DEPLOY TECHNOLOGIES INC.

(A Development Stage Company)

FINANCIAL STATEMENTS

31 July 2011 and 2010

(Expressed in U.S. Dollars)

JAMES STAFFORD

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Independent Auditor's Report

To the Shareholders of Deploy Technologies Inc.
(A Development Stage Company)

We have audited the accompanying financial statements of Deploy Technologies Inc. which comprise the balance sheets as at 31 July 2011 and 2010 and the statements of loss and comprehensive loss, cash flows and changes in shareholders' deficiency 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 Canadian generally accepted accounting principles, 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 Deploy Technologies Inc. as at 31 July 2011 and 2010 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the ability of Deploy Technologies Inc. to continue as going concern.

James Stafford

Chartered Accountants
Vancouver, Canada
24 October 2011

Deploy Technologies Inc. Statement 1

(A Development Stage Company)

Balance Sheets

As at 31 July

(U.S. Dollars)

ASSETS		2011		2010
Current				
Cash and cash equivalents	$	38,484	$	1,991
Amounts receivable		1,004		-
Prepaid expenses		3,156		1,618
Available-for-sale securities *(Note 3)*		1		1
		42,645		3,610
Property, plant and equipment *(Note 4)*		63,519		22,795
Website development costs *(Note 5)*		9,683		-
Fleet management technology *(Note 6)*		30,000		30,000
	$	145,847	$	56,405
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	17,233	$	22,226
Due to related parties *(Note 7)*		92,925		19,367
Loans payable *(Note 8)*		-		52,076
		110,158		93,669
Loans payable *(Note 8)*		58,497		-
		168,655		93,669
SHAREHOLDERS' DEFICIENCY				
Share Capital - *Statement 2* *(Note 9)*				
Authorized:				
100,000,000 common shares – Par value $0.0001				
Issued and outstanding:				
44,638,769 (31 July 2010 – 40,638,399) common shares		4,462		4,063
Additional Paid-In Capital		2,091,216		1,691,578
Share Subscriptions Received In Advance *(Note 9)*		80,560		-
Accumulated Other Comprehensive Income		(51,146)		(9,179)
Deficit Accumulated Prior to the Development Stage		(1,455,010)		(1,455,010)
Deficit Accumulated During the Development Stage		(692,890)		(268,716)
		(22,808)		(37,264)
	$	145,847	$	56,405

Nature and Continuance of Operations and Significant Accounting Policies *(Note 1)*, **Contingency** *(Note 12)* and **Subsequent Events** *(Note 13)*

ON BEHALF OF THE BOARD:

/s/ David Eppert , Director

/s/ Andre Thompson , Director

Deploy Technologies Inc. Statement 2

(A Development Stage Company)

Statements of Changes in Shareholders' Deficiency

(U.S. Dollars)

	Share Capital							
	Number	Amount	Additional Paid-in Capital	Subscriptions received in advance	Other Comprehensive Income (Loss)	Deficit Accumulated Prior to the Development Stage	Deficit Accumulated During the Development Stage	Total
Balance – 31 July 2009	35,994,479	$ 3,599	$ 1,435,762	-	$ 1,264	$ (1,455,010)	$ (105,000)	$ (119,385)
Issuance of shares for:								
- Services rendered *(Notes 7, 9 and 14)*	4,161,613	416	207,633	-	-	-	-	208,049
- Settlement of loans payable *(Notes 8, 9 and 14)*	139,089	14	13,895	-	-	-	-	13,909
- Cash *(Note 9)*	343,218	34	34,288	-	-	-	-	34,322
Foreign currency translation adjustment	-	-	-	-	(10,443)		-	(10,443)
Loss for the year	-	-	-	-	-	-	(163,716)	(163,716)
Balance – 31 July 2010	40,638,399	4,063	1,691,578	-	(9,179)	(1,455,010)	(268,716)	(37,264)
Issuance of shares for:								
- Services rendered (Notes 7, 9 and 14)	1,370,370	136	136,901	-	-	-	-	137,037
- Cash (Note 9)	2,630,000	263	262,737	-	-	-	-	263,000
Share subscriptions received in advance *(Note 9)*	-	-	-	80,560	-	-	-	80,560
Foreign currency translation adjustment	-	-	-	-	(41,967)	-	-	(41,967)
Loss for the year	-	-	-	-	-	-	(424,174)	(424,174)
Balance – 31 July 2011	44,638,769	4,462	2,091,216	80,560	(51,146)	(1,455,010)	(692,890)	(22,808)

Deploy Technologies Inc.

