QUIKFLO TECHNOLOGIES INC.

Financial Statements

For the three month period ended October 31, 2015 and for the year ended July 31, 2015
(Expressed in Canadian dollars)

TABLE OF CONTENTS

The financial statements are management prepared and the Company’s auditors have neither reviewed or audited them.

QUIKFLO TECHNOLOGIES INC.
Interim Statement of Financial Position
(Expressed in Canadian Dollars)

	Notes	As at October 31, 2015	As at July 31, 2015
		(Unaudited) $	(Audited) $
ASSETS			
Current Assets			
Cash		**48,328**	**1**
Sales tax receivable		**6,794**	**1,790**
Total Current Assets		**55,122**	**1,791**
Non-current Assets			
Project #1		**5,029**	**-**
Intangible asset	*5*	**375,000**	**375,000**
Total Assets		**435,151**	**376,791**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		**55,104**	**45,079**
Due to related parties	*11*	**(37,264)**	**-**
Total Current Liabilities		**17,840**	**45,079**
Shareholders' Equity			
Share capital	*6*	**372,555**	**372,555**
Subscriptions		**200,000**	
Deficit		**(155,244)**	**(40,843)**
Total Shareholders' Equity		**417,311**	**331,712**
Total Liabilities and Shareholders' Equity		**435,151**	**376,791**

Going concern (Note 2)
Commitments and contingencies (Note 10)
Subsequent events (Note 12)

Approved on Behalf of the Board:

Director

“Signed”

George Tsafalas

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

QUIKFLO TECHNOLOGIES INC.
Interim Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Notes	For Three Months period ended October 31, 2015	Period From Incorporation (May 12, 2015) to July 31, 2015
		(Unaudited) $	(Audited) $
Expenses			
Management and consulting fees		**1,500**	**-**
Payroll		**4,177**	**-**
Professional fees		**81,622**	**40,843**
General and administrative expenses	*11*	**27,101**	**-**
Net loss and comprehensive loss for the period		**114,400**	**40,843**
Basic and diluted loss per share		$190.35	$887.89
Weighted average number of common shares		601	46

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

QUIKFLO TECHNOLOGIES INC.
Interim Statement of Changes in Equity
(Expressed in Canadian Dollars)

	Notes	Share capital Number of shares	Share capital Amount	Deficit	Total equity
			$	$	
Common shares issued at incorporation	*6*	1	1	-	1
Common shares issued for intangible asset	*6*	600	375,000	-	375,000
Share issue costs		-	(2,446)	-	(2,446)
Net loss for the period		-	-	(40,843)	(40,843)
Balance at July 31, 2015		601	372,555	(40,843)	331,712
Subscription received	*6*	-	200,000	-	200,00
Net loss for the period		-	-	(114,400)	(114,400)
Balance at October 31, 2015		601	372,555	(155,244)	417,312

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

QUIKFLO TECHNOLOGIES INC.
Interim Statement of Cash Flows
(Expressed in Canadian Dollars)

	Notes	Three Months Ended October 31, 2015	Period From Incorporation (May 12, 2015) to July 31, 2015
			$
Cash flows from operating activities:			
Operating Activities			
Net (loss) for the period		(114,400)	(40,843)
Changes in non-cash components of working capital			
Sales tax receivable		(5,004)	(1,790)
Accounts payable and accrued liabilities		10,025	42,633
Net cash flows (used in) operating activities		(109,379)	-
Cash flows from investing activities			
Intangible assets acquisition		(5,028)	-
Net cash flows (used in) investing activities		(5,028)	-
Cash flows from financing activities			
Issue of common shares		-	1
Subscription received		200,000	-
Due to related parties		(37,264)	-
Net cash flows (used in) financing activities		(162,736)	1
Increase in cash		48,328	-
Cash, beginning of the period		1	-
Cash, end of the period		48,329	1
Supplemental information:			
Common shares issued for intangible assets	5	-	375,000
Accrued share issue costs		-	2,446

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

1. Nature of Operations

QuikFlo Technologies Inc. ("QuikFlo" or the "Company") is a software development company in Calgary working in close collaboration with the Calgary Stroke Program at the Foothills Medical Center, University of Calgary. QuikFlo is developing a stroke treatment/triage decision support tool for use by physicians. The Company was incorporated on May 12, 2015 pursuant to the provisions of the Business Corporations Act (Alberta) as 1896483 Alberta Ltd. On July 9, 2015, the Company changed its name to QuikFlo Technologies Inc. The address of the head office is suite 430-580 Hornby Street, Vancouver, BC V6C 3B6.

