MEZZI

SMART LUXURY

Mezzi Holdings Inc. (formerly CCT CAPITAL LTD.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2015

(Expressed in Canadian Dollars)

SmytheRatcliffe
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MEZZI HOLDINGS INC.
(formerly CCT Capital Corp.)

We have audited the accompanying consolidated financial statements of Mezzi Holdings Inc., which comprise the consolidated statements of financial position as at April 30, 2015 and 2014, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows 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 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.

Auditors' 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 about whether the consolidated financial statements are free from 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 auditors' 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 in our audits 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 Mezzi Holdings Inc. as at April 30, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe Ratcliffe LLP

Chartered Professional Accountants

Vancouver, British Columbia
August 27, 2015

7th Floor 355 Burrard St
Vancouver, BC V6C 2G8

Tel: 604 687 1231
Fax: 604 688 4675
smytheratcliffe.com

Mezzi Holdings Inc. (formerly CCT Capital Corp.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	April 30, 2015	April 30, 2014
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,092,630	$ 538,621
Amounts receivable	94,586	9,754
Prepaid expenses	48,701	29,350
Inventory (Note 5)	102,581	-
Total current assets	1,338,498	577,725
Non-current assets		
Loan to Mezzi Canada Inc. (Note 4)	-	25,000
Intangible assets (Note 6)	1,334,452	-
Total non-current assets	1,334,452	25,000
Total assets	$ 2,672,950	$ 602,725
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	$ 209,490	$ 162,653
Total current liabilities	209,490	162,653
Equity		
Share capital (Note 8)	6,460,487	1,967,338
Reserves (Note 8)	696,368	330,084
Deficit	(4,693,395)	(1,857,350)
Total equity	2,463,460	440,072
Total liabilities and equity	$ 2,672,950	$ 602,725

Subsequent events (Note 14)

Approved and authorized on behalf of the Board:

"Keir Reynolds", Director
Keir Reynolds

"John Veltheer", Director
John Veltheer

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

Mezzi Holdings Inc. (formerly CCT Capital Corp.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
Year Ended

	April 30, 2015	April 30, 2014
SALES	$ 21,799	$ -
COST OF SALES	(14,357)	-
	7,442	-
EXPENSES		
Commission	9,191	-
Consulting (Note 10)	204,474	49,466
Depreciation	11,916	-
Management fees (Note 10)	621,750	46,250
Marketing	487,105	3,545
Office and miscellaneous	151,376	5,782
Professional fees	188,091	33,453
Shareholder communication	-	7,799
Salaries	21,978	-
Share-based payments (Notes 8 and 10)	537,776	-
Transfer agent and regulatory fees	92,637	20,860
Travel and accommodation	75,173	7,623
	(2,401,467)	(174,778
OTHER ITEMS		
Foreign exchange gain	(42)	-
Gain on debt settlement (Note 4)	50,960	-
Interest income	2,999	-
Write off of other receivable (Note 4)	(88,533)	-
Product development costs	(407,404)	-
Total other items	(442,020)	-
Loss and comprehensive loss for the year	$ (2,836,045)	$ (174,778)
Basic and diluted loss per common share	$ (0.09)	$ (0.06)
Weighted average number of common shares outstanding	32,778,392	3,157,283

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

Mezzi Holdings Inc. (formerly CCT Capital Corp.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
Year Ended

	April 30, 2015	April 30, 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year	$ (2,836,045)	$ (174,778)
Items not affecting cash:		
Depreciation	11,916	-
Gain on debt settlement	(50,959)	-
Shared-based payments	537,776	-
Write off of other receivables	88,533	-
Changes in non-cash working capital items:		
Amounts receivable	(84,832)	(4,281)
Inventory	(102,581)	-
Prepaid expenses	(19,351)	(29,350)
Due to related parties	-	31,871
Accounts payable and accrued liabilities	(5,295)	59,622
Net cash used in operating activities	(2,460,838)	(116,916)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	(88,049)	-
Loan to Mezzi Canada Inc.	-	(25,000)
Net cash used in investing activities	(88,049)	(25,000)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from private placements	2,956,637	664,250
Share issuance costs	(183,741)	-
Proceeds from exercise of stock options	330,000	-
Net cash provided by financing activities	3,102,896	664,250
Change in cash and cash equivalents for the year	554,009	522,334
Cash and cash equivalents, beginning of year	538,621	16,287
Cash and cash equivalents, end of year	$ 1,092,630	$ 538,621
Cash paid during the year for interest	$ 2,999	$ -
Cash paid during the year for taxes	$ -	$ -