(A Development Stage Company)

Statement 3

Statements of Loss and Comprehensive Loss

(U.S. Dollars)

	Year Ended 31 July	
	2011	2010
General and Administrative Expenses		
Accounting and legal *(Note 7)*	$ 52,418	$ 35,213
Automobile expenses	11,519	5,660
Bank charges and interest *(Note 8)*	4,066	2,124
Consulting fees *(Note 7)*	218,253	22,279
Depreciation & amortization	13,745	2,666
Dues and subscriptions	15,811	5,197
Insurance	-	708
Filing Fees	10,720	4,502
Management fees *(Note 7)*	73,054	66,838
Meals and entertainment	3,998	1,312
Office and miscellaneous	8,684	2,571
Rent	13,086	1,393
Telecommunications	645	778
Transfer agent fees	8,051	5,077
Travel Expenses	3,528	1,327
Tools and materials	34,371	6,071
Loss Before Other Items	(471,949)	(163,716)
Other Items		
Foreign exchange, net	44,894	-
Other income	2,854	-
Interest income	27	-
Loss for the Year	$ (424,174)	$ (163,716)
Other Comprehensive Income		
Foreign currency translation adjustment	(41,967)	(10,443)
Comprehensive Loss for the Year	$ (466,141)	$ (174,159)
Loss per Share - Basic and Fully Diluted	$ (0.010)	$ (0.005)
Comprehensive Loss per Share - Basic and Fully Diluted	$ (0.011)	$ (0.005)
Weighted Average Number of Shares Outstanding	41,914,420	36,261,072

Deploy Technologies Inc. — Statement 4

(A Development Stage Company)

Statements of Cash Flows

(U.S. Dollars)

Cash Resources Provided By (Used In)	Year Ended 31 July 2011	2010
Operating Activities		
Loss for the year	$ (424,174)	$ (163,716)
Items not affecting cash:		
Accrued interest	2,882	999
Depreciation	13,745	2,666
Shares issued for services	137,037	89,117
Write down of management fees	(17,540)	-
Foreign exchange	2,432	-
Amounts receivable	(1,004)	-
Prepaid expenses	(1,538)	(1,379)
Accounts payable and accrued liabilities	(4,993)	20,129
Due to related parties	91,098	-
	(202,055)	(52,184)
Investing Activities		
Purchase of property, plant and equipment	(49,302)	(25,461)
Website development costs	(13,743)	-
	(63,045)	(25,461)
Financing Activities		
Proceeds from loans	-	62,120
Settlement of loans	-	(7,275)
Common shares issued for cash	263,000	34,322
Share subscriptions received in advance	80,560	-
	343,560	89,167
Effect of exchange rate changes on cash and cash equivalents	(41,967)	(10,443)
Net Increase (decrease) in Cash and Cash Equivalents	36,493	1,079
Cash and cash equivalents – Beginning of year	1,991	912
Cash and Cash Equivalents - End of Year	$ 38,484	$ 1,991

Supplemental Disclosures with Respect to Cash Flows *(Note 14)*

1. Nature and Continuance of Operations and Significant Accounting Policies

a) Nature and Continuance of Operations

Deploy Technologies Inc. (the "Company") was incorporated on 5 November 1998 in the State of Delaware, U.S.A. under the name of Concept Development Group and commenced business on the same day.

In May 2004, the Company acquired 100% of Kaleidoscope Venture Capital, Inc. (formerly Vocalscape Networks, Inc.) ("Kaleidoscope") and changed its name to Vocalscape, Inc. In November 2005, the Company changed its name to Nevstar Precious Metals Inc. as a junior mining company.

On 31 July 2008, the Company transitioned its business from mineral property exploration to developing technologies for effective fleet management.

The Company changed its name from Nevstar Precious Metals Inc. to Deploy Technologies Inc. on 19 September 2008.

On 15 September 2010, the Company incorporated in Nevada, moving from Delaware, and reduced its authorized capital from 500,000,000 common shares to 100,000,000 common shares.

The Company is a development stage company, as defined in Accounting Guideline 11, "Enterprises in the Development Stage". The Company is devoting all of its present efforts in securing and establishing a new business, and its planned principal operations have not commenced, and, accordingly, no revenue has been derived during the organization period.

