolidated financial statements have been prepared in Canadian dollars on a historical cost basis except for certain financial instruments which are measured at fair value. They include the previously wholly-owned U.S. subsidiary, Toro Resources Inc. ("TRI").

The issuance of these interim consolidated financial statements has been authorized by the Board of Directors on November 29, 2017.

2. BASIS OF PRESENTATION (Continued)

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for 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 on-going 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. See Note 4 for critical accounting estimates and judgments made by management in the application of IFRS.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements set out below have been applied consistently in all material respects.

Principles of Consolidation

These interim consolidated financial statements include the accounts of the Company and its previously wholly-owned Nevada subsidiary, Toro Resources Inc. During the year ended June 30, 2017, the Company wound up this subsidiary, and therefore will no longer be a consolidated entity going forward.

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the net loss for the year by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

Cash and Cash Equivalents

Cash includes cash on hand and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to insignificant risk of change, with maturities within three months, held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. At September 30, 2017 and June 30, 2017 the Company held no cash equivalents.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and Evaluation Assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures for mineral properties

Once the legal right to explore a property has been acquired, exploration and evaluation expenditures are recognized and capitalized. Mineral exploration costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Once the technical feasibility and commercial viability of extraction of the mineral resources has been determined, the property is considered to be a property under development and is reclassified as such. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while those costs for the prospects abandoned are written off.

On an annual basis or when impairment indicators arise, the Company evaluates the future recoverability of its mineral property costs. Impairment losses or write-downs are recorded in the event the net book value of such assets exceeds the estimated indicated future cash flows attributable to such assets.

The recoverability of the amounts capitalized for the undeveloped mineral property is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, the title to its properties are in good standing.

Management's capitalization of exploration and evaluation expenditures and assumptions regarding the future recoverability of such costs are subject to significant measurement uncertainty. Management's assessment of recoverability is based on, among other things, the Company's estimate of current mineral reserves and resources which are supported by geological estimates, estimated commodity prices, and the procurement of all necessary regulatory permits and approvals. These assumptions and estimates could change in the future and this could materially affect the carrying value and the ultimate recoverability of the amounts recorded for mineral properties.

Share-based Payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. The fair value determined at the grant date of the equity-settled share-based payments is expensed using the graded vesting method over the vesting period based on the Company's estimate of shares that will eventually vest. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share-based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based Payments (Continued)

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

Income Taxes

Income tax expense is comprised of current and deferred tax. Current and deferred tax is recognized in the statement of net loss and comprehensive loss except to the extent that it relates to a business combination or items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current income taxes are the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets and liabilities are presented as non-current.

Impairment of Long-lived Assets

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in the statement of net loss and comprehensive loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-lived Assets (Continued)

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. 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 assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial assets in the following categories depending on the purpose for which the instruments were acquired: financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity investments, available for sale ("AFS") financial assets and loans and receivables.

The Company has classified cash and advance on first closing as FVTPL.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of net loss and comprehensive loss.

Impairment losses on loans and receivables carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale financial instruments are not reversed.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at FVTPL, or other financial liabilities, as appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value.

The Company's financial liabilities include accounts payable and accrued liabilities and promissory note payable, which are classified as other financial liabilities. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

Rehabilitation Provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of tangible long-lived assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to the amount of the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset. The liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognition in the statement of net loss and comprehensive loss.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision.

The Company's estimates are reviewed at each reporting date for changes in regulatory requirements, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to the statement of net loss and comprehensive loss for the year.

Translation of Foreign Currencies

The functional currency of the Company's foreign subsidiary was the Canadian dollar, being the currency of the primary economic environment of the parent entity. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined and not subsequently restated.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of net loss and comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

(Expressed in Canadian Dollars) CSE: BWC

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

IFRS Standards, Amendments and Interpretations

Accounting standards issued but not yet effective

Effective for annual periods beginning on or after January 1, 2018:
- IFRS 9, Financial Instruments;
- IFRS 15, Revenue From Contracts with Customers; and
- IFRS 16, Leases.

The Company has not early adopted these new standards and does not expect the impact of these standards on the Company's consolidated financial statements to be material.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

i) The determination that the Company will continue as a going concern for the next year.

5. EXPLORATION AND EVALUATION ASSETS

Although the company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements and title may be affected by undetected defects.

	TAXCO	LA RONGE	TOTAL
	$	$	$
BALANCE, JUNE 30, 2015	**12,500**	**-**	**12,500**
ACQUISITION	**-**	**285,000**	**285,000**
BALANCE, JUNE 30, 2016	**12,500**	**285,000**	**297,500**
ACQUISITION	**-**	**-**	**-**
IMPAIRMENT	**(12,500)**	**(285,000)**	**(297,500)**
BALANCE, JUNE 30, 2017	**-**	**-**	**-**

La Ronge Gold Belt, Saskatchewan, Canada

In June 2016, the Company entered into a claim purchase agreement to acquire a 100% interest in 39 mineral claims in the La Ronge Gold Belt and the Flin Flon Greenstone Belt region of northern Saskatchewan. The Company accrued a $35,000 payment and issued 5,000,000 common shares at a value of $0.05 per share to Mr. Ross McElroy.

5. EXPLORATION AND EVALUATION ASSETS (Continued)

During the year ended June 30, 2017, the Company decided not to pursue this project. A loss on the write-down of this exploration and evaluation asset was recorded in the amount of $285,000.

Taxco Property, British Columbia, Canada

During the year ended June 30, 2014, the Company entered into an option agreement to acquire the Taxco property from 1002679 B.C. Ltd.

During the year ended June 30, 2017, the Company relinquished all rights to the Taxco property. In agreement with 1002679 B.C. Ltd., no further cash payments or share issuances are required, and no liability will be incurred going forward. A loss on the write-down of this exploration and evaluation asset was recorded in the amount of $12,500.

6. SHARE CAPITAL

a) Authorized:

Unlimited voting common shares without par value
Unlimited non-voting preferred shares with a par value of $1 each (none issued)

b) Issued and Outstanding - Common Shares:

For the three months ended September 30, 2017

On July 4, 2017, the Company announced it would raise no less than $1,000,000 at a price of $0.15 per common share. As at September 30, 2017, the Company had received $336,500 of funds intended for this private placement.

For the year ended June 30, 2017

On March 20, 2017, the Company completed a non-brokered private placement of 3,800,000 units (“Units”) at a price of $0.05 per Unit for aggregate gross proceeds of $190,000. Each Unit was comprised of one common share (“Share”) and one Share purchase warrant of the Company (”Warrant”). Each Warrant entitles the holder to purchase one Share at an exercise price of $0.07 per Share for a period of 12 months. The Units are subject to a four month hold period expiring on July 18, 2017.

c) Share Purchase Warrants

For the year ended June 30, 2017

As at September 30, 2017, the Company had 3,800,000 share purchase warrants outstanding exercisable at $0.07 per share expiring on March 20, 2018.

6. SHARE CAPITAL (Continued)

d) Stock Options

The Company has a stock option plan that provides for the issuance of stock options to its officers, directors, employees and consultants. Stock options must be non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to stock options may not exceed 10% of the issued shares of the Company at the time of granting and may not exceed 5% to any individual.

The exercise price of stock options is determined by the board of directors of the Company at the time of grant and may not be less than the closing market price of the Company's shares on the day immediately prior to the award date, less any discount which may be permitted by the exchange on which the Company is listed. Options have a maximum term of five years. Upon exercise of any stock options, consideration paid by the option holder together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

On July 17, 2017, the Company granted 3,000,000 stock options to various officers, directors and consultants. The options are exercisable at $0.45 per share and expire on July 17, 2019, and follow a vesting schedule whereby 10% of the options vest immediately and the remaining options vest in equal portions on the dates that are three, six, nine, twelve, fifteen and eighteen months after grant date. The weighted average fair value of $0.45 per stock option was determined using the Black-Scholes option pricing model using the following assumptions: share price on grant date of $0.41, expected life of stock option of 2 years, volatility of 111.14%, annual rate of dividends of 0.00% and a risk free rate of 0.66%. The Company recognized stock-based compensation of $67,740 during the period ended September 30, 2017.

During the period ended September 30, 2016 and the year ended June 30, 2017, no stock options were granted.

(Expressed in Canadian Dollars) CSE: BWC

7. RELATED PARTY TRANSACTIONS

The following related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Unless otherwise noted, amounts due to and from related parties were non-interest bearing, unsecured and had no fixed terms of repayment.

a) Key management includes the CEO and CFO, who have authority and responsibility for planning, directing, and controlling the activities of the Company. During the three months ended September 30, 2017 and 2016, the Company incurred the following expenses paid or payable to key management personnel and directors, and to companies with a common director or officer:

	Three Months Ended September 30,	
	2017	2016
Amounts paid or payable to key management personnel:		
Management fees	**$ 41,000**	$ **37,500**
Amounts paid or payable to other related parties:		
Office expenses	**-**	**180**
Rent	**-**	**600**
	-	**780**
	$ 41,000	$ **38,280**

b) Included in accounts payable and accrued liabilities is $227,598 (June 30, 2017 – $230,558) payable to executives of the Company, and related corporations with related directors and executives.

c) In April 2016, RD Capital Inc. loaned the Company $25,000. The amount is non-interest bearing with no fixed terms of repayment. In January 2017, an additional $25,000 was loaned to the Company from RD Capital Inc. with the same terms. In March 2017, the Company repaid the loans.

d) As part of LOI between the Company and HTSI, the Chief Executive Officer of the Company advanced USD$100,000 ($130,000) to HTSI on July 6, 2017. A promissory note for USD$100,000 was signed by the Company. The promissory note is unsecured, non-interest bearing, due on demand and can be repaid in whole or in part at any time without notice, penalty or bonus. At September 30, 2017, the balance payable was CDN $124,800. See Note 8.

8. COMMITMENTS AND CONTINGENCIES

On June 30, 2017, the Company entered into a letter of intent (the "LOI") with Hill Top Security Inc. ("HTSI"). Pursuant to the LOI, the Company and HTSI will execute a definitive agreement that replaces and supersedes the LOI. Pursuant to the LOI:

- The Company will acquire 49% of the issued and outstanding common shares of HTSI and certain of HTSI's assets (as defined) in two sequential closings. The selling shareholders will retain 51% of the post-issuance outstanding common shares of HTSI.
- At the first closing, the Company will acquire 487 shares (15%) of HTSI from a founder of HTSI by making an aggregate cash payment of USD $160,000 for the shares and the cancellation of a promissory note. The Company will then pay HTSI USD $500,000 and HTSI will issue an additional 10% interest to the Company.
- At the second closing, HTSI will issue an additional 24% interest to the Company, HTSI will sell certain assets to the Company, the Company will pay HTSI USD $1,500,000 and the Company will issue shares to the selling shareholders equal to an aggregate post-issuance interest of 45% of the Company.
- The Company will grant HTSI a perpetual, worldwide, royalty-free license in the assets and all inventions and improvements derived from the assets.
- The Company will advance USD $100,000 to HTSI *(paid July 6, 2017)* towards the USD $500,000 noted above. If the LOI is terminated for cause (as defined) by the Company, the advance becomes a non-refundable deposit. If the LOI is terminated for any other reason, HTSI must repay the advance within five days of termination.
- The closing of the transaction is subject to specified conditions including all necessary regulatory approvals and the approval of the Canadian Stock Exchange (the "CSE").

Unless extended by mutual agreement, the LOI will terminate on the earlier of the execution date of the definitive agreement, December 22, 2017 and the date the transaction is rejected by the CSE or any other governmental authority and all avenues of appeal have been exhausted.

9. CAPITAL DISCLOSURES

The Company was formed for the purpose of acquiring exploration and development stage natural resource properties. The Board determines the Company's capital structure and makes adjustments to it based on funds available to the Company in order to support the acquisition, exploration and development of mineral properties. The Directors have not established quantitative return on capital criteria for capital management.

The Company does not generate any revenue, and accordingly, the Company will be dependent in the future upon external financing to fund future exploration programs and its administrative costs. The Company will spend existing working capital and raise additional amounts as needed.

The directors review their capital management approach on an ongoing basis and believe that this approach, given the relative size of the Company, is reasonable.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, assuring continued returns for shareholders and benefits for other stakeholders.