Supplementary cash flow information		
Non-cash items		
Transfer of reserves to share capital for exercise of options	$ 201,338	$ -
Payment of finder's fees through broker warrants	$ (29,846)	$ -
Acquisition of Mezzi Canada Inc. through share issuance (Note 4)	$ 1,200,000	$ -
Settlement of liabilities through share issuance (Note 4)	$ 69,720	$ -

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

Mezzi Holdings Inc. (formerly CCT Capital Corp.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Share Capital				
	Common Shares	Amount	Reserves	Deficit	Total Equity
Balance, April 30, 2013	2,021,667	$ 1,303,088	$ 330,084	$ (1,682,572)	$ (49,400)
Shares issued in private placement	14,000,000	700,000	-	-	700,000
Share issue costs	-	(35,750)	-	-	(35,750)
Loss for the year	-	-	-	(174,778)	(174,778)
Balance, April 30, 2014	16,021,667	$ 1,967,338	$ 330,084	$ (1,857,350)	$ 440,072
Shares issued in private placements	14,783,186	2,956,637	-	-	2,956,637
Share issue costs	-	(183,741)	-	-	(183,741)
Fair value of finders' warrants	-	(29,846)	29,846	-	-
Stock options exercised	1,320,000	330,000	-	-	330,000
Fair value of stock options exercised	-	201,338	(201,338)	-	-
Shares issued for acquisition of Mezzi Canada Inc. (Note 4)	6,000,000	1,200,000	-	-	1,200,000
Shares issued for debt settlement (Note 4)	93,800	18,761	-	-	18,761
Share-based payments	-	-	537,776	-	537,776
Loss for the year	-	-	-	(2,836,045)	(2,836,045)
Balance, April 30, 2015	38,218,653	$ 6,460,487	$ 696,368	$ (4,693,395)	$ 2,463,460

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

1. CORPORATE INFORMATION AND GOING CONCERN

Mezzi Holdings Inc. (formerly CCT Capital Ltd.) ("Mezzi" or the "Company") is a publicly listed company incorporated on April 16, 2006 under the Business Corporations Act (British Columbia). The Company is engaged in the sale and distribution of luxury accessories.

On October 24, 2014, the Company completed the acquisition (the "Acquisition") of the privately held Mezzi Canada Inc. ("Privco"), pursuant to a three-party amalgamation under the Canada Business Corporations Act (Note 4). The Company trades on the TSX Venture Exchange under the symbol "MZI." The Company's corporate office is located on 1001-1185 West Georgia Street, Vancouver, B.C. Canada.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. During the year ended April 30, 2015, the Company incurred a net loss of $2,836,045 (2014 - $174,778) and an accumulated deficit of $4,693,395 (2014 - $1,857,350). The Company has not generated significant cash inflows from operations. These conditions cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate profitability and positive cash flow. These consolidated financial statements do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and to realize its assets and liquidate its liabilities and commitments at amounts different from those in the accompanying consolidated financial statements.

These consolidated financial statements were authorized for issue by the Board of Directors on August 27, 2015.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

Basis of presentation

These consolidated financial statements have been prepared on historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Comparative information

Certain comparative figures have been reclassified to conform to the current year's presentation.

Significant accounting judgments and critical accounting estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of polices and reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the report amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates appears throughout the consolidated financial statements and may require 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. These estimates are based on historical experience, current and future economic conditions, and other relevant factors that are believed to be reasonable under the circumstances.