2. Going concern

The ability of the Company to realize its business plan and continue operations is dependent upon the Company being able to commercialize a product for sale, to finance research, development and commercialization costs and compete in a competitive marketplace for stroke monitoring products. Although the Company believes it will be successful, there is no guarantee the Company will produce a product that is marketable or obtains consumer acceptance.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material. The Company has a need for working capital to finance product development and marketing. Because of continuing operating losses and a working capital deficiency as at July 31, 2015, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operations. It is not possible to accurately predict whether present financing efforts will be successful or if the Company will attain profitable levels of operations. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These conditions indicate a material uncertainty that raises significant doubt about its ability to continue as a going concern.

3. Basis of presentation

Basis of preparation

These financial statements are presented in Canadian dollars. These financial statements are prepared on a going concern basis, under the historical cost convention. In addition, these financial statements are prepared using the accrual basis of accounting except for cash flow information.

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").

3. Basis of presentation (continued)

Recently adopted accounting standards and interpretations issued but not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after August 1, 2015 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 38 - Intangible Assets ("IAS 38") and IAS 16 – Property, Plant and Equipment ("IAS 16"), were amended in May 2014 to introduce a rebuttable presumption that the use of revenue-based amortization methods is inappropriate. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

Significant accounting judgments and use of estimates

The preparation of these 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 expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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 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:

3. Basis of presentation (continued)

i. Income taxes and recoverability of potential deferred tax assets
In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws. Future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

ii.Share-based payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

iii. Assets' carrying values and impairment charges
In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

4. Summary of significant accounting policies

(a) Deferred taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4. Summary of significant accounting policies (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(b) Foreign currencies

The financial statements are presented in Canadian dollars, the functional currency. Foreign currency monetary items are translated into Canadian dollars at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated at historical exchange rates, with corresponding depreciation translated at the same exchange rates as the assets to which they relate. Revenues and expenses are translated into Canadian dollars at the rates of exchange prevailing when the underlying transactions occurred. Foreign exchange gains or losses on translation are recognized in operations.

(c) Financial assets and liabilities

The Company's financial assets and liabilities include cash and accounts payable and accrued liabilities.

Financial assets
Financial assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”) are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or derivatives. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, (i.e., the date that the Company commits to purchase or sell the asset).

The Company’s financial assets include cash, which are classified as loans and receivables.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income and finance costs in the statement of loss and comprehensive loss.

The Company has not designated any financial assets upon initial recognition as at fair value through profit or loss. The Company evaluates its financial assets at fair value through profit and loss (held for trading) to determine whether the intent to sell them in the near term is still appropriate. When the Company is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Company may elect, in rare circumstances, to reclassify these financial assets. The reclassification to loans and receivables, available-for-sale or held-to-maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

4. Summary of significant accounting policies (continued)

(c) Financial assets and liabilities (continued)

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method ("EIR"), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of loss and comprehensive loss. The losses arising from impairment are recognised in the statement of loss and comprehensive loss.

Derecognition
A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; and
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  (a) the Company has transferred substantially all the risks and rewards of the asset; or
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an

4. Summary of significant accounting policies (continued)

impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

(c) Financial assets and liabilities (continued)

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of loss and comprehensive loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the statement of loss and comprehensive loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of loss and comprehensive loss.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

Financial liabilities

Initial recognition and measurement
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, other liabilities, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

4. Summary of significant accounting policies (continued)

(c) Financial assets and liabilities (continued)

All financial liabilities are recognised initially at fair value and in the case of other liabilities, plus directly attributable transaction costs.

The Company's financial liabilities include accounts payable and accrued liabilities which are classified as other liabilities.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss:
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss.

Held for trading:
Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of loss and comprehensive loss.