9. CAPITAL DISCLOSURES (Continued)

The Company considers the items included in the statement of shareholders' equity (deficiency) as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company has no externally imposed capital requirements.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The Company has no assets or liabilities subject to fair value measurement on a recurring basis. For assets and liabilities measured at fair value on a non-recurring basis, the following table provides the fair value measures by level of valuation assumptions used:

	FAIR VALUE INPUT LEVEL	**Period Ended September 30, 2017**		Year Ended JUNE 30, 2017	
		CARRYING AMOUNT	**ESTIMATED FAIR VALUE**	CARRYING AMOUNT	ESTIMATED FAIR VALUE
Financial Assets:					
Cash	1	**$ 426,495**	**$ 426,495**	$ **138,026**	**$ 138,026**

Due to the relatively short-term nature of cash and accounts payable and accrued liabilities, the fair value of these instruments approximates their carrying value. Risk management is carried out by the Company's management team with guidance from the Board of Directors.

The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

a) Credit Risk

The Company's credit risk is primarily attributable to cash and advance on first closing. Cash is held with one reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk with respect to financial instruments is minimal.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2017, the Company held cash of $426,495 (June 30, 2017 - $138,026) and had current liabilities of $390,549 (June 30, 2017 - $231,418). All of the Company's current liabilities, excluding amounts owed to related parties, have contractual maturities of less than 30 days and are subject to normal trade terms.

c) Market Risk

i) Interest Rate Risk

The Company has cash balances, and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

ii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar. Periodically the Company incurs charges to its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company does not participate in any hedging activities to mitigate any gains or losses which may arise as a result of exchange rate changes.

As at September 30, 2017, there are no financial assets and liabilities denominated in currencies other than the Canadian dollar.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

11. SUBSEQUENT EVENTS

On November 5, 2017, the Company closed the first tranche of its July 4, 2017, previously announced private placement issuing 3,355,000 shares at $0.15 per share for gross proceeds of $503,250.

On October 19, 2017 and November 15, 2017, the Company received 2,000,000 and 1,000,000, respectively, in share purchase warrant exercises for gross proceeds of $210,000

On November 24, 2017, the Company closed the second tranche of its July 4, 2017, previously announced private placement issuing 3,290,247 shares at $0.15 per share for gross proceeds of $493,357.

On November 24, 2017, USD $600,000 was advanced to HTSI pursuant to the terms of the LOI.

SCHEDULE "B"

FINANCIAL STATEMENTS & MD&A OF HTSI

[See Attached.]

Hill Top Security, Inc.

Financial Statements

June 30, 2017 and 2016

(Expressed in United States dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Hill Top Security, Inc.

We have audited the accompanying financial statements of Hill Top Security, Inc., which comprise the statements of financial position as at June 30, 2017 and 2016 and the statements of comprehensive loss, changes in equity (deficiency) and cash flows for the years then ended 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 as issued by the International Accounting Standards Board 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 audit 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 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 Hill Top Security, Inc. as at June 30, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has limited working capital and is dependent upon its ability to generate revenue and secure new sources of financing. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
October 30, 2017

Hill Top Security, Inc.
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2017 AND 2016
(Expressed in U.S. dollars)

	Notes	2017	2016
		$	$
ASSETS			
Current			
Cash		**14,125**	6,534
Due from Amerifactors	4	**21,576**	-
Prepaid expenses and deposits		**4,965**	2,264
Deferred finance charge	8	**658**	1,317
		41,324	10,115
Equipment	5	**12,390**	17,481
Patent	6	**5,453**	5,453
		59,167	33,049
LIABILITIES			
Current			
Accounts payable and accrued liabilities		**29,546**	15,516
Accrued interest payable	7	**7,605**	-
Promissory notes payable	7	**190,000**	-
Wages payable		**22,120**	3,594
Current portion of finance contract payable	8	**8,389**	8,389
		257,660	27,499
Finance contract payable	8	**11,184**	19,573
		268,844	47,072
SHAREHOLDERS' DEFICIENCY			
Share capital	9	**70,725**	70,725
Reserves	9	**(31,377)**	-
Accumulated deficit		**(249,025)**	(84,748)
		(209,677)	(14,023)
		59,167	33,049

Corporate information and going concern (note 1)
Commitments and contingencies (note 12)
Events subsequent to the reporting period (note 16)

/s/ Corby Marshall
Corby Marshall, Director

/s/ *Neil Wright*
Neil Wright, Director

/s/ *Steve Baker*
Steve Baker, Director

/s/ *Tom Gilmore*
Tom Gilmore, Director

Hill Top Security, Inc.
STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016
(Expressed in U.S. dollars)

	Notes	2017 $	2016 $
REVENUE	13	**304,786**	409,104
DIRECT COSTS – wages, benefits and subcontract		**(116,083)**	(220,721)
GROSS PROFIT		**188,703**	188,383
EXPENSES			
Consulting fees	10	**37,050**	6,550
Depreciation	5	**5,091**	7,217
Factoring fees	4	**7,738**	13,507
Insurance		**4,575**	7,411
Interest – long-term debt	7,8	**8,264**	1,052
Interest – shareholder loans	10	**-**	2,485
Office and miscellaneous		**15,408**	13,406
Payroll processing fees		**8,265**	10,409
Professional fees		**25,871**	6,361
Rent		**-**	10,574
Travel		**10,889**	410
Wages and benefits	10	**229,829**	202,198
		352,980	281,580
NET LOSS AND COMPREHENSIVE LOSS		**(164,277)**	(93,197)
Basic and diluted loss per common share		**$ (72.79)**	$ (73.44)
Weighted average number of common shares outstanding		**2,257**	1,269

Hill Top Security, Inc.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016
(Expressed in U.S. dollars)

	Notes	2017 $	2016 $
OPERATING ACTIVITIES			
Net loss		**(164,277)**	(93,197)
Items not involving cash:			
Depreciation		**5,091**	7,217
Changes in non-cash working capital items:			
Accounts receivable		**-**	10,019
Due from Amerifactors		**(21,576)**	41,197
Prepaid expenses and deposits		**(2,701)**	5,462
Deferred finance charge		**659**	876
Accounts payable and accrued liabilities		**14,030**	3,538
Accrued interest payable		**7,605**	-
Wages payable		**18,526**	(26,544)
		(142,643)	(51,432)
INVESTING ACTIVITY			
Patent costs		**-**	(5,453)
FINANCING ACTIVITIES			
Proceeds from promissory notes payable		**160,000**	-
Repayment of finance contract payable		**(8,389)**	(8,389)
Proceeds from share issuance		**-**	50,000
Share issue costs		**-**	(1,325)
Repayment of shareholder loans		**-**	(6,370)
Legal fees paid to acquire own shares		**(1,377)**	-
		150,234	33,916
CHANGE IN CASH		**7,591**	(22,969)
CASH, BEGINNING OF YEAR		**6,534**	29,503
CASH, END OF YEAR		**14,125**	6,534
SUPPLEMENTARY DISCLOSURE OF NON-CASH ACTIVITIES:			
Common shares repurchased by issuing a promissory note	9	30,000	-
Shareholders’ loans converted to common shares	9	-	22,050

The accompanying notes are integral to these annual financial statements

Hill Top Security, Inc.
STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016
(Expressed in U.S. dollars)

	Share Capital		Reserves			
	Number of Shares	Amount $	Own Shares $	Shared-based Payments $	Accumulated Retained Earnings (Deficit) $	Total Equity (Deficiency) $
As at June 30, 2015	**1,000**	**-**	**-**	**-**	**8,449**	**8,449**
Share issuance - private placement	244	50,000	-	-	-	50,000
Share issue costs	-	(1,325)	-	-	-	(1,325)
Conversion of shareholders' loans	1,200	22,050	-	-	-	22,050
Net loss for the year	-	-	-	-	(93,197)	(93,197)
As at June 30, 2016	**2,444**	**70,725**	**-**	**-**	**(84,748)**	**(14,023)**
Own shares acquired (i)	(250)	-	(30,000)	-	-	(30,000)
Legal fees paid to acquire own shares	-	-	(1,377)	-	-	(1,377)
Share issuance – award grant (ii)	650	-	-	-	-	-
Net loss for the year	-	-	-	-	(164,277)	(164,277)
As at June 30, 2017	**2,844**	**70,725**	**(31,377)**	**-**	**(249,025)**	**(209,677)**

(i) As these shares are no longer outstanding they have been excluded, on a weighted average basis, from the loss per share calculation.
(ii) The effective date of the award grant was June 26, 2017. Accordingly, none of the shares had vested as at June 30, 2017 and they have been excluded from the loss per share calculation.

1. CORPORATE INFORMATION AND GOING CONCERN

Hill Top Security, Inc. (the "Company") was incorporated on August 9, 2010 under the laws of the state of Georgia. The Company addresses the need for affordable and comprehensive cybersecurity monitoring by providing the Vauban platform to help small and medium businesses manage, detect and respond to cybersecurity threats. The address of the company's corporate office is 43274 Ardmore Street, Ashburn, Virginia, 20147, USA.

On June 30, 2017, the Company entered into an LOI with BWC (see note 12).

These financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet all of its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company has incurred losses since its inception and has an accumulated deficit of $249,025 at June 30, 2017. The Company has a need for financing for working capital and to continue the development of its business. The ability of the Company to continue as a going concern is dependent upon the continued financial support of its shareholders, other investors and lenders and the successful development of the Company's business plan. These factors indicate the existence of a material uncertainty that raises significant doubt about the Company's ability to continue as a going concern.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenue and expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. BASIS OF PREPARATION AND MEASUREMENT

a) Statement of compliance

These financial statements have been prepared 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").

These financial statements were approved and authorized for issue by the Board of Directors on October 30, 2017.

b) Basis of measurement

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 or available-for-sale, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

c) Presentation and functional currency

The functional currency of the Company is the United States dollar and, unless otherwise specified, all dollar amounts in these financial statements are expressed in United States dollars. The functional currency is the currency of the primary economic environment in which the Company operates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise indicated.

Significant accounting judgments and estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout these financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The determination that the Company will continue as a going concern for the next year.

Cash and cash equivalents – The Company considers deposits with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less when acquired to be cash equivalents. The Company did not have any cash equivalents at June 30, 2017 and 2016.

Equipment - Equipment is recorded at cost less accumulated depreciation. Depreciation is calculated using the declining balance method as follows:

Furniture and fixtures	20%
Vehicle	30%

In the year of acquisition, one-half of the above rates is used.

Intangible assets - Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive loss when the asset is derecognized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company's patent will be amortized over the shorter of the legal life of the patent or its estimated useful economic life (see note 16).

Long-lived assets and impairment - The Company evaluates, on an ongoing basis, the carrying value of equipment, patent and other assets for indications of impairment at each statement of financial position date. If indications of impairment exist, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. 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 assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Income taxes - The Company accounts for and measures deferred tax assets and liabilities in accordance with the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively-enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the date of enactment or substantive enactment of the change. When the future realization of income tax assets does not meet the test of being more likely than not to occur, no net asset is recognized. Accordingly, the Company's accounting policy for deferred income taxes currently has no effect on the financial statements of any of the fiscal periods presented.

Share capital - Common shares issued for non-monetary consideration are recorded at their fair market value on the date of share issuance. Costs incurred to issue shares are deducted from share capital.

Revenue recognition - The Company provides services pursuant to time-based contracts entered into with commercial and government clients. Revenues are recognized in the period in which the services are provided, when the amount of revenue can be reliably measured and collectability is reasonably assured.

Share-based payment transactions - The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings (loss) per share - The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted earnings (loss) per share are calculated in a manner similar to that used to calculate basic earnings (loss) per share except that the weighted average shares outstanding are increased to include the additional shares resulting from the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. Diluted loss per share does not adjust the loss attributed to common shareholders or the weighted average number of common shares outstanding when the effect of such adjustments is anti-dilutive.

Provisions - Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation.

Related party transactions - Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Financial instruments - All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available-for-sale, loans and receivables or at fair value through profit or loss (“FVTPL”). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities. Financial instruments comprise cash, due from Amerifactors, accounts payable and accrued liabilities, accrued interest payable, promissory notes payable, wages payable and finance contract payable. At initial recognition management has classified financial assets and liabilities as follows:

a) Financial assets

The Company has classified due from Amerifactors as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant amounts are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Loans and receivables are measured at amortized cost using the effective interest method.