2. BASIS OF PRESENTATION (cont'd…)

Significant accounting judgments and critical accounting estimates (cont'd…)

Significant accounting judgments

Management must make judgments given the various options available as per accounting standards for items included in the consolidated financial statements. Judgments involve a degree of uncertainty and could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made. A summary of items involving management judgment include, but are not limited to:

i) The impairment and recoverability of the intangible asset- An integral component of impairment testing is determining the intangible asset's recoverable amount. The determination of the recoverable amount involves significant management judgment. Qualitative factors, including market presence and trends, strength of customer relationships, strength of debt and capital markets, and other factors, are considered when making assumptions with regard to recoverability of the intangible asset.

ii) Recognition of deferred income tax assets- the extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Critical accounting estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

i) Valuation of inventory – The Company estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes that may reduce future selling prices. A change to these assumptions could impact the Company's inventory valuation and impact gross margins.

ii) Share-based payments – The fair value of share-based payments is determined using the Black-Scholes Option pricing model. This option pricing model requires the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, 8918627 Canada Ltd, a company incorporated in the province of British Columbia which holds the Mezzi trademark. A subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. All intercompany transactions and balances have been eliminated.

Inventory

Inventory comprises finished goods held for resale and is valued at the lower of cost or net realizable value. Cost is calculated using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and costs necessary to sell. Inventory includes costs incurred in acquiring the inventory.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Cash and cash equivalents

Cash and cash equivalents include cash on deposit and with maturities on the date of purchase of 90 days or less.

Intangible assets

An intangible asset is defined as being identifiable, able to bring future economic benefits to the Company and controlled by the Company. Intangible assets are recorded initially at cost and relate to the Mezzi trademark, software, website and mobile app.

Acquired intangible assets

Acquired intangible assets consist of software and the Mezzi trademark (Note 4). These costs are recognized at cost less accumulated amortization and impairment losses. Acquired intangible assets, except for indefinite-life trademarks, are amortized over their estimated useful lives. Software costs are amortized on a straight-line basis over three years. The Company's trademark has an indefinite useful life.

Internally-generated assets

Internally-generated assets consist of website and mobile app development costs and are capitalized when:

i. it is technically feasible to complete the intangible asset so that it will be available for use or sale;
ii. management intends to complete the intangible asset and use or sell it;
iii. there is an ability to use or sell the intangible asset;
iv. it can be demonstrated how the intangible asset will generate probable future economic benefits;
v. adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
vi. the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent period. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use. Website development costs are amortized at 55% using the declining-balance method. As at April 30, 2015, no amortization has been recorded on the mobile app development costs as the intangible asset was not available for use.

Additions during the year are amortized on a pro-rata basis. The estimated useful lives and amortization methods of intangible assets are reviewed at the end of each financial reporting period, and the impact of any change in estimates is accounted for on a prospective basis.

Intangible assets are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Revenue

Revenues from the sale of goods are recognized when the risks and rewards of ownership are transferred to the buyer, collectability is probable and the amount of revenue can be measured reliably. Risk and rewards of ownership pass to the customer upon shipment to the customer.

Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars as follows:

(i) Monetary assets and liabilities, at the rate of exchange in effect at the statement of financial position date;
(ii) Non-monetary assets and liabilities; at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
(iii) Revenue and expense items, at the rate of exchange prevailing at the transaction date.

Gains and losses arising from the translation of foreign currency are included in the determination of net loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect both accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the years presented this calculation proved to be anti-dilutive.

Basic loss per share is calculated using the weighted-average number of common shares outstanding during the reporting period.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods and services received or at the fair value of the equity instruments issued (if it is determined the fair value of goods or services cannot be reliably measured), and are recorded at the date the goods or services are received.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Share-based payments (cont'd…)

All equity-settled share-based payments are reflected in reserves until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled and settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Where options are cancelled or expired, the fair value of the options is allocated from reserves to deficit.

Share capital

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and development of its projects. These equity financing transactions may involve issuance of common shares. The Company's common shares are classified as equity instruments. Warrants that are issued as payment for agency fee or other transaction costs are accounted for as share-based payments.

In situations where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received, or given up is not readily determinable, the fair market value (as defined) of the shares is used to record the transaction. The fair market value of the shares issued, or received, is based on the trading price of those shares on the appropriate Exchange on the date of the agreement to issue shares as determined by the Board of Directors.

Financial instruments

<u>Financial assets</u>

The Company classifies its financial assets into one of the following categories as follows:

Fair value through profit or loss ("FVTPL") - This category comprises derivatives and financial assets acquired principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Loans and receivables ("LAR") - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment.

Held-to-maturity ("HTM") - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment.

Available-for-sale ("AFS") - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd...)

Financial assets (cont'd...)