The Company has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

Other liabilities:
Other liabilities are measured at amortized cost using the EIR. The EIR method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of loss and comprehensive loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments
The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

(d) Cash and cash equivalents

Cash includes cash on hand and balances with banks. Deposits are held in Canadian financial institutions. Cash equivalents include short-term deposits with original maturities of three months or less. As at July 31, 2015, the Company did not have any cash equivalents.

4. Summary of significant accounting policies (continued)

(e) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(f) Share-based payments

The fair value of share based payments granted is recognized as an asset or expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. The fair value of equity-settled share-based payment transactions with employees is measured at grant date and each tranche is recognized on a graded basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

At each statement of financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

(g) Intangible asset

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. Amortization shall begin when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The intangible asset represents amounts paid for an entire right, title and interest and to the intellectual property rights and technology rights related to an automated imaging tool for quick and appropriate triage of stroke patients. See Note 5.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss when the asset is derecognized.

At the end of each reporting period, the Company reviews the carrying amounts of its intangible assets to determine whether there is any indication of impairment. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

4. Summary of significant accounting policies (continued)

(g) Intangible asset (continued)

Recoverable amount is the higher of fair value less costs of disposal 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognized immediately in profit or loss. When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(h) Loss per share

Basic loss per common share is calculated by dividing the loss attributed to shareholders for the period by the weighted average number of common shares outstanding in the period. Diluted loss per common share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares.

5. Intangible asset

On July 27, 2015, the Company acquired all of the rights, title and interest in and to the intellectual property rights and technology rights (“IP Rights”) related to an automated imaging tool for quick and appropriate triage of stroke patients by way of an intellectual property assignment agreement. The intellectual property rights comprise a worldwide, perpetual right, title and interest in the invention and any improvements that may be afforded protection under laws of a given jurisdiction through the application and granting of a patent, trademark, copyright or other similar forms of intellectual property protection. The intellectual property rights include a United States provisional patent application that was filed on December 1, 2014. QuikFlo must file a regular utility patent application by December 1, 2015 to claim priority to and the benefit of the provisional patent filing date. If the full patent is granted in the United States, the technology detailed in the patent will be protected for a period of 20 years. The technology rights comprise the right, title and interest in any technical information, know-how, processes, procedures, compositions, devices, methods, formulae, protocols, techniques, software, designs, drawings or data created. In consideration for the IP Rights, the Company issued 600 common shares to the inventors of the IP Rights with an estimated grant date fair value of $625 per common share based on the value of common shares issued for cash around the same date, for total consideration of $375,000. Additionally, the Company signed an Assignment Agreement with UTI Limited Partnership for the IP Rights. Pursuant to this agreement, the Company shall pay the following i) a running royalty of 1% of net sales; ii) royalty conversion at the time of a liquidation event or an Initial Public Offering (“IPO”) equal to 1% of the aggregate consideration for a liquidation event or a valuation for an IPO; and iii) change of control fee equal to 2% of either the aggregate consideration for a liquidation event or a valuation for an IPO.

(Expressed in Canadian Dollars)

6. Share capital

Authorised

Unlimited number of common voting shares without par value.

(a) Issued common shares

	Number of Shares	$
Common shares issued at incorporation	1	1
Common share cancelled	(1)	
Common shares issued for acquisition of IP Rights	600	375,000
Share issue costs	-	(2,446)
At July 31, 2015 and October 31, 2015	**600**	**372,555**

On May 12, 2015, the Company issued 1 common share at a price of $1 per common share. This share was cancelled on August 1, 2015.

On July 27, 2015, the Company issued 600 common shares at an estimated fair value of $625 per common share for total consideration of $375,000 for the acquisition of IP Rights (See Note 5).

On July 27, 2015, the Company reserved for issuance to certain officers and directors of the Company, 80 common shares for cash consideration of $625 per common share until October 31, 2015.

See Note 12.