The Company has classified cash as FVTPL. A financial instrument is classified as FVTPL if it is held for trading or is designated as such upon initial recognition. Financial instruments classified as FVTPL are measured at fair value and changes therein are recognized in profit or loss.

b) Financial liabilities

The Company has classified accounts payable and accrued liabilities, accrued interest payable, promissory notes payable, wages payable and finance contract payable as other financial liabilities. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

Recent Accounting Pronouncements - Numerous new standards, amendments and interpretations to existing standards have been issued but are not yet effective. Below is the list of new standards that are likely to be relevant to the Company. However, management has yet to assess the impact on the Company’s operations and financial position:

(Expressed in U.S. dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standard	Title	Applicable for Financial Years Beginning On/After
IFRS 9	Financial instruments	January 1, 2018
IFRS 15	Revenue from contracts with customers	January 1, 2018
IFRS 16	Leases	January 1, 2019
IAS 1	Presentation of financial statements (amendments)	January 1, 2017
IAS 7	Statement of cash flows (amendments)	January 1, 2017

4. DUE FROM AMERIFACTORS

On September 18, 2014, the Company entered into a factoring agreement (the "FA") with Amerifactors Financial Group, LLC ("AFG"). Pursuant to the FA, and subject to a specified volume requirement, the Company sells certain of its accounts receivable to AFG. Title and ownership of an account (as defined) vests in AFG and AFG assumes the credit risk and responsibility for the inability of a customer to pay on the date an account is approved and accepted for purchase by AFG. Upon approval, AFG pays the Company initial consideration of 85% of the net sale amount (as defined). When the account has been collected, AFG pays additional conditional consideration, ranging from 13% to 3%, based on the time required to collect the account. The FA had an initial one-year term and automatically renews from year to year until terminated in writing by either party. Any indebtedness to AFG that may arise pursuant to the FA is secured by a security interest in all of the Company's current and future assets and property and by four personal guarantees granted by officers of the Company.

5. EQUIPMENT

The following is a summary of equipment as at June 30, 2017 and 2016:

	Furniture $	Vehicle $	Total $
Cost			
As at June 30, 2015	2,996	38,288	41,284
Additions	-	-	-
As at June 30, 2016	2,996	38,288	41,284
Additions	-	-	-
As at June 30, 2017	2,996	38,288	41,284
Accumulated Depreciation			
As at June 30, 2015	1,078	15,508	16,586
Depreciation	383	6,834	7,217
As at June 30, 2016	1,461	22,342	23,803
Depreciation	307	4,784	5,091
As at June 30, 2017	1,768	27,126	28,894
Carrying Amounts			
As at June 30, 2016	1,535	15,946	17,481
As at June 30, 2017	1,228	11,162	12,390

(Expressed in U.S. dollars)

6. PATENT

On July 13, 2016, the Company filed a provisional U.S. patent application entitled "Incident Management and Response System ("IMRS"). During the year ended June 30, 2016, the Company incurred $5,453 in connection with the provisional patent application process. The following tables provide information regarding the provisional patent as at June 30, 2017 and 2016:

	June 30, 2017		
	Gross Carrying Amount $	Accumulated Amortization $	Net Carrying Amount $
U.S. provisional patent	5,453	-	5,453

	June 30, 2016		
	Gross Carrying Amount $	Accumulated Amortization $	Net Carrying Amount $
U.S. provisional patent	5,453	-	5,453

Subsequent to the year ended June 30, 2017, the Company filed a U.S. patent application at which time the provisional patent application expired (see note 16).

7. PROMISSORY NOTES PAYABLE

The following is a summary of promissory notes payable as at June 30, 2017 and 2016:

	June 30, 2017 $	June 30, 2016 $
Promissory notes:		
Promissory note 1 (i)	30,000	-
Promissory note 2 (ii,vi)	80,000	-
Promissory note 3 (iii,vi)	80,000	-
	190,000	-
Less current portion (v):	(190,000)	-
	-	-

The Company entered into promissory notes ("PNs") as follows:

i. On September 30, 2016, a PN in the amount of $30,000 (see note 9). This PN is unsecured, bears interest at 0.66% per annum, payable at maturity, and matures on September 30, 2017.

ii. On November 14, 2016, a convertible PN in the amount of $80,000. This PN is unsecured, bears interest at 8% per annum, payable at maturity or on conversion, and matures on September 1, 2018 unless sooner converted. If the Company issues and sells common or preferred shares in a qualified financing (as defined) with total proceeds to the Company of not less than $2,000,000 (excluding the conversion of PNs or other debt) then the outstanding principal balance plus all unpaid accrued interest automatically converts into the type of shares purchased by the investors at the conversion price (as defined). The issuance of common or preferred shares pursuant to the conversion of the PN shall be upon and subject to the same terms and conditions applicable to the shares sold in the qualified financing. If the conversion price of the PN is less than the price per share at which the common or preferred shares are issued in the

7. PROMISSORY NOTES PAYABLE (continued)

qualified financing, the Company may, at its option, elect to convert the PN into shares of a newly created series of preferred shares having the same rights, privileges, preferences and restrictions as the shares issued in the qualified financing subject to certain modifications.

If there is a change of control (as defined) and the PN has not been repaid in full or converted, then the outstanding principal balance and all unpaid accrued interest shall be repaid together with a repayment premium equal to 100% of the then outstanding principal balance unless the holder elects to convert the outstanding principal balance and unpaid accrued interest into common shares of the Company at the conversion price (as defined).

If there is a default event (as defined), the PN shall accelerate and all principal and unpaid accrued interest shall become due and payable at the option of the holder.

iii. On January 25, 2017, a convertible PN in the amount of $80,000. This PN is unsecured, bears interest at 10% per annum, payable at maturity or on conversion, and matures on September 1, 2018 unless sooner converted. If the Company issues and sells common or preferred shares in a qualified financing (as defined) with total proceeds to the Company of not less than $2,000,000 (excluding the conversion of PNs or other debt) then the outstanding principal balance plus all unpaid accrued interest automatically converts into the type of shares purchased by the investors at the conversion price (as defined). If the Company issues and sells common or preferred shares in a non-qualified financing, the conversion shall be at the option of the holder at the time of the current, or a subsequent, sale.

If there is a change of control (as defined) and the PN has not been repaid in full or converted, then the outstanding principal balance and all unpaid accrued interest shall, at the option of the holder, become immediately due and payable, be converted into liquidity consideration (as defined) if it has been converted into common shares of the Company or become due and payable in part with the remainder converted into liquidity consideration. If the PN has not previously been converted, then upon the earliest of the maturity date or immediately prior to the change of control, the outstanding principal balance and unpaid accrued interest shall be convertible, at the option of the holder, into common shares of the Company at the conversion price (as defined).

If there is a default event (as defined), at the option and declaration of the supermajority purchasers, the PN shall accelerate and all principal and unpaid accrued interest shall become due and payable with prior written consent of the holder.

If the Company issues any additional convertible debt, the Company must provide the holder with a copy of any agreement, PN or other instrument evidencing the terms of the convertible debt and the terms of the PN shall automatically be modified, if applicable, as described.

See note 12.

iv. These convertible PNs are compound financial instruments with the carrying amount at inception being allocated between the fair values of the liability and equity components. The fair value of the equity component was determined to be negligible and, accordingly, the entire carrying amount was allocated to the liability component.

v. $10,000 on PN 1 was repaid subsequent to year end (see note 16). It is management's expectation that PN 2 will be repaid and PN 3 will be converted during the year ended June 30, 2018 (see note 12).

Interest of $7,605 (2016 – $nil) is included in "Interest – long-term debt" in the statements of comprehensive loss.

(Expressed in U.S. dollars)

8. FINANCE CONTRACT PAYABLE

The Company entered into a finance contract to purchase a 2013 RAM 1500 pickup truck in July 2013. The finance contract is secured by a security interest in the truck, bears interest at 2.85% per annum and matures on November 24, 2020. Interest of $659 (2016 – $1,052) is included in “Interest – long-term debt” in the statements of comprehensive loss.

As at June 30, 2017, the scheduled principal payments during the next three years are as follows:

	$
2018	8,389
2019	8,389
2020	2,795
	19,573
Amount representing interest at 2.85%	(658)
Balance excluding deferred finance charge	18,915

9. SHARE CAPITAL AND RESERVES

Authorized

At June 30, 2017, the authorized share capital of the Company was comprised of 100,000 (June 30, 2016 – 100,000) common shares without par value.

Share issuances

Year ended June 30, 2017

On May 30, 2017, the Company awarded and issued 650 restricted common shares to the CEO of the Company pursuant to an EEA (see note 12). These shares vest, subject to his continued employment, in 36 equal monthly instalments. If there is a change of control (as defined), any remaining unvested shares will vest immediately. Management determined that the best estimate of fair market value of the shares awarded was adjusted book value on the date of grant. Accordingly, there is no compensation cost associated with these shares.

Year ended June 30, 2016

On April 23, 2016, the Company issued 244 common shares pursuant to a CSPA for aggregate cash consideration of $50,000 and in-kind consideration of participation in the MACH37 Cyber Security Accelerator Program (see note 12). No value was ascribed to the in-kind consideration because management was not able to determine, with any amount of reasonableness, the fair value of participation in the program. $1,325 in legal fees was paid as part of the financing. This amount is included in share issue costs.

On April 23, 2016, the Company issued 1,200 common shares on the conversion of shareholders' loans totalling $22,050 into equity. See note 10.

9. SHARE CAPITAL AND RESERVES (continued)

Share repurchases

Year ended June 30, 2017

On September 30, 2016, the Company entered into a common stock repurchase agreement (the “CSRA”) with a founding shareholder of the Company. Pursuant to the CSRA, the Company repurchased 250 outstanding common shares for an aggregate purchase price of $30,000. The purchase price was paid in the form of a promissory note (see note 7 i). The price paid for these treasury shares has been deducted from equity in the statements of changes in equity (deficiency). $1,377 in legal fees was paid as part of the repurchase. This amount has been deducted from equity. Pursuant to the CSRA, the Company has indemnified the seller as a guarantor on the outstanding finance contract until such time as he has been replaced as guarantor (see note 8).

Share-based compensation

On January 25, 2016, the Company established an equity incentive plan (the “EIP”). Pursuant to the EIP, the Company was authorized to grant incentive stock options to any employee, consultant or advisor. The Company entered into incentive stock option agreements with two consultants. Each option entitled the consultant to purchase 150 common shares of the Company at a price of $0.01 per share. Soon after the options were granted, the consultants left for other positions and the options were cancelled. Accordingly, no share-based payments expense was recorded for these options. The EIP was terminated on March 22, 2016.

On March 25, 2016, the Company established the 2016 Equity Compensation Plan (the “ECP”) as a requirement of the CSPA. The purpose of the ECP is to provide designated employees who are officers or directors, certain consultants and advisors and non-employee directors with the opportunity to receive grants of incentive stock options, non-qualified stock options, stock awards, stock units, stock appreciation rights and other equity-based awards. The ECP is administered by a committee of the board of directors with the board approving and administering all grants made to non-employee directors. The committee has the sole authority to determine individuals eligible for grants, when grants are made, the type, size and term of grants, the duration of any applicable exercise or restriction period, including the criteria for exercisability and the acceleration of exercisability and to amend the terms of any previously issued grant. Pursuant to the ECP:

- An aggregate of 305 Class A voting shares of the Company may be issued.
- The exercise price may be equal to or greater than the fair market value (as defined) of a share of the Company on the date of grant.
- The term of any option may not exceed 10 years from the date of grant unless it is an incentive stock option granted to an employee owning shares having greater than 10% of the combined voting power of all classes of shares, in which case it may not exceed five years.
- The exercise price can be paid by any method approved by the committee.
- Prior to a public offering, if an individual wishes to sell or otherwise dispose of shares of the Company, the Company has the right of first refusal to purchase the shares at the same price and on the same terms as offered to a potential buyer. At the committee’s discretion, the Company may pay the purchase price in instalments not to exceed five years.
- Upon a change of control (as defined), outstanding options and stock appreciation rights don’t accelerate or otherwise become exercisable and there is no accelerated vesting of outstanding stock awards, stock units or other equity awards unless the committee determines otherwise.