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Transaction costs associated with fair value through profit or loss financial assets are expensed as incurred while transaction costs associated with all other financial assets are included in initial carrying amount of the assets.

Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss ("FVTPL") - This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities ("OFL") - This category consists of liabilities carried at amortized cost using the effective interest method. These financial liabilities are initially recognized at fair value less directly attributable transaction costs.

New and amended standards adopted by the Company

The following new and amended standards have become effective for the Company's April 30, 2015 reporting period. Adoption of these standards did not result in a significant impact on the Company's consolidated financial statements.

- Amendment IAS 32, *Financial Instruments: Presentation*, was amended to clarify that an entity currently has a legally enforceable right to set-off financial assets and liabilities if that right is (1) not contingent on a future event; and (2) enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

New accountin*g pronouncements*

*The following st*andards have not yet been adopted and are being evaluated to determine their impact on the Company's consolidated financial statements. The Company plans to adopt these standards as soon as they become effective for the Company's reporting period.

- New standard IFRS 9, *Financial Instruments*, classification and measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, "*Financial Instruments: Recognition and Measurement*." IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit and loss. This standard is effective for annual periods beginning on or after January 1, 2018.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

(Expressed in Canadian Dollars)

4. ACQUISITION OF MEZZI CANADA INC.

On June 20, 2014, the Company signed a definitive amalgamation agreement ("Agreement") with Privco. Pursuant to the Acquisition, Privco amalgamated with 8918627 Canada Inc., a wholly owned subsidiary of the Company, such that the amalgamated entity is a wholly owned subsidiary of the Company. In consideration for the Acquisition, the Company issued an aggregate of 6,000,000 common shares, valued at $1,200,000, to the shareholder of Privco. The transaction was completed on October 24, 2014 and was treated as an asset acquisition.

The total purchase price of $1,200,000 was allocated as follows:

Amounts receivable	$	88,533
Intangible assets – Mezzi trademark		1,258,319
Trade payable and accrued liabilities		(21,852)
Loan payable		(125,000)
Purchase price	$	1,200,000

In connection with the Agreement, the Company provided bridge financing to Privco in the amount of $125,000 of which $25,000 was provided during the fiscal year ended April 30, 2014. In addition, and as a condition to closing of the Acquisition, the Company issued 93,800 common shares in settlement of certain existing indebtedness of the Company, resulting in a gain on debt settlement of $50,960.

During the year ended April 30, 2015, the Company wrote off receivables of $88,533 as collection was unlikely.

5. INVENTORY

		April 30, 2015		April 30, 2014
Finished goods	$	41,151	$	-
Tracker devices		61,430	$	-
Total	$	102,581	$	-

6. INTANGIBLE ASSETS

Intangible assets consist of the following:

		Mezzi trademark acquisition (Note 4)		Software, website, and mobile app		Total
Cost						
Balance, April 30, 2013 and 2014	$	-	$	-	$	-
Additions		1,258,319		88,049		1,346,368
Balance, April 30, 2015	$	1,258,319	$	88,049	$	1,346,368
Accumulated amortization						
Balance, April 30, 2013 and 2014	$	-	$	-	$	-
Amortization		-		11,916		11,916
Balance, April 30, 2015	$	-	$	11,916	$	11,916
Carrying amounts						
As at April 30, 2014	$	-	$	-	$	-
As at April 30, 2015	$	1,258,319	$	76,133	$	1,334,452

(Expressed in Canadian Dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

	April 30, 2015	April 30, 2014
Trade payables and accrued liabilities	$ 154,490	$ 69,979
Due to related parties (Note 10)	55,000	92,674
Total	$ 209,490	$ 162,653

8. SHARE CAPITAL AND RESERVES

a) Authorized share capital:

Unlimited number of voting common shares without par value
Unlimited number of preferred shares with no par value

b) Issued share capital

At April 30, 2015, the Company had 38,218,653 common shares issued and outstanding (April 2014- 16,021,667).