At 31 July 2011, the Company had cash and cash equivalents of $38,484 (31 July 2010 - $1,991) and working capital deficit of $67,513 (31 July 2010 – deficit of $90,059). The funds on hand at 31 July 2011 are not sufficient to meet our planned corporate, administrative and development activities for the next twelve months. Additional financing will be required to meet the Company's obligations as they fall due. Because of this uncertainty, there is significant doubt about the ability to continue as a going concern.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

Several adverse conditions cast significant doubt upon the validity of this assumption. Consistent with other entities in the development stage, the Company has incurred operating losses since inception, has no source of revenue, was unable to self-finance operations, and has significant cash requirements to meet its overhead and continue its development activities. The Company's ability to continue as a going concern is dependent upon management's ability to secure additional financing. While management has been successful in obtaining funding in the past, there can be no assurance that it will be able to do so in future.

If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used, and such adjustments would be material.

b) Basis of Presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

1. Nature and Continuance of Operations and Significant Accounting Policies – *Continued*

c) Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers cash and cash equivalents to include amounts held in banks and highly liquid investments with remaining maturities at point of purchase of 90 days or less. The Company places its cash and cash investments with institutions of high-credit worthiness.

d) Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are non-interest bearing, unsecured and have settlement dates within one year.

e) Income Taxes

Income taxes are accounted for using the asset and liability method. Future taxes are recognized for the tax consequences of "temporary differences" by applying enacted or substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and tax basis of existing assets and liabilities. The effect on future taxes for a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. In addition, the method requires the recognition of future tax benefits to the extent that realization of such benefits is more likely than not. A valuation allowance is provided to the extent that it is more likely than not that future income tax assets will not be realized.

f) Foreign Currency Translation

The functional currency is the Canadian dollar and the reporting currency is the U.S. dollar. At each balance sheet date, assets and liabilities that are denominated in a currency other than U.S. dollars are adjusted to reflect the current exchange rate which may give rise to a foreign currency translation adjustment accounted for as a separate component of shareholders' equity and included in other comprehensive income (loss).

Revenues and expenses are translated at the average daily rate for the period covering the financial statement period to approximate the rate of exchange on the transaction date. Exchange gains and losses are included in the determination of net income (loss) for the period.

g) Loss per Share

Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share which assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. In years in which a loss is incurred, the effect of potential issuances of shares under options and warrants would be anti-dilutive, and therefore basic and diluted loss per share are the same.

h) Website Development Costs

The costs of website application and infrastructure development, as defined under EIC-118,"Accounting for Costs Incurred to Develop a Website", will be capitalized as incurred. Accordingly, costs incurred to acquire a website domain name under the Company name have been capitalized.

1. Nature and Continuance of Operations and Significant Accounting Policies – *Continued*

i) Research and Product Development Costs

Research costs including materials and salaries of employees directly involved in research efforts are expensed as incurred. Development costs are expensed in the period incurred, unless they meet specific criteria related to technical, market and financial feasibility, in which case they are deferred and amortized over the estimated life of the related products. Management reviews the applicable criteria on a regular basis and if the criteria are no longer met, any remaining unamortized balance is written off as a charge to income.

Fleet management technology acquired is recorded at cost *(Notes 6 and 9)*. Fleet management technology will be amortized over its estimated useful life and evaluated for impairment if events or changes in circumstances indicate that the asset may be impaired. To date, no amortization has been taken because the fleet management technology is not yet complete.

j) Management's Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported years. Actual results could differ from those estimates.

k) Financial Instrument Standards

Financial Assets and Financial Liabilities

Financial assets and liabilities are initially recognized at fair value and are subsequently measured based on their classification as held-to-maturity, loans and receivables, available-for-sale or held-for-trading, as described below. The classification is not changed subsequent to initial recognition.

Held-to-Maturity and Loans and Receivables

Financial instruments that have a fixed maturity date, where the Company intends and has the ability to hold to maturity, are classified as held-to-maturity and measured at amortized cost using the effective interest rate method. Loans and receivables are measured at amortized cost using the effective interest method.

Available-for-sale

Financial assets classified as available-for-sale are carried at fair value (where determinable based on market prices of actively traded securities) with changes in fair value recorded in other comprehensive income. Available-for-sale securities are written down to fair value through earnings whenever it is necessary to reflect other-than-temporary impairment. Transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability are added to its fair value.

Held-for-Trading

Financial assets and financial liabilities that are purchased and incurred with the intention of generating profits in the near term are classified as held-for-trading. These instruments are measured at fair value with the change in the fair value recognized in income.

1. Nature and Continuance of Operations and Significant Accounting Policies – *Continued*

k) Financial Instrument Standards – *Continued*

Derivatives and Hedge Accounting

The Company has determined that any share purchase warrants held are derivative financial instruments and any change in fair value is included in earnings for the period.