(Expressed in U.S. dollars)

10. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2017 and 2016, the Company had the following the following related party transactions:

- Paid $nil (2016 - $2,485) in interest on loans payable to founding shareholders (see note 9).

Compensation of Key Management Personnel

The company incurred the following expenses in connection with compensation of key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and include the Chief Executive Officer, Chief Operating Officer, Chief Technology Officer and Chief Innovation Officer.

Amounts paid to key management personnel during the years ended June 30, 2017 and 2016 are as follows:

	2017 $	2016 $
Consulting fees	30,000	-
Wages and benefits	152,443	145,155
Total key management personnel	182,443	145,155

See note 12 for the CSPA involving a founding shareholder of the Company.

11. INCOME TAXES

The tax effects of temporary differences between amounts recorded in the Company's accounts and the corresponding amounts as computed for income tax purposes give rise to deferred tax assets as follows:

	2017 $	2016 $
Equipment	(2,034)	(3,953)
Tax loss carry-forwards	257,000	95,000
Total unrecognized deferred tax assets	254,966	91,047

The tax reconciliation of the income tax expense for the year is as follows:

	2017 $	2016 $
Net loss for the year	(164,277)	(93,197)
Expected income tax recovery at 34.8%/26.92%	(57,175)	(25,089)
Effect of deductible and non-deductible expenses	686	805
Deferred tax assets not recognized	56,489	24,284
Income tax expense for the year	-	-

(Expressed in U.S. dollars)

11. INCOME TAXES (continued)

At June 30, 2017, the Company had accumulated non-capital losses for United States income tax purposes totalling approximately $257,000. The losses expire as follows:

	$
2034	5,000
2035	-
2036	90,000
2037	162,000
	257,000

12. COMMITMENTS AND CONTINGENCIES

On April 20, 2016, the Company entered into a common stock purchase agreement (the "CSPA") with MACH37 LLC ("MACH37") and a founder of the Company. Pursuant to the CSPA, MACH37 agreed to purchase 244 common shares of the Company (see note 9). As at the date of the CSPA, the 244 shares constituted 8% of the Company's issued common shares and the shares authorized for issuance under the Company's ECP. If the Company sells and issues additional equity securities, excluding any shares issued to employees or consultants pursuant to any equity compensation plan, MACH37 has the right to purchase its pro-rata portion of the additional shares on substantially identical terms of the then current issue to maintain its 8% ownership interest. MACH37 can assign this right by giving the Company notice. Pursuant to the CSPA:

- If the Company raises funds by offering preferred shares, including through the issuance of convertible promissory notes, MACH37 has the right to convert its common shares into preferred shares on a one-for-one basis. If funds are raised by issuing convertible promissory notes offering a discount on conversion, MACH37 will be offered a matching conversion discount.
- MACH37 is entitled to select a representative having an observer role on the Company's board of directors until the Company has raised $3,000,000 in external financing.
- If, within 24 months, the Company fails to establish and maintain a significant presence within the Commonwealth of Virginia it will pay liquidated damages of $50,000 on demand.
- If, within 36 months, the Company accepts any direct or indirect funding from a publicly-funded economic development or company attraction entity requiring the temporary or permanent relocation of its headquarters, or any member of its senior management team, outside of the Commonwealth of Virginia it will pay a penalty of $150,000.

MACH37's approval rights (as specified) terminate when the Company completes an equity financing pursuant to which it sells preferred shares having an aggregate sales price of at least $3,000,000, including any convertible promissory notes that are converted into preferred shares and the board of directors includes at least one non-founding member who participated in the financing. The CSPA will terminate on the first to occur of the closing of the first sale of common shares of the Company to the general public or on the closing date of a change of control (as defined).

On October 12, 2016, the Company entered into a consulting agreement (the "CA") with a private company. Pursuant to the CA, the company, through its principal, acted as an advisor to and the Chief Operating and Chief Marketing Officers of the Company and received a consulting fee of $10,000 per month (see note 10). The CA was terminated on January 18, 2017.

12. COMMITMENTS AND CONTINGENCIES (continued)

On January 25, 2017, the Company entered into a note purchase agreement (the "NPA") for the purpose of obtaining a maximum aggregate loan amount of $750,000. Pursuant to the NPA:

- One purchaser (the Center for Innovative Technology ("CTI")) loaned the Company $80,000 against the issuance of a convertible promissory note (see note 7 iii)).
- If the Company and the purchaser(s) mutually agree, additional notes can be issued up to the difference between $750,000 and the aggregate principal amount of previously issued notes.
- If the Company issues and sells shares of its securities (as defined) to investors in a financing, purchasers have a right of first refusal to purchase a share of all Company securities that the Company proposes to sell and issue, excluding common shares issuable pursuant to stock purchase or stock option plans or other arrangements and securities issuable pursuant to currently outstanding convertible securities.
- If the Company proceeds with a financing involving any Company securities within six months after the repayment or conversion of a purchaser's note, the purchaser has the opportunity to participate in the financing on a right of first refusal basis.

On January 25, 2017, the Company entered into a side letter agreement (the "SLA") with CTI to accompany the convertible promissory note and the NPA (see note 7 iii)). Pursuant to the SLA, if the Company fails to maintain its status as a Virginia company (as defined) at any time until January 25, 2020, the following additional rights also apply:

- If the PN has not previously been converted or pre-paid, upon any equity financing CTI has the right to convert the PN into the Company's equity securities in the financing at a 50% discount.
- At any time during the term of the PN, including any extensions, CTI has the right to convert the PN into common shares of the Company at a fully-diluted pre-money valuation of $1,500,000 and the right to demand repayment of outstanding principal and accrued interest in cash.
- If the PN was previously converted into the Company's securities, then an additional fee of $80,000 immediately becomes due and payable to CTI and CTI retains any of the securities that it holds.
- If the Company accepts any direct or indirect funding from a state economic development agency requiring temporary or permanent location of the Company's headquarters, or any member of the Company's senior management, outside of the Commonwealth of Virginia before January 25, 2020, the Company is required to pay a penalty of $160,000 regardless of whether CTI holds debt or equity of the Company. If this provision is triggered, all other provisions of the SLA remain in force.

On June 26, 2017, the Company entered into an executive employment agreement (the "EEA") with the Chief Executive Officer ("CEO") of the Company. Pursuant to the EEA, the CEO is entitled to receive the following compensation in addition to his base salary:

- Annual earnings bonus – an annual cash bonus of up to $140,000 at the Company's sole option. Whether or not the CEO earns all, or a portion, of the bonus is dependent upon continuous employment with the Company to the date any bonus is paid and the extent to which the achievement of one or more of the six individual performance milestones (as defined) is determined to have been achieved. For the purpose of determining bonus eligibility, performance is measured on a calendar year basis. In the event that the following revenue criteria are achieved, the CEO's base salary and bonus increase by 40%.
- Revenue achievement bonus – if the Company realizes at least $2,000,000 of gross revenue on or before June 26, 2018, the CEO is also eligible for a one-time achievement bonus equal to 10% of the gross revenue in excess of $2,000,000.
- Restricted stock – the CEO received 650 restricted shares of the Company's common stock (see note 9).

The EEA can be terminated by either party at any time with or without cause. If termination is for any reason other than cause, the CEO is entitled to receive severance pay equal to his then current base salary for a period of six months.

12. COMMITMENTS AND CONTINGENCIES (continued)

On June 30, 2017, the Company entered into a letter of intent (the "LOI") with Big Wind Capital Inc. ("BWC"). Pursuant to the LOI, the Company and BWC will execute a definitive agreement that replaces and supersedes the LOI. Pursuant to the LOI:

- BWC will acquire 49% of the issued and outstanding common shares of the Company and certain of the Company's assets (as defined) in two sequential closings. The selling shareholders will retain 51% of the post-issuance outstanding common shares of the Company.
- At the first closing, BWC will acquire 487 shares (15%) of the Company from a founder of the Company by making an aggregate cash payment of $160,000 for the shares and the cancellation of a PN (see note 7 ii), the Company will issue an additional 10% interest to BWC and BWC will pay the Company $500,000.
- At the second closing, the Company will issue an additional 24% interest to BWC, the Company will sell certain assets to BWC, BWC will pay the Company $1,500,000 and BWC will issue shares to the selling shareholders equal to an aggregate post-issuance interest of 45% of BWC.
- BWC will grant the Company a perpetual, worldwide, royalty-free license in the assets and all inventions and improvements derived from the assets.
- BWC will advance $100,000 to the Company towards the $500,000 noted above (see note 16). If the LOI is terminated for cause (as defined) by BWC, the advance becomes a non-refundable deposit. If the LOI is terminated for any other reason the Company must repay the advance within five days of termination.
- The closing of the transaction is subject to specified conditions including all necessary regulatory approvals and the approval of the Canadian Stock Exchange (the "CSE").

Unless extended by mutual agreement, the LOI will terminate on the earlier of the execution date of the definitive agreement, December 22, 2017 and the date the transaction is rejected by the CSE or any other governmental authority and all avenues of appeal have been exhausted.

13. REVENUE

Included in revenue for the year ended June 30, 2017 is a $25,000 award received from the Virginia Small Business Financing Authority pursuant to a business plan competition.

14. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of components of shareholders' equity. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market risk
- Credit risk
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

General Objectives, Policies, and Processes

The Board of Directors of the Company has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to senior management. The overall objective of the Board of Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk. The Company is not currently exposed to foreign currency risk, interest rate risk or commodity price risk. The Company's promissory notes payable bear interest at fixed rates of 0.66%, 8% and 10% and the finance contract payable bears interest at a fixed rate of 2.85% (see notes 7 and 8).

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk are cash and due from Amerifactors. The carrying amount of these financial assets represents the maximum credit exposure. Cash is maintained with a financial institution of reputable credit and may be redeemed upon demand. Management considers the credit risk associated with the amount due from Amerifactors to be negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company prepares annual capital expenditure budgets which are regularly monitored and updated as considered necessary.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other amounts

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Determination of Fair Value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – 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); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash is the only financial instrument on the statement of financial position measured at fair value.

16. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On July 5, 2017, the Company received $100,000 from a company controlled by the CEO of BWC.

On July 12, 2017, the Company filed a U.S. patent application titled "Computerized System and Method for Providing Cybersecurity Detection and Response Functionality". The Company incurred $12,316 in connection with the patent application process.

On September 1, 2017, the Company issued 250 common shares for gross proceeds of $100,000.

On September 18, 2017, the Company repaid $10,000 on a promissory note payable (see note 7 i).

On September 21, 2017, the Company received $100,000 as an initial instalment on a work contract from a public company that the CEO of BWC is CEO of.

On October 27, 2017, the Company entered into a non-qualified stock option agreement with a consultant. The option entitles the consultant to purchase 126 common shares of the Company at a price of $400 per share until October 26, 2027. 25% of the options vest on the first anniversary of the grant date with the remainder vesting at 1/48 per subsequent calendar quarter. If the consultant's continuous service is terminated for any reason other than cause, death or disability, the vested portion of the option may be exercised on the earlier of three months following termination or the expiration date.

Hill Top Security, Inc.

Interim Financial Statements

For the Three Months Ended September 30, 2017

(Expressed in United States dollars)

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AUDITOR'S INTERIM REVIEW REPORT

December 19, 2017

To the Management of Hill Top Security, Inc.

Dear Sirs:

In accordance with our engagement letter dated November 23, 2017, we have performed an interim review of the statement of financial position of Hill Top Security, Inc. as at September 30, 2017 and the statements of comprehensive loss, cash flows and changes in deficiency for the three month period ended September 30 2017. These financial statements are the responsibility of Hill Top Security, Inc.'s management.

We performed our interim review in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditor.

An interim review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements. Accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our interim review, we are not aware of any material modification that needs to be made for these interim financial statements to be in accordance with the International Financial Reporting Standards.

This report is solely for the use of management of Hill Top Security, Inc. to assist it in discharging its regulatory obligation to review these financial statements, and should not be used for any other purpose.