<u>During the year ended April 30, 2015:</u>

- On July 8, 2014, the Company completed a private placement for 14,783,186 common shares of the Company at $0.20 per share for gross proceeds of $2,956,637. In connection with the private placement, the Company paid finder's fees of $183,741 and issued 354,000 finder's warrants exercisable at a price of $0.50 per warrant to acquire one common share of the Company for a period of eighteen months. The finder warrants were valued at $29,846.
- On July 24, 2014, 1,005,000 common shares were issued from the exercise of stock options for gross proceeds of $251,250. Accordingly, $153,765 was reclassified from reserves to share capital.
- On September 2, 2014, 315,000 common shares were issued from the exercise of stock options for gross proceeds of $78,750. Accordingly, $47,573 was reclassified from reserves to share capital.
- In October 2014, the Company completed the acquisition of Privco through the issuance of 6,000,000 common shares. As a condition of the acquisition, the Company has also issued 93,800 common shares of the Company in settlement of certain existing indebtedness of the Company (Note 4).

<u>During the year ended April 30, 2014:</u>

- On January 29, 2014, the Company passed a resolution approving a consolidation of the Company's common shares on the basis of up to one (1) post-consolidated share for every six (6) pre-consolidated shares. The Company previously had 12,130,000 common shares issued and outstanding as at April 30, 2013. Post-consolidation the Company has 2,021,667 common shares issued and outstanding; and
- On April 3, 2014, the Company completed a private placement of issuing 14,000,000 shares at $0.05 per share for gross proceeds of $700,000. In connection with the private placement, the Company incurred $35,750 of share issue costs.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (cont'd…)

c) Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 5% of the issued and outstanding common stock of the Company.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the year:

	2015	2014
Risk-free interest rate	1.52%	-
Expected life of options	5 years	-
Annualized volatility	107.7%	-
Dividend rate	0.00%	-
Forfeiture rate	0.00%	-

Stock option transactions and the number of share options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, April 30, 2014 and 2013	-	$ -
Granted	3,565,000	0.25
Expired	(500,000)	0.25
Exercised	(1,320,000)	0.25
Balance, April 30, 2015	1,745,000	$ 0.25
Number of options currently exercisable	1,745,000	$ 0.25
Weighted average remaining life of options outstanding	4.29 years	

As at April 30, 2015, the following stock options were outstanding and exercisable:

Number of options	Exercise Price	Expiry Date
445,000	$ 0.25	May 23, 2019
980,000	0.25	August 27, 2019
320,000	0.25	October 16, 2019
1,745,000		

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES (cont'd…)

c) Broker Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, April 30, 2014 and 2013	-	$ -
Granted	354,000	0.50
Balance, April 30, 2015	354,000	$ 0.50

As at April 30, 2015 the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
335,000	$ 0.50	December 20, 2015
19,000	$ 0.50	January 8, 2016
354,000		

The following weighted average assumptions were used for the Black-Scholes valuation of finder warrants granted during the year:

	2015	2014
Risk-free interest rate	1.52%	-
Expected life of options	1.5 years	-
Annualized volatility	139.0%	-
Dividend rate	0.00%	-
Forfeiture rate	0.00%	-

d) Escrow shares

As at April 30, 2015, the Company had 4,593,750 shares held in escrow. 15% of the original total are released every 6 months.

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liabilities either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company's primary financial instruments are classified as follows:

Financial instruments	Classifications
Cash and cash equivalents	FVTPL
Amounts receivable	LAR
Accounts payable and accrued liabilities	OFL

The fair value of these assets and liabilities approximates their respective carrying amounts due to their short term nature. The Company does not currently hold any financial instruments that would be included in the classification of available-for-sale.

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

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will cause a financial loss to the Company by failing to meet its obligations. The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash and cash equivalents and amounts receivable. The Company limits its exposure to credit risk with respect to cash and cash equivalents by holding it with major Canadian financial institutions. At April 30, 2015, cash and cash equivalents are comprised of $611,500 (2014 - $nil) held in an investment account with cash available on demand and $481,130 (2014 - $538,621) in various business accounts held in a major Canadian financial institution. The Company's amounts receivable consists primarily of GST receivables and is not subject to significant credit risk.

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 April 30, 2015, the Company had a cash and cash equivalents balance of $1,092,630 (2014 – $538,621) to settle current liabilities of $209,490 (2014 – $162,653). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand, and are subject to normal trade terms.