7. Deferred income taxes

a) Provision for Income Taxes

Major items causing the Company's income tax rate to differ from the combined Canadian federal and provincial statutory rate of approximately 26.5% were as follows:

		July 31, 2015
Loss before income taxes:	**$**	**(40,843)**
Expected income tax (recovery)	**$**	**(10,823)**
Increase resulting from:		
Change in tax benefits not recognized		**10,823**
	$	**-**

b) Deferred Income Tax Balances

Deferred tax assets have not been recognized in respect of the following temporary differences because it is not probable that future taxable profits will be available against which the Company can utilize the benefits.

(Expressed in Canadian Dollars)

		July 31, 2015
Non-capital loss carry-forwards	$	41,300
Share issue costs		2,000
	$	43,300

As at July 31, 2015, the Company had available for deduction against future taxable income, non-capital losses in Canada of approximately $41,300 which expire in 2035.

8. Financial risk management

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

(a) Credit risk management

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and sales tax receivable. Cash is held with a reputable Canadian financial institution, from which management believes the risk of loss is remote. Sales tax receivable consists of harmonized sales tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to sales tax receivable is minimal.

(b) Liquidity risk

As at October 31, 2015, the Company had a working capital of $37,282. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2015, the Company did not have sufficient cash to settle current liabilities. See Notes 2 and 12.

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. Sensitivity to a plus or minus 5% change in the foreign exchange rate would not have had a material effect to the net loss for the period ended July 31, 2015. It is management's opinion that the Company is not exposed to significant foreign currency risk. The Company does not undertake currency hedging activities to mitigate its foreign currency risk.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash balances and currently does not carry interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its financial institutions. It is management's opinion that the Company is not exposed to significant interest rate risk.

(e) Fair value of financial assets and liabilities

The carrying values of cash and accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these instruments.

9. Capital risk management

The Company defines capital as shareholders' equity which at October 31, 2015 was $417,311. The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support its operating activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of its intellectual property and maximize shareholder returns. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing bank indebtedness or equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. As at October 31, 2015, the Company had no bank debt. As discussed in Note 2, the Company's ability to continue to carry out its planned operations is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

Management reviews its capital management approach on an ongoing basis. The Company is not subject to externally imposed capital requirements.

10. Commitments and contingencies

On July 27, 2015, the Company signed an Assignment Agreement with UTI Limited Partnership ("UTI") for the IP Rights (See Note 5). Pursuant to the Assignment Agreement, the Company shall pay the following: i) running royalty of 1% of net sales; ii) royalty conversion at the time of a liquidation event or an IPO equal to 1% of the aggregate consideration for a liquidation event or a valuation for an IPO, and iii) a fee equal to 2% of either the aggregate consideration for a liquidation event or for an IPO upon a change of control.

On September 1, 2015, the Company entered into an agreement with Viper Gold Ltd ("Viper"), pursuant to which Viper would acquire all of the issued and outstanding shares of the Company for 30,000,000 common shares of Viper. Viper is a public company listed on the TSX Venture Exchange. As a result of the acquisition, and assuming the completion of a concurrent financing of 2,000,000 common shares, shareholders of the Company, as a group, would hold approximately 78% of the outstanding common shares of the combined entity. Following Viper's acquisition of the Company, the Company will be a wholly-owned subsidiary of Viper. Future business will be carried on in the name of QuikFlo Health Inc. The acquisition was subject to regulatory and shareholder approval. This transaction closed on November 23, 2015.

11. Related party transactions

There were no amounts paid or payable to officers or directors of the Company during the period ended October 31, 2015.

The inventors of the IP Rights assigned all of their intellectual property rights to UTI. Under the terms of those assignment agreements, the inventors, who are shareholders of the Company, will share in any royalties or fees that UTI may receive. See Note 10.

Certain shareholders of the Company were also directors and officers of Viper Gold Inc.

See also Notes 6 and 12.

12. Subsequent events

Subsequent to October 31, 2015, the Company issued 400 common shares at $625 per common share for gross proceeds of $200,000. In connection with the private placement, share issue costs of $2,446 were accrued as at July 31, 2015. Officers of the Company subscribed for 136 common shares for gross proceeds of $85,000 pursuant to this private placement.

The Viper transaction closed on November 23, 2015. As a result, the Company is a wholly owned subsidiary of QuikFlo Health Inc., (formerly Viper Gold Inc.).