Yours truly,

De Visser Gray LLP

De Visser Gray LLP

Hill Top Security, Inc.
INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in U.S. dollars)

	Notes	September 30, 2017	June 30, 2017
		$	$
ASSETS			
Current			
Cash		**140,963**	14,125
Due from Amerifactors	4	**-**	21,576
Prepaid expenses and deposits		**6,086**	4,965
Deferred finance charge	8	**658**	658
		147,707	41,324
Equipment	5	**11,491**	12,390
Patent	6	**17,769**	5,453
		176,967	59,167
LIABILITIES			
Current			
Accounts payable and accrued liabilities		**77,207**	29,546
Accrued interest payable	7	**11,279**	7,605
Promissory notes payable	7	**280,000**	190,000
Wages payable		**52,015**	22,120
Unearned revenue	10	**100,000**	-
Current portion of finance contract payable	8	**7,737**	8,389
		528,238	257,660
Finance contract payable	8	**10,526**	11,184
		538,764	268,844
SHAREHOLDERS' DEFICIENCY			
Share capital	9	**170,725**	70,725
Reserves	9	**(31,377)**	(31,377)
Accumulated deficit		**(501,145)**	(249,025)
		(361,797)	(209,677)
		176,967	59,167

Corporate information and going concern (note 1)
Commitments and contingencies (note 11)
Events subsequent to the reporting period (note 14)

Corby Marshall, Director

Neil Wright, Director

Steve Baker, Director

Tom Gilmore, Director

Hill Top Security, Inc.
INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in U.S. dollars)

	Notes	Three Months Ended September 30, 2017 $	Three Months Ended September 30, 2016 $
REVENUE		**-**	101,891
DIRECT COSTS – wages, benefits and subcontract		**-**	(27,316)
GROSS PROFIT		**-**	74,575
EXPENSES			
Depreciation	5	**899**	1,858
Factoring fees	4	**971**	317
Insurance		**1,325**	1,682
Interest – long-term debt	7,8	**4,506**	1,760
Office and miscellaneous		**23,260**	1,800
Payroll processing fees		**2,309**	1,775
Professional fees		**42,602**	11,132
Travel		**16,636**	-
Wages and benefits	10	**159,612**	55,074
		(252,120)	(75,398)
NET LOSS AND COMPREHENSIVE LOSS		**(252,120)**	(823)
Basic and diluted loss per common share		**$ (113.62)**	$ (0.38)
Weighted average number of common shares outstanding		**2,219**	2,194

Hill Top Security, Inc.
INTERIM STATEMENTS OF CASH FLOWS
(Expressed in U.S. dollars)

	Notes	Three Months Ended	
		September 30, 2017	September 30, 2016
		$	$
OPERATING ACTIVITIES			
Net loss		**(252,120)**	(823)
Items not involving cash:			
Depreciation		**899**	1,858
Changes in non-cash working capital items:			
Accounts receivable		**-**	-
Due from Amerifactors		**21,576**	(24,432)
Prepaid expenses and deposits		**(1,121)**	(9,056)
Accounts payable and accrued liabilities		**47,661**	9,733
Accrued interest payable		**3,674**	-
Wages payable		**29,895**	18,800
Unearned revenue		**100,000**	-
		(49,536)	(3,920)
INVESTING ACTIVITY			
Patent costs		**(12,316)**	-
FINANCING ACTIVITIES			
Proceeds from promissory notes payable		**100,000**	-
Repayment of promissory notes payable		**(10,000)**	-
Repayment of finance contract payable		**(1,310)**	3,096
Proceeds from share issuance		**100,000**	-
		188,690	3,096
CHANGE IN CASH		**126,838**	(824)
CASH, BEGINNING OF PERIOD		**14,125**	6,534
CASH, END OF PERIOD		**140,963**	5,710
SUPPLEMENTARY DISCLOSURE OF NON-CASH ACTIVITIES:			
Common shares repurchased by issuing a promissory note	9	**30,000**	-

The accompanying notes are integral to these interim financial statements

Hill Top Security, Inc.
INTERIM STATEMENTS OF CHANGES IN DEFICIENCY
(Expressed in U.S. dollars)

	Share Capital		Reserves			
	Number of Shares	Amount $	Own Shares $	Shared-based Payments $	Accumulated Deficit $	Total Deficiency $
As at June 30, 2016	**2,444**	**70,725**	**-**	**-**	**(84,748)**	**(14,023)**
Own shares acquired (i)	(250)	-	(30,000)	-	-	(30,000)
Net loss for the period	-	-	-	-	(823)	(823)
As at September 30, 2016	**2,194**	**70,725**	**(30,000)**	**-**	**(85,571)**	**(44,846)**
As at June 30, 2017	**2,844**	**70,725**	**(31,377)**	**-**	**(249,025)**	**(209,677)**
Share issuance	250	100,000	-	-	-	100,000
Net loss for the period	-	-	-	-	(252,120)	(252,120)
As at September 30, 2017 (ii)	**3,094**	**170,725**	**(31,377)**	**-**	**(501,145)**	**(361,797)**

(i) As these shares are no longer outstanding they have been excluded, on a weighted average basis, from the loss per share calculation.

(ii) Included in these shares is the award grant of 650 common shares to the CEO of the Company. These shares vest on a monthly basis and, accordingly, the unvested shares have been excluded from the loss per share calculation. During the period ended September 30, 2017, 54 shares vested. See note 9.

1. CORPORATE INFORMATION AND GOING CONCERN

Hill Top Security, Inc. (the "Company") was incorporated on August 9, 2010 under the laws of the state of Georgia. The Company addresses the need for affordable and comprehensive cybersecurity monitoring by providing the Vauban platform to help small and medium businesses manage, detect and respond to cybersecurity threats. The address of the company's corporate office is 43274 Ardmore Street, Ashburn, Virginia, 20147, USA.

On June 30, 2017, the Company entered into an LOI with BWC (see note 11).

These interim financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet all of its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company has incurred losses since its inception and has an accumulated deficit of $501,145 as at September 30, 2017. The Company has a need for financing for working capital and to continue the development of its business. The ability of the Company to continue as a going concern is dependent upon the continued financial support of its shareholders, other investors and lenders and the successful development of the Company's business plan. These factors indicate the existence of a material uncertainty that raises significant doubt about the Company's ability to continue as a going concern.

These interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenue and expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. BASIS OF PREPARATION AND MEASUREMENT

a) Statement of compliance

These interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board, and its interpretations. Accordingly, these interim financial statements do not include all of the information and foot notes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year-end reporting purposes.

These interim financial statements were approved and authorized for issue by the Board of Directors on December 19, 2017.

b) Basis of measurement

These interim 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 or available-for-sale, which are stated at their fair value. In addition, these interim financial statements have been prepared using the accrual basis of accounting.

c) Presentation and functional currency

The functional currency of the Company is the United States dollar and, unless otherwise specified, all dollar amounts in these interim financial statements are expressed in United States dollars. The functional currency is the currency of the primary economic environment in which the Company operates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise indicated.

Significant accounting judgments and estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout these financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The determination that the Company will continue as a going concern for the next year.

Cash and cash equivalents – The Company considers deposits with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less when acquired to be cash equivalents. The Company did not have any cash equivalents at September 30, 2017 and June 30, 2017.

Equipment - Equipment is recorded at cost less accumulated depreciation. Depreciation is calculated using the declining balance method as follows:

Furniture and fixtures	20%
Vehicle	30%

In the year of acquisition, one-half of the above rates is used.

Intangible assets - Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive loss when the asset is derecognized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company's patent will be amortized over the shorter of the legal life of the patent or its estimated useful economic life.

Long-lived assets and impairment - The Company evaluates, on an ongoing basis, the carrying value of equipment, patent and other assets for indications of impairment at each statement of financial position date. If indications of impairment exist, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. 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 assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Income taxes - The Company accounts for and measures deferred tax assets and liabilities in accordance with the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively-enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the date of enactment or substantive enactment of the change. When the future realization of income tax assets does not meet the test of being more likely than not to occur, no net asset is recognized. Accordingly, the Company's accounting policy for deferred income taxes currently has no effect on the financial statements of any of the fiscal periods presented.

Share capital - Common shares issued for non-monetary consideration are recorded at their fair market value on the date of share issuance. Costs incurred to issue shares are deducted from share capital.

Revenue recognition - The Company provides services pursuant to time-based contracts entered into with commercial and government clients. Revenues are recognized in the period in which the services are provided, when the amount of revenue can be reliably measured and collectability is reasonably assured.

Share-based payment transactions - The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings (loss) per share - The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted earnings (loss) per share are calculated in a manner similar to that used to calculate basic earnings (loss) per share except that the weighted average shares outstanding are increased to include the additional shares resulting from the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. Diluted loss per share does not adjust the loss attributed to common shareholders or the weighted average number of common shares outstanding when the effect of such adjustments is anti-dilutive.

Provisions - Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation.

Related party transactions - Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Financial instruments - All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available-for-sale, loans and receivables or at fair value through profit or loss (“FVTPL”). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities. Financial instruments comprise cash, due from Amerifactors, accounts payable and accrued liabilities, accrued interest payable, promissory notes payable, wages payable and finance contract payable. At initial recognition management has classified financial assets and liabilities as follows:

a) Financial assets

The Company has classified due from Amerifactors as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant amounts are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Loans and receivables are measured at amortized cost using the effective interest method.

The Company has classified cash as FVTPL. A financial instrument is classified as FVTPL if it is held for trading or is designated as such upon initial recognition. Financial instruments classified as FVTPL are measured at fair value and changes therein are recognized in profit or loss.

b) Financial liabilities

The Company has classified accounts payable and accrued liabilities, accrued interest payable, promissory notes payable, wages payable and finance contract payable as other financial liabilities. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

Recent Accounting Pronouncements - Numerous new standards, amendments and interpretations to existing standards have been issued but are not yet effective. Below is the list of new standards that are likely to be relevant to the Company. However, management has yet to assess the impact on the Company’s operations and financial position:

(Expressed in U.S. dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standard	Title	Applicable for Financial Years Beginning On/After
IFRS 9	Financial instruments	January 1, 2018
IFRS 15	Revenue from contracts with customers	January 1, 2018
IFRS 16	Leases	January 1, 2019
IAS 1	Presentation of financial statements (amendments)	January 1, 2017
IAS 7	Statement of cash flows (amendments)	January 1, 2017

4. DUE FROM AMERIFACTORS

On September 18, 2014, the Company entered into a factoring agreement (the "FA") with Amerifactors Financial Group, LLC ("AFG"). Pursuant to the FA, and subject to a specified volume requirement, the Company sells certain of its accounts receivable to AFG. Title and ownership of an account (as defined) vests in AFG and AFG assumes the credit risk and responsibility for the inability of a customer to pay on the date an account is approved and accepted for purchase by AFG. Upon approval, AFG pays the Company initial consideration of 85% of the net sale amount (as defined). When the account has been collected, AFG pays additional conditional consideration, ranging from 13% to 3%, based on the time required to collect the account. The FA had an initial one-year term and automatically renews from year to year until terminated in writing by either party. Any indebtedness to AFG that may arise pursuant to the FA is secured by a security interest in all of the Company's current and future assets and property and by four personal guarantees granted by officers of the Company.

5. EQUIPMENT

The following is a summary of equipment as at September 30, 2017 and June 30, 2017:

	Furniture $	Vehicle $	Total $
Cost			
As at June 30, 2016	2,996	38,288	41,284
Additions	-	-	-
As at June 30, 2017	2,996	38,288	41,284
Additions	-	-	-
As at September 30, 2017	2,996	38,288	41,284
Accumulated Depreciation			
As at June 30, 2016	1,461	22,342	23,803
Depreciation	307	4,784	5,091
As at June 30, 2017	1,768	27,126	28,894
Depreciation	61	838	899
As at September 30, 2017	1,829	27,964	29,793
Carrying Amounts			
As at June 30, 2017	1,228	11,162	12,390
As at September 30, 2017	1,167	10,324	11,491

(Expressed in U.S. dollars)

6. PATENT

On July 13, 2016, the Company filed a provisional U.S. patent application entitled "Incident Management and Response System ("IMRS"). During the year ended June 30, 2016, the Company incurred $5,453 in connection with the provisional patent application process.