Comprehensive Income

Comprehensive income is composed of the Company's earnings and other comprehensive income. Other comprehensive income includes unrealized gains and losses on available-for-sale securities, foreign currency translation gains and losses on the net investment in self-sustaining operations, foreign currency translation adjustments and changes in the fair market value of derivate instruments designated as cash flow hedges, all net of income taxes. Cumulative changes in other comprehensive income are included in accumulated other comprehensive income which is presented (if applicable) as a new category in shareholders' equity.

l) International Financial Reporting Standards ("IFRS")

In 2008, the CICA announced that GAAP for publicly accountable enterprises is to be replaced by IFRS for fiscal years beginning on or after 1 January 2011. Companies are required to provide IFRS comparative information for the previous fiscal year. Accordingly, the conversion from GAAP to IFRS is to be applicable to the Company's reporting for the first quarter of its 2012 year end for which the current and comparative information will be prepared under IFRS. The Company is required to apply all of those IFRS standards which are effective for fiscal years ending 31 July 2012 and 2011 and apply them to its opening 1 August 2010 balance sheet.

m) Comparative Figures

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

2. Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, available-for-sale securities, accounts payable, due to related parties and loans payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments, with the exception of available-for-sale securities, approximates their carrying values, due to their short-term maturity or capacity of prompt liquidation.

	Fair Value Measurement	31 July 2011	31 July 2010
Available-for-sale securities *(Note 3)*	Level 1	$ 1	$ 1

Level 1: inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2: inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
Level 3: inputs to the valuation methodology are unobservable and significant to the fair value measurement.

3. Available-for-Sale Securities

	31 July 2011		31 July 2010	
	Cost	Fair Value	Cost	Fair Value
Kaleidoscope 5,694 (31 July 2010 – 5,694) common shares	$ 1	$ 1	$ 1	$ 1

On 14 July 2008, Kaleidoscope performed a 1:200 reverse split of its shares, resulting in the Company's shareholding in Kaleidoscope being reduced to 5,694 shares.

4. Property, Plant and Equipment

	Cost	Accumulated Depreciation	31 July 2011 Net Book Value	31 July 2010 Net Book Value
Automobile	$ 27,468	$ 9,679	$ 17,789	$ 21,877
Tools and equipment	42,156	2,639	39,517	-
Furniture and office equipment	7,146	933	6,213	918
	$ 76,770	$ 13,251	$ 63,519	$ 22,795

During the year ended 31 July 2011, total additions to property, plant and equipment were $49,302 (31 July 2010 - $25,461). The difference between net book value at 31 July 2010 and 31 July 2011 was due to additions during the year and depreciation for the year of $9,847 offset by a foreign exchange adjustment of $1,269.

5. Website Development cost

	Cost	Accumulated Depreciation	31 July 2011 Net Book Value	31 July 2010 Net Book Value
Website Development	$ 13,743	$ 4,060	$ 9,683	$ -

During the year ended 31 July 2011, total additions to website development were $13,743 (31 July 2010 - $Nil). The difference between net book value at 31 July 2010 and 31 July 2011 was due to additions during the year, depreciation for the year of $3,898 and a foreign exchange adjustment of $162.

6. Fleet Management Technology

On 10 November 2008, the Company acquired fleet management technology from a company controlled by the Chief Executive Officer of the Company and Vice President of Operations of the Company, in exchange for the issuance of 30,000,000 common shares of the Company valued at $30,000 *(Note 9)*. The technology is focusing on enabling organizations that use it to become more efficient, productive and profitable through the use of their fleet assets.

	Cost	Accumulated Amortization	31 July 2011 Net Book Value	31 July 2010 Net Book Value
Fleet management technology	$ 30,000	$ -	$ 30,000	$ 30,000

The fleet management technology is not yet complete and amortization expense for the year ended 31 July 2011 is $Nil (31 July 2010 - $Nil).

7. Related Party Transactions

Except as disclosed elsewhere in these financial statements, related party transactions for the years ended 31 July 2011 and 2010 are as follows:

a) During the year ended 31 July 2011, management fees of $90,594 (2010 - $66,838) were paid/accrued to the Chief Executive Officer of the Company.

b) During the year ended 31 July 2011, consulting fees of $30,201 (2010 - $22,279) were paid/accrued to the Vice President of Operations of the Company.

c) During the year ended 31 July 2011, consulting fees of $75,495 (2010 - $Nil) were paid/accrued to a company controlled by the Vice President of Corporate Development.

d) During the year ended 31 July 2011, accounting fees of $14,646 (2010 – $Nil) were paid/accrued to an accounting firm owned by the former Chief Financial Officer of the Company.