9. FINANCIAL INSTRUMENTS AND RISK (cont'd…)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity and equity prices.

a) Interest rate risk

The Company has cash and cash equivalents balances and no interest-bearing debt. The Company is satisfied with the credit ratings of its banks. As of April 30, 2015, the Company did not hold any investments. The Company believes it has no significant interest rate risk.

b) Foreign currency risk

As at April 30, 2015, the Company had the Canadian equivalent of cash and cash equivalents totaling $310,758 (USD- $257,891) (2014- $nil) and accounts payable totaling $31,146 (USD- $25,000) (2014- $nil) held in US dollars. Assuming that all other variables remain constant, a 10% change in the value of the Canadian dollar against the US dollar would not materially affect the loss from operations.

(Expressed in Canadian Dollars)

10. RELATED PARTY BALANCES AND TRANSACTIONS

Transactions with related parties and key management personnel are as follows:

	Nature of transactions	Year Ended April 30, 2015	Year Ended April 30, 2014
Key management personnel - Current:			
A company controlled by the CEO	Management	$ 194,000	$ -
A company controlled by the CFO	Management	10,000	-
A firm of which the CFO is a partner	Professional	55,000	-
		259,000	-
Key management personnel - Former:			
A company controlled by the former CEO	Management	$ 362,500	$ 46,250
A company controlled by the former CFO [i)]	Management/Rent	57,449	200
A former director and a company controlled by a former director of the Company	Consulting	-	24,600
A company controlled by the former President	Product development costs	155,000	-
A firm of which a former director is a partner	Legal	-	7,477
		574,949	78,527
Directors and Officers of the Company	Share-based payments	413,260	-
Total		$ 1,247,209	$ 78,527

The amounts due to other related parties and key management personnel included in accounts payable and accrued liabilities are as follows:

	April 30, 2015	April 30, 2014
Due to a company controlled by the CEO	$ -	$ 4,039
Due to a company controlled by the former CFO	-	9,344
Due to a company controlled by the President	-	1,530
Due to a firm of which the CFO is a partner	55,000	-
Due to a company controlled by the CFO	-	-
Due to a former director and a company controlled by a former director of the Company	-	- 69,720
Due to the former CEO and director of the company	-	8,041
	$ 55,000	$ 92,674

11. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern.

In the management of capital, the Company monitors its adjusted capital which comprises all components of equity (ie. share capital, reserves and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the 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 common shares through private placements. The Company is not exposed to any externally imposed capital requirements.

No changes were made to capital management during the year ended April 30, 2015.

(Expressed in Canadian Dollars)

12. INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

	2015	2014
Loss and comprehensive loss before taxes for the year	$ (2,836,045)	$ (174,778)
Canadian federal and provincial income tax rates	26.00%	26.00%
Expected income tax recovery based on the above rates	$ (737,372)	$ (45,442)
Non-deductible expenditures	135,922	-
Change in valuation allowance	510,000	61,118
Expiry of resource pools and non capital losses	155,945	-
Other items	(64,495)	(15,676)
Deferred income tax recovery	$ -	$ -

The significant components of the Company's deferred income tax assets and liabilities, using a Canadian basic statutory rate of 26% are as follows:

	April 30, 2015	April 30, 2014
Non-capital losses	$ 908,000	$ 280,000
Exploration & evaluation assets	22,000	178,000
Share issuance costs	38,000	-
	968,000	458,000
Unrecognized deferred tax assets	(968,000)	(458,000)
Net deferred tax assets	$ -	$ -

As at April 30, 2015, the Company has non-capital losses of approximately $3,336,000 (2014 – $1,077,000) that may be available to offset future income for income tax purposes, which commence expiring in 2026. About $2,260,000 of these non-capital losses relate directly to the Mezzi business. The Company has resource expenditure pools totaling $85,003 (2014 - $683,761) available for deduction against certain resource-based income that may be carried forward indefinitely.

Due to the uncertainty of realization of these deductible temporary differences, the benefit is not reflected in the consolidated financial statements, as the Company has provided a full valuation allowance for potential deferred tax assets.

13. SEGMENTED INFORMATION

The Company has one operating segment, the sale and distribution of luxury accessories, with its non-current assets and operations located in Canada.

14. SUBSEQUENT EVENTS

Subsequent to the year ended April 30, 2015, the Company issued 150,000 shares and paid $25,000 cash to the Company's former President and director in relation to his resignation.

Subsequent to the year ended April 30, 2015, the Company entered into a sublease agreement for premises expiring on September 29, 2018. Lease commitments are $6,124 per month.