On July 12, 2017, the Company filed a U.S. patent application titled "Computerized System and Method for Providing Cybersecurity Detection and Response Functionality" at which time the provisional patent application expired. The Company incurred $12,316 in connection with the patent application process.

The following tables provide information regarding the patents as at September 30, 2017 and June 30, 2017:

	September 30, 2017		
	Gross Carrying Amount $	Accumulated Amortization $	Net Carrying Amount $
U.S. pending patent	17,769	-	17,769

	June 30, 2017		
	Gross Carrying Amount $	Accumulated Amortization $	Net Carrying Amount $
U.S. provisional patent	5,453	-	5,453

7. PROMISSORY NOTES PAYABLE

The following is a summary of promissory notes payable as at September 30, 2017 and June 30 2017:

	September 30, 2017 $	June 30, 2017 $
Promissory notes:		
Promissory note 1 (i,v)	20,000	30,000
Promissory note 2 (ii,v)	80,000	80,000
Promissory note 3 (iii)	80,000	80,000
Promissory note 4 (iv)	100,000	100,000
	280,000	190,000
Less current portion: (vi)	(280,000)	(190,000)
	-	-

The Company entered into promissory notes ("PNs") as follows:

i. On September 30, 2016, a PN in the amount of $30,000 (see note 9). This PN is unsecured, bears interest at 0.66% per annum, payable at maturity, and matures on September 30, 2017. $10,000 was repaid on September 18, 2017 and the balance was repaid subsequent to period end (see note 14).

7. PROMISSORY NOTES PAYABLE (continued)

ii. On November 14, 2016, a convertible PN in the amount of $80,000. This PN is unsecured, bears interest at 8% per annum, payable at maturity or on conversion, and matures on September 1, 2018 unless sooner converted. If the Company issues and sells common or preferred shares in a qualified financing (as defined) with total proceeds to the Company of not less than $2,000,000 (excluding the conversion of PNs or other debt) then the outstanding principal balance plus all unpaid accrued interest automatically converts into the type of shares purchased by the investors at the conversion price (as defined). The issuance of common or preferred shares pursuant to the conversion of the PN shall be upon and subject to the same terms and conditions applicable to the shares sold in the qualified financing. If the conversion price of the PN is less than the price per share at which the common or preferred shares are issued in the qualified financing, the Company may, at its option, elect to convert the PN into shares of a newly created series of preferred shares having the same rights, privileges, preferences and restrictions as the shares issued in the qualified financing subject to certain modifications.

    If there is a change of control (as defined) and the PN has not been repaid in full or converted, then the outstanding principal balance and all unpaid accrued interest shall be repaid together with a repayment premium equal to 100% of the then outstanding principal balance unless the holder elects to convert the outstanding principal balance and unpaid accrued interest into common shares of the Company at the conversion price (as defined).

    If there is a default event (as defined), the PN shall accelerate and all principal and unpaid accrued interest shall become due and payable at the option of the holder.

iii. On January 25, 2017, a convertible PN in the amount of $80,000. This PN is unsecured, bears interest at 10% per annum, payable at maturity or on conversion, and matures on September 1, 2018 unless sooner converted. If the Company issues and sells common or preferred shares in a qualified financing (as defined) with total proceeds to the Company of not less than $2,000,000 (excluding the conversion of PNs or other debt) then the outstanding principal balance plus all unpaid accrued interest automatically converts into the type of shares purchased by the investors at the conversion price (as defined). If the Company issues and sells common or preferred shares in a non-qualified financing, the conversion shall be at the option of the holder at the time of the current, or a subsequent, sale.

    If there is a change of control (as defined) and the PN has not been repaid in full or converted, then the outstanding principal balance and all unpaid accrued interest shall, at the option of the holder, become immediately due and payable, be converted into liquidity consideration (as defined) if it has been converted into common shares of the Company or become due and payable in part with the remainder converted into liquidity consideration. If the PN has not previously been converted, then upon the earliest of the maturity date or immediately prior to the change of control, the outstanding principal balance and unpaid accrued interest shall be convertible, at the option of the holder, into common shares of the Company at the conversion price (as defined).

    If there is a default event (as defined), at the option and declaration of the supermajority purchasers, the PN shall accelerate and all principal and unpaid accrued interest shall become due and payable with prior written consent of the holder.

    If the Company issues any additional convertible debt, the Company must provide the holder with a copy of any agreement, PN or other instrument evidencing the terms of the convertible debt and the terms of the PN shall automatically be modified, if applicable, as described.

    See note 11.

(Expressed in U.S. dollars)

7. PROMISSORY NOTES PAYABLE (continued)

iv. On July 5, 2017, a PN in the amount of $100,000 (see note 12). This PN is unsecured, non-interest bearing, due on demand and can be repaid in whole or in part at any time without notice, penalty or bonus.

v. These convertible PNs are compound financial instruments with the carrying amount at inception being allocated between the fair values of the liability and equity components. The fair value of the equity component was determined to be negligible and, accordingly, the entire carrying amount was allocated to the liability component.

vi. $20,000 on PN 1 and PN 2 were repaid subsequent to period end (see note 14). It is management's expectation that PN 3 will be converted during the year ended June 30, 2018 (see note 11).

Interest of $4,416 (2016 – $1,575) is included in "Interest – long-term debt" in the statements of comprehensive loss.

8. FINANCE CONTRACT PAYABLE

The Company entered into a finance contract to purchase a 2013 RAM 1500 pickup truck in July 2013. The finance contract is secured by a security interest in the truck, bears interest at 2.85% per annum and matures on November 24, 2020. Interest of $90 (2016 – $185) is included in "Interest – long-term debt" in the statements of comprehensive loss.

As at September 30, 2017, the scheduled principal payments during the next three years are as follows:

	$
2018	7,737
2019	8,389
2020	2,795
	18,921
Amount representing interest at 2.85%	(658)
Balance excluding deferred finance charge	18,263

9. SHARE CAPITAL AND RESERVES

Authorized

At September 30, 2017, the authorized share capital of the Company was comprised of 100,000 (June 30, 2016 – 100,000) common shares without par value.

Share issuances

Three Months Ended September 30, 2017

On September 1, 2017, the Company issued 250 common shares for gross proceeds of $100,000.

Year ended June 30, 2017

On May 30, 2017, the Company awarded and issued 650 restricted common shares to the CEO of the Company pursuant to an EEA (see note 11). These shares vest, subject to his continued employment, in 36 equal monthly instalments. If there is a change of control (as defined), any remaining unvested shares will vest immediately. Management determined that the best estimate of fair market value of the shares awarded was adjusted book value on the date of grant. Accordingly, there is no compensation cost associated with these shares.

9. SHARE CAPITAL AND RESERVES (continued)

Share repurchases

Year ended June 30, 2017

On September 30, 2016, the Company entered into a common stock repurchase agreement (the "CSRA") with a founding shareholder of the Company. Pursuant to the CSRA, the Company repurchased 250 outstanding common shares for an aggregate purchase price of $30,000. The purchase price was paid in the form of a promissory note (see note 7 i). The price paid for these treasury shares has been deducted from equity in the statements of changes in deficiency. $1,377 in legal fees was paid as part of the repurchase. This amount has been deducted from equity. Pursuant to the CSRA, the Company has indemnified the seller as a guarantor on the outstanding finance contract until such time as he has been replaced as guarantor (see note 8).

Share-based compensation

On January 25, 2016, the Company established an equity incentive plan (the "EIP"). Pursuant to the EIP, the Company was authorized to grant incentive stock options to any employee, consultant or advisor. The EIP was terminated on March 22, 2016.

On March 25, 2016, the Company established the 2016 Equity Compensation Plan (the "ECP") as a requirement of the CSPA. The purpose of the ECP is to provide designated employees who are officers or directors, certain consultants and advisors and non-employee directors with the opportunity to receive grants of incentive stock options, non-qualified stock options, stock awards, stock units, stock appreciation rights and other equity-based awards. The ECP is administered by a committee of the board of directors with the board approving and administering all grants made to non-employee directors. The committee has the sole authority to determine individuals eligible for grants, when grants are made, the type, size and term of grants, the duration of any applicable exercise or restriction period, including the criteria for exercisability and the acceleration of exercisability and to amend the terms of any previously issued grant. Pursuant to the ECP:

- An aggregate of 305 Class A voting shares of the Company may be issued.
- The exercise price may be equal to or greater than the fair market value (as defined) of a share of the Company on the date of grant.
- The term of any option may not exceed 10 years from the date of grant unless it is an incentive stock option granted to an employee owning shares having greater than 10% of the combined voting power of all classes of shares, in which case it may not exceed five years.
- The exercise price can be paid by any method approved by the committee.
- Prior to a public offering, if an individual wishes to sell or otherwise dispose of shares of the Company, the Company has the right of first refusal to purchase the shares at the same price and on the same terms as offered to a potential buyer. At the committee's discretion, the Company may pay the purchase price in instalments not to exceed five years.
- Upon a change of control (as defined), outstanding options and stock appreciation rights don't accelerate or otherwise become exercisable and there is no accelerated vesting of outstanding stock awards, stock units or other equity awards unless the committee determines otherwise.

(Expressed in U.S. dollars)

10. RELATED PARTY TRANSACTIONS

During the period ended September 30, 2017 and 2016, the Company had the following the following related party transactions:

- Paid $45 (2016 - $621) in interest on loans payable to founding shareholders (see note 9).
- The Company received $100,000 as an initial instalment on a work contract from a public company that the CEO of BWC is CEO of.

Compensation of Key Management Personnel

The company incurred the following expenses in connection with compensation of key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and include the Chief Executive Officer, Chief Operating Officer, Chief Technology Officer and Chief Innovation Officer.

Amounts paid to key management personnel during the periods ended September 30, 2017 and 2016 are as follows:

	2017 $	2016 $
Bonus paid to the CEO of the Company (see note 11)	14,000	-
Wages and benefits	145,612	28,358
Total key management personnel	159,612	28,358

See note 12 for the CSPA involving a founding shareholder of the Company.

11. COMMITMENTS AND CONTINGENCIES

On April 20, 2016, the Company entered into a common stock purchase agreement (the "CSPA") with MACH37 LLC (“MACH37”) and a founder of the Company. Pursuant to the CSPA, MACH37 agreed to purchase 244 common shares of the Company (see note 9). As at the date of the CSPA, the 244 shares constituted 8% of the Company’s issued common shares and the shares authorized for issuance under the Company’s ECP. If the Company sells and issues additional equity securities, excluding any shares issued to employees or consultants pursuant to any equity compensation plan, MACH37 has the right to purchase its pro-rata portion of the additional shares on substantially identical terms of the then current issue to maintain its 8% ownership interest. MACH37 can assign this right by giving the Company notice. On July 7, 2017, the Company approved the assignment of the 244 shares from MACH37 to six investors. Pursuant to the CSPA:

- If the Company raises funds by offering preferred shares, including through the issuance of convertible promissory notes, MACH37 has the right to convert its common shares into preferred shares on a one-for-one basis. If funds are raised by issuing convertible promissory notes offering a discount on conversion, MACH37 will be offered a matching conversion discount.
- MACH37 is entitled to select a representative having an observer role on the Company’s board of directors until the Company has raised $3,000,000 in external financing.
- If, within 24 months, the Company fails to establish and maintain a significant presence within the Commonwealth of Virginia it will pay liquidated damages of $50,000 on demand.
- If, within 36 months, the Company accepts any direct or indirect funding from a publicly-funded economic development or company attraction entity requiring the temporary or permanent relocation of its headquarters, or any member of its senior management team, outside of the Commonwealth of Virginia it will pay a penalty of $150,000.

11. COMMITMENTS AND CONTINGENCIES (continued)

MACH37's approval rights (as specified) terminate when the Company completes an equity financing pursuant to which it sells preferred shares having an aggregate sales price of at least $3,000,000, including any convertible promissory notes that are converted into preferred shares and the board of directors includes at least one non-founding member who participated in the financing. The CSPA will terminate on the first to occur of the closing of the first sale of common shares of the Company to the general public or on the closing date of a change of control (as defined).

Pursuant to the assignment of the shares, MACH37 assigned its rights under the CSPA to the Center for Innovative Technology provided that rights relating to participation rights, information and inspection rights and exchange rights (collectively the non-exclusive rights and all as defined) related to the shares assigned to the other investors have been assigned to those investors.

On October 12, 2016, the Company entered into a consulting agreement (the "CA") with a private company. Pursuant to the CA, the company, through its principal, acted as an advisor to and the Chief Operating and Chief Marketing Officers of the Company and received a consulting fee of $10,000 per month (see note 10). The CA was terminated on January 18, 2017.

On January 25, 2017, the Company entered into a note purchase agreement (the "NPA") for the purpose of obtaining a maximum aggregate loan amount of $750,000. Pursuant to the NPA:

- One purchaser (the Center for Innovative Technology ("CTI")) loaned the Company $80,000 against the issuance of a convertible promissory note (see note 7 iii)).
- If the Company and the purchaser(s) mutually agree, additional notes can be issued up to the difference between $750,000 and the aggregate principal amount of previously issued notes.
- If the Company issues and sells shares of its securities (as defined) to investors in a financing, purchasers have a right of first refusal to purchase a share of all Company securities that the Company proposes to sell and issue, excluding common shares issuable pursuant to stock purchase or stock option plans or other arrangements and securities issuable pursuant to currently outstanding convertible securities.
- If the Company proceeds with a financing involving any Company securities within six months after the repayment or conversion of a purchaser's note, the purchaser has the opportunity to participate in the financing on a right of first refusal basis.

On January 25, 2017, the Company entered into a side letter agreement (the "SLA") with CTI to accompany the convertible promissory note and the NPA (see note 7 iii)). Pursuant to the SLA, if the Company fails to maintain its status as a Virginia company (as defined) at any time until January 25, 2020, the following additional rights also apply:

- If the PN has not previously been converted or pre-paid, upon any equity financing CTI has the right to convert the PN into the Company's equity securities in the financing at a 50% discount.
- At any time during the term of the PN, including any extensions, CTI has the right to convert the PN into common shares of the Company at a fully-diluted pre-money valuation of $1,500,000 and the right to demand repayment of outstanding principal and accrued interest in cash.
- If the PN was previously converted into the Company's securities, then an additional fee of $80,000 immediately becomes due and payable to CTI and CTI retains any of the securities that it holds.
- If the Company accepts any direct or indirect funding from a state economic development agency requiring temporary or permanent location of the Company's headquarters, or any member of the Company's senior management, outside of the Commonwealth of Virginia before January 25, 2020, the Company is required to pay a penalty of $160,000 regardless of whether CTI holds debt or equity of the Company. If this provision is triggered, all other provisions of the SLA remain in force.

11. COMMITMENTS AND CONTINGENCIES (continued)

On June 26, 2017, the Company entered into an executive employment agreement (the "EEA") with the Chief Executive Officer ("CEO") of the Company. Pursuant to the EEA, the CEO is entitled to receive the following compensation in addition to his base salary:

- Annual earnings bonus – an annual cash bonus of up to $140,000 at the Company's sole option. Whether or not the CEO earns all, or a portion, of the bonus is dependent upon continuous employment with the Company to the date any bonus is paid and the extent to which the achievement of one or more of the six individual performance milestones (as defined) is determined to have been achieved. For the purpose of determining bonus eligibility, performance is measured on a calendar year basis. In the event that the following revenue criteria are achieved, the CEO's base salary and bonus increase by 40%.
- Revenue achievement bonus – if the Company realizes at least $2,000,000 of gross revenue on or before June 26, 2018, the CEO is also eligible for a one-time achievement bonus equal to 10% of the gross revenue in excess of $2,000,000.
- Restricted stock – the CEO received 650 restricted shares of the Company's common stock (see note 9).

The EEA can be terminated by either party at any time with or without cause. If termination is for any reason other than cause, the CEO is entitled to receive severance pay equal to his then current base salary for a period of six months.

On June 30, 2017, the Company entered into a letter of intent (the "LOI") with Big Wind Capital Inc. ("BWC"). Pursuant to the LOI, the Company and BWC will execute a definitive agreement that replaces and supersedes the LOI. Pursuant to the LOI:

- BWC will acquire 49% of the issued and outstanding common shares of the Company and certain of the Company's assets (as defined) in two sequential closings. The selling shareholders will retain 51% of the post-issuance outstanding common shares of the Company.
- At the first closing, BWC will acquire 487 shares (15%) of the Company from a founder of the Company by making an aggregate cash payment of $160,000 for the shares and the cancellation of a PN (see note 7 ii), the Company will issue an additional 10% interest to BWC and BWC will pay the Company $500,000.
- At the second closing, the Company will issue an additional 24% interest to BWC, the Company will sell certain assets to BWC, BWC will pay the Company $1,500,000 and BWC will issue shares to the selling shareholders equal to an aggregate post-issuance interest of 45% of BWC.
- BWC will grant the Company a perpetual, worldwide, royalty-free license in the assets and all inventions and improvements derived from the assets.
- BWC will advance $100,000 (*advanced – see note 7 iv*) to the Company towards the $500,000 noted above (see note 14). If the LOI is terminated for cause (as defined) by BWC, the advance becomes a non-refundable deposit. If the LOI is terminated for any other reason the Company must repay the advance within five days of termination.
- The closing of the transaction is subject to specified conditions including all necessary regulatory approvals and the approval of the Canadian Stock Exchange (the "CSE").

Unless extended by mutual agreement, the LOI will terminate on the earlier of the execution date of the definitive agreement, December 22, 2017 and the date the transaction is rejected by the CSE or any other governmental authority and all avenues of appeal have been exhausted.

12. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of components of shareholders' equity. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market risk
- Credit risk
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies, and Processes

The Board of Directors of the Company has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to senior management. The overall objective of the Board of Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk. The Company is not currently exposed to foreign currency risk, interest rate risk or commodity price risk. The Company's promissory notes payable bear interest at fixed rates of 0.66%, 8% and 10% and the finance contract payable bears interest at a fixed rate of 2.85% (see notes 7 and 8).

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk are cash and due from Amerifactors. The carrying amount of these financial assets represents the maximum credit exposure. Cash is maintained with a financial institution of reputable credit and may be redeemed upon demand. Management considers the credit risk associated with the amount due from Amerifactors to be negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company prepares annual capital expenditure budgets which are regularly monitored and updated as considered necessary.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other amounts

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Determination of Fair Value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – 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); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash is the only financial instrument on the statement of financial position measured at fair value.

14. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On October 27, 2017, the Company entered into a non-qualified stock option agreement with a consultant. The option entitles the consultant to purchase 126 common shares of the Company at a price of $400 per share until October 26, 2027. 25% of the options vest on the first anniversary of the grant date with the remainder vesting at 1/48 per subsequent calendar quarter. If the consultant's continuous service is terminated for any reason other than cause, death or disability, the vested portion of the option may be exercised on the earlier of three months following termination or the expiration date.

On November 13, 2017, the Company repaid $20,000 on a promissory note payable (see note 7 i).

On November 14, 2017, the Company repaid $80,000 on a promissory note payable (see note 7 ii).

On November 24, 2017, $600,000 was received from BWC pursuant to the terms of the LOI (see note 11).

SCHEDULE "C"

PRO-FORMA FINANCIAL STATEMENTS

[See Attached.]

Hill Top Security Inc

Pro-Forma Financial Statements

September 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

Hill Top Security Inc.
Pro-Forma Statements of Financial Position
As at September 30, 2017
(Expressed in Canadian Dollars)
(Unaudited)

	Hill Top Security Inc. As at September 30, 2017	Big Wing Capital Inc As at September 30, 2017	Notes	Pro-Forma Adjustments	Pro-Forma September 30, 2017
Assets					
Current assets:					
Cash	175,922	426,495	2a	(693,680)	5,545,237
			2b	(1,872,000)	
			2d	210,000	
			2c(i)	1,000,000	
			2c(ii)	1,750,000	
			2c(iii)	5,000,000	
			2e	(451,500)	
Sales tax receivable	-	9,929		-	9,929
Advance of first closing	-	130,000	2a	(130,000)	-
Prepaid expenses and deposits	7,595	-		-	7,595
Deferred finance charge	821	-		-	821
Total Current Assets:	**184,338**	**566,424**			**5,563,582**
Equipment	14,341	-			14,341
Patent	22,176	-			22,176
Total Assets:	**220,855**	**566,424**			**5,600,099**
Liabilities					
Current liabilities:					
Accounts payable and accrued expenses	96,354	265,749			362,103
Accrued interest payable	14,076	-			14,076
Promissory note payables	349,440	124,800			472,240
Wages payables	64,915	-			64,915
Unearned revenue	124,800	-			124,800
Current portion of finance contract payable	9,656	-			9,656
Total current assets	**659,241**	**390,549**			**1,049,790**
Finance contract payable	13,136	-			13,136
Total Liabilities:	**672,377**	**390,549**			**1,062,926**
Equity					
Subscription received		336,500	2f	(336,500)	-
Share capital	196,513	3,519,955	2c(i)	1,000,000	34,477,831
			2d	210,000	
			2j	26,234,047	
			2j	720,000	
			2c(ii)	1,498,063	
			2c(iii)	4,619,208	
			2f	(3,519,955)	
Reserves	(41,157)	276,691	2f	(276,691)	630,110
			2c(ii)	251,937	
			2g	38,538	
			2c(iii)	380,792	
Foreign currency translation adjustment	(9,415)	-		-	(9,415)
Accumulated deficit	(597,464)	(3,957,271)	2f	3,957,271	(30,256,648)
			2j	(29,963,890)	
			2i	304,706	
Non-controlling interests	-	-	2i	(304,706)	(304,706)
Total Equity:	**(451,523)**	**175,875**			**4,537,172**
***Total Liabilities* and Equity:**	**220,855**	**566,424**			**5,600,099**

The accompanying notes are an integral part of this pro-forma statements of financial position.

Hill Top Security Inc.
Pro-Forma Statements of Loss and Comprehensive Loss
For the Year Ended September 30, 2017
(Expressed in Canadian Dollars)
(Unaudited)

	Hill Top Securities Inc. For the three months period ended September 30, 2017	Big Wind Capital Inc For the three months period ended September 30, 2017	Notes	Pro-Forma Adjustments	Pro-Forma September 30, 2017
Expenses					
Consulting and management fees		41,000	2f	(41,000)	
Depreciation	1,126				1,126
Factoring fess	1,216				1,216
Insurance	1,660				1,660
Interests	5,645				5,645
Office and administration	29,140	7,280	2f	(7,280)	29,140
Payroll processing fees	2,893				2,893
Professional fees	53,372	29,239	2f	(29,239)	53,372
Travel	20,842				20,842
Wages and benefits	199,962				199,962
Public relations	-	885	2f	(885)	-
Regulatory fees	-	1,500	2f	(1,500)	-
Transfer agent	-	1,953	2f	(1,953)	-
Loss before other items	**(315,856)**	**(81,857)**			**(315,856)**
Other items:					
Share-based payments	-	(67,740)	2f	67,740	
Foreign exchange gain on promissory payable	-	(5,200)	2f	5,200	
Public listing costs expenses	-	-	2j	(29,963,890)	(29,963,890
Net loss for the quarter	**(315,856)**	**(144,397)**			**(30,279,746)**
Net loss for the quarter attributable to:					
Owners of the Company	(315,856)	(62,540)		-	(30,118,660)
Non-controlling interest	-	-	2i	-	(161,086)
Net loss for the quarter	**(315,856)**	**(144,397)**			**(30,279,746)**

The accompanying notes are an integral part of this pro-forma statements of loss and comprehensive loss.

1. BASIS OF PRESENTATION

The unaudited pro-forma statement of financial position of Hill Top Security Inc. ("HTSI") has been prepared by management in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

The unaudited pro-forma statement of financial position has been prepared for inclusion in the Prospectus (defined below) of the HTSI, which contains the details of its Transaction (defined below) with Big Wind Capital Inc ("BWP"). BWC has entered into an acquisition agreement dated December 19, 2017 (the "Agreement") with HTSI, pursuant to a series of transactions whereby the BWP will license 100% of assets pf HTSI through an exclusive, perpetual, worldwide, royalty-free license and acquire 49% of the shares of common stock of HTSI for the following considerations:

Initial Acquisition

Pursuant to the Agreement, BWP will initially acquire a 25% interest in HTSI for an aggregate cash payment of USD$660,000 (a 15% interest to be acquired from an existing shareholder of HTSI for a cash payment of USD$160,000 and an additional 10% interest in HTSI to be acquired by investing USD$500,000 into HTSI) (the "Initial Acquisition").

Immediately after the completion of the Initial Acquisition, Big Wind, HTSI and the shareholders of HTSI will execute a shareholders' agreement in substantially the form attached to the Agreement in respect of HTSI.

Second Acquisition

Following the Initial Acquisition, but in no event later than ninety (90) days following the closing of the Initial Acquisition, BWP and HTSI will make reasonable commercial efforts to concurrently complete the following series of transactions (the "Second Acquisition"):

(i) HTSI will sell and issue 1,875 HTSI Shares to BWP, such amount being equal to 24% of the issued and outstanding HTSI Shares (post-issuance, such that immediately after the aforementioned issuance and including the HTSI Shares acquired pursuant to the Initial Acquisition, Big Wind will hold an aggregate 49% of the issued and outstanding HTSI Shares), and grant to BWP a perpetual, worldwide, royalty free license in the Assets (as more particularly described in the Agreement), pursuant to a license agreement by and between HTSI and BWP in substantially to the Agreement to be executed upon the completion of the Second Acquisition; and

(ii) in consideration for the actions of HTSI set forth above, BWP will (1) deliver a payment to HTSI of US$1,500,000.00; (2) issue to HTSI such number of convertible common shares of Big Wind equal to, upon conversion thereof to BWP (on a one-to-one basis), an aggregate of 45% of the issued and outstanding BWP Shares (post-issuance), to be distributed pro rata to the HTSI Shareholders (other than BWP); (3) issue 1,200,000 additional convertible common shares of BWP to be distributed pro rata to certain key shareholders and insiders of HTSI; and (4) execute and deliver consulting agreements in the form attached to the Agreement to certain of the shareholders of HTSI as indicated in the Agreement.

1. BASIS OF PRESENTATION (Continued)

The HTSI Shareholders will have the right to exchange the convertible common shares of BWP received pursuant to the Second Acquisition at any time and from time to time for an equal number of fully paid and non-assessable BWP.

The transaction outlined below is conditional upon, among other things:

(i) the representations and warranties of each of Big Wind and HTSI, as set out in the Definitive Agreement, being true and correct in all material respects at the closing of the Transaction;

(ii) the absence of any material adverse change in the business of each of the parties;

(iii) the parties receiving all requisite regulatory approval, including the approval of the Exchange, and any third-party approvals and authorizations;

(iv) HTSI and Big Wind obtaining the requisite shareholder approvals for the Transaction;

(v) the parties obtaining requisite board approvals for the Transaction; and

(vi) Big Wind completing additional tranche(s) of the Concurrent Financing.

BWP does not meet the definition of a business; therefore, the transaction is outside of the scope of IFRS 3 *Business Combinations*. Instead, the Transaction will be accounted for under IFRS 2 *Share-based Payment*. Under this basis of accounting, the consolidated entity is considered to be a continuation of HTSI with the net identifiable assets of BWP deemed to have been acquired by HTSI

Upon completion of the Transaction, BWP will change its name to “Hilltop Cybersecurity Inc.” and will continue the business of HTSI as “Technology” issuer.

The unaudited pro-forma statement of financial position has been prepared as if the proposed Transaction described in Note 2 hereof had occurred on September 30, 2017, and represents the related assets and liabilities included in the September 30, 2017 interim condensed consolidated financial statements of BWP.

The unaudited pro-forma statement of financial position of HTSI has been compiled using the significant accounting policies as set out in HTSI's interim financial statements for the three months period ended September 30, 2017, and those accounting policies expected to be adopted by the Resulting Issuer.

The unaudited pro-forma statement of financial position is not necessarily indicative of the financial position that would have been attained had the transactions actually taken place at the dates indicated and do not purport to be indicative of the effects that may be expected to occur in the future.

In the opinion of BWP's management, the unaudited pro-forma statement of financial position includes all adjustments necessary for the fair presentation of the transactions described in Note 2.

2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS

The unaudited pro-forma statement of financial position has been presented giving effect to the following assumptions and pro-forma adjustments:

a) Cash payment in connection with the Initial Acquisition for $823,680 (USD$660,000) which $130,000 was previously advance by BWP to HTSI.

b) Cash payment in connection with the Second Acquisition for $1,872,000 (USD$1,500,000)

c) Subsequent to September 30, 2017, BWP completed a series of private placements as follow
   i) 6,666,666 shares at a price of $0.0.15 per share for total proceeds of $1,000,000
   ii) 5,000,000 shares at a price of $0.35 per share for total proceeds of $1,750,000. Each such BWP $0.35 Unit consisting of one BWP Share and one BWP Share purchase warrant (each, a "BWP $0.35 Unit Warrant"), with each BWP $0.35 Unit Warrant entitling the holder thereof to acquire a BWP Share at an exercise price of $0.40 per BWP Share for a period of 24 months from the issuance thereof, and up to a maximum of gross proceeds of $1,750,000 through the issuance of up to 5,000,000 BWP $0.35 Units. The fair value of such warrants at the reporting date was $251,937.
   iii) 8,333,333 shares at a price of $0.6 per share for total proceeds of $5,000,000. Each such BWP $0.6 Unit consisting of one BWP Share and one BWP Share purchase warrant (each, a "BWP $0.6 Unit Warrant"), with each BWP $0.6 Unit Warrant entitling the holder thereof to acquire a BWP Share at an exercise price of $0.7 per BWP Share for a period of 18 months from the issuance thereof, and up to a maximum of gross proceeds of $5,000,000 through the issuance of up to 8,333,333 BWP $0.6 Units. The fair value of such warrants at the reporting date was $380,792.

d) Subsequent to September 30, 2017, BWP issued 3,000,000 common shares for share purchase warrant exercised for gross proceeds of $210,000.

e) The estimated transaction costs of business combination are $451,500.

f) As stated in Note 1, the consolidated entity is considered to be a continuation of HTSI, with the net identifiable assets of BWP deemed to have been acquired by HTSI. As result the BWP's equity and income statements accounts previous to the business combination were eliminated in the Pro-Forma Financial Statements.

g) The fair value of the existence warrants of BWP as at September 30, 2017 was $38,538.

h) The functional currency of HTSI is US dollars. Assets and liabilities of HTSI were translated to Canadian Dollars at the exchange as at September 30, 2017 and expenses at the average exchange rate for the quarter ended September 30, 2017. Loss on translation for$9,415 was included in other comprehensive loss.

i) Non-controlling interest of $304,707 was calculated based on deficit attributable to the non-controlling interest (51%) of HTSI.

(Expressed in Canadian Dollars)

2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS (Continued)

j) The purchase consideration below was estimated based on the fair value attributed to the common shares that BWP would have had to issue to shareholders of HSTI, cash payments and transaction costs incurred to acquire 49% interest in the combined entity that results from the reverse acquisition. Upon completion of the proposed Transaction, the fair value of all identifiable assets and liabilities acquired will be determined. The book value of HTSI's and BWP's assets and liabilities as at September 30, 2017 are assumed to approximate their fair values as at that date. The difference between the purchase consideration and the fair value of net assets acquired will be recorded as a cost of public listing.

The preliminary purchase price allocation is summarized as follows:

Fair value of shares issued (43,723,412) shares at $0.6 per share)	$	26,234,047
Cash payments (*Note 2a and 2b)*		2,695,680
Management shares		720,000
Fair value of BWP warrants (*Note 2g)*		38,538
Transaction costs *(Note 2c)*		451,500
Total costs of acquisition		30,139,765
Allocated as follows:		
Cash		426,495
Sales tax receivable		9,929
Advance for first close		130,000
Accounts payable and accrued liabilities		(265,749)
Promissory note payable		(124,800)
Net assets assumed		175,875
Public listing costs expensed		29,963,890
	$	30,139,765

(Expressed in Canadian Dollars)

3. PRO-FORMA SHARE CAPITAL

After giving effect to the pro-forma adjustments and assumptions in Note 2, and assuming the Minimum Offering and no further issuances under the HSTI Financing, the issued and fully paid share capital of the HSTI would be as follows:

	# Shares	*Share Capital*	*Reserves*	*Subscription Receivabl*	*Foreign CTA*	*Deficit*	*Non-controlling interest*	*Total Equity*
		$	*$*	*$*	*$*	*$*		*$*
Balance as at September 31, 2017 (BWC)r	30,439,727	3,519,955	276,691	336,500	-	(3,955,271)	-	**177,875**
Elimination of BWC s equity		(3,519,955)	(276,691)	(336,500)	-	3,955,271	-	**(177,875)**
Balance as at September 31, 2017 (HTSI)r	3,094	196,513	(41,157)	-	(9,415)	(137,988)	(143,620)	**(135,667)**
Cancelation of HSTI shares	(3,094)	-	-	-	-		-	-
Fair value adjustment on BWC shares		26,234,047	-	-	-	-	-	**26,234,047**
Subsequent private placements	19,999,999	7,117,271	632,729	-	-	-	-	**7,750,000**
Warrant exercised	3,000,000	210,000	-	-	-	-	-	**210,000**
Management shares issued	120,000	720,000	-	-	-	-	-	**720,000**
Fair value of BWC warrants	-	-	38,538	-	-	-	-	**38,538**
Loss for the quarter						(30,118,660)	(161,086)	**(30,279,746)**
Balance at September 30, 2017	**53,559,726**	**34,477,831**	**630,110**	**-**	**(9,415)**	**(30,256,648)**	**(304,706)**	**4,543,172**

SCHEDULE "D"

STATEMENT OF EXECUTIVE COMPENSATION FOR BWI

[See Attached.]

STATEMENT OF EXECUTIVE COMPENSATION

For the purpose of this Statement of Executive Compensation:

"**CEO**" of the Company means each individual who, during any part of the most recently completed financial year, served as chief executive officer of the Company, including an individual performing functions similar to a chief executive officer;

"**CFO**" of the Company means each individual who, during any part of the most recently completed financial year, served as chief financial officer of the Company, including an individual performing functions similar to a chief financial officer;

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

"Named Executive Officer" or **"NEO"** means:

(a) the Company's CEO;

(b) the Company's CFO;

(c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

"**plan**" includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

"**underlying securities**" means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth direct and indirect compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and services to be provided, directly or indirectly, to the Company, for each of the Company's two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year(1)	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
Devinder Randhawa *CEO & Director*	2017 2016	$120,000 $90,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	$120,000 $90,000
Ryan Cheung *CFO(2)*	2017 2016	$833 N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	$833 N/A
Greg Downey *Former CFO and Director(3)*	2017 2016	$25,000 $47,500	Nil Nil	Nil Nil	Nil Nil	Nil Nil	$25,000 $47,500
Jeremy Ross *Director*	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Richard Matthews *Director*	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Ross McElroy *Director*	2017 2016	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A

Notes:

(1) *Financial years ended June 30, 2017 and June 30, 2016.*

(2) *Mr. Cheung was appointed as CFO of the Company effective May 15, 2017.*

(3) *Mr. Downey resigned as CFO and director of the Company effective May 5, 2017.*

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to Named Executive Officers and directors by the Company or one of its subsidiaries in the most recently completed financial year for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof.

As at June 30, 2017, no stock options were outstanding.

Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by Named Executive Officers or directors during the financial year ended June 30, 2017.

Option Plans and Other Incentive Plans

The Company has one security based compensation arrangement which is its stock option plan. For a summary of the material provisions of the stock option plan, please see the heading under the heading “Approval of Stock Option Plan” in the Company’s management information circular for the annual and general meeting of shareholders held on November 27, 2017.

Employment, Consulting and Management Agreements

The Company is not a party to any employment, consulting or management agreements with any of its Named Executive Officers or non-executive directors.

Oversight and Description of Director and NEO Compensation

The Company relies solely on Board discussion, without formal objectives, criteria or analysis, to determine the level of executive compensation. The Company and its subsidiaries have no employment contracts with any Named Executive Officers other than as disclosed herein.