e) During the year ended 31 July 2011, the Company reversed the accrual of management fees of $17,540 previously due to a former director of the Company *(Note 12)*.

f) During the year ended 31 July 2011, 470,370 common shares were issued to a company controlled by the Chief Executive Officer of the Company and Vice President of Operations of the Company, for a total of $47,037 related to management and consulting services rendered during the year ended 31 July 2011 *(Notes 9 and 14)*.

g) During the year ended 31 July 2011, 500,000 common shares were issued to a company controlled by the Vice President of Corporate Development for $50,000 related to consulting services rendered during the year ended 31 July 2011 *(Notes 9 and 14)*.

h) During the year ended 31 July 2010, the Company issued 4,041,613 common shares with a fair value of $202,049 to the Chief Executive Officer of the Company and Vice President of Operations of the Company for management and consulting fees in the amount of $112,932 and $89,117, respectively *(Notes 9 and 14)*.

i) During the year ended 31 July 2010, the Company issued 120,000 common shares with a fair value of $6,000 to a former director and officer of the Company for management and consulting fees incurred in a prior year *(Notes 9 and 14)*.

j) During the year ended 31 July 2010, the Company issued 139,089 common shares valued at $13,909 to settle loans payable to business associates related to the Vice President of Operations of the Company *(Notes 8, 9 and 14)*.

The above transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. Loans Payable

The Company rescheduled the repayment dates for loans received from an investor, business associates related to the Vice President of Operations of the Company and a company related to the Vice President of Operations of the Company. The principal balance on these loans bears interest at a rate of 5% per annum, is unsecured and is now repayable by 31 July 2013. The balance as at 31 July 2011 consists of principal and accrued interest of $54,616 (31 July 2010 - $51,077) and $3,881 (31 July 2010 - $999), respectively.

During the year ended 31 July 2010, the Company issued 139,089 common shares for $13,909 to settle short-term loans *(Notes 7, 9 and 14)*.

9. Share Capital

The Company's authorized share capital is 100,000,000 common shares with $0.0001 par value per share. Each common share entitles the holder to one vote, in person or by proxy, on matters on which action of the shareholders of the corporation are sought.

Issued and outstanding

a) On 20 April 2011, the Company issued 470,370 common shares to a company controlled by the Chief Executive Officer of the Company and Vice President of Operations of the Company, valued at a total of $47,037 related to management and consulting services rendered during the year ended 31 July 2011 *(Notes 7 and 14)*.

b) On 20 April 2011, the Company issued 500,000 common shares to a company controlled by the Vice President of Corporate Development valued at $50,000 related to consulting services rendered during the year ended 31 July 2011 *(Notes 7 and 14)*.

c) On 20 April 2011, the Company issued 400,000 common shares valued at $40,000 for consulting services rendered during the year ended 31 July 2011 *(Note 14)*.

d) On 20 April 2011, the Company issued 1,635,000 common shares for $0.10 per share for cash proceeds of $163,500.

e) On 21 February 2011, the Company issued 995,000 common shares for $0.10 per share for cash proceeds of $99,500.

f) On 11 July 2010, the Company issued 139,089 common shares valued at $13,909 to settle loans payable to business associates related to the Vice President of Operations of the Company *(Notes 7, 8 and 14).*

g) On 11 July 2010, the Company issued 343,218 common shares for $0.10 per share for cash proceeds of $34,322.

h) On 10 July 2010, the Company issued 4,041,613 common shares valued at $202,049 to the Chief Executive Officer of the Company and Vice President of Operations of the Company for management and consulting fees in the amounts of $112,932 and $89,117, respectively *(Notes 7 and 14).*

i) On 10 July 2010, the Company issued 120,000 common shares valued at $6,000 to a former director and officer of the Company for management and consulting fees incurred in a prior year *(Notes 7 and 14).*

j) On 2 February 2009, the Company issued 50,000 common shares for $0.05 per share for cash proceeds of $2,500.

9. Share Capital – *Continued*

k) On 10 December 2008, the Company approved the issuance of 5,382,666 common shares for $161,480 related to management and consulting fees *(Note 14)*. Share certificates for which were issued during the fourth quarter ending 31 July 2009.

l) On 10 November 2008, the Company acquired fleet management technology from a company controlled by the Chief Executive Officer of the Company and Vice President of Operations of the Company, by issuing 30,000,000 common shares of the Company valued at $30,000 *(Note 6)*.

m) On 20 September 2008, the Company completed a 1:100 reverse stock split and decreased the issued and outstanding share capital from 56,110,070 common shares to 561,813 common shares with the same par value of $0.0001. Unless otherwise noted, all references herein to the number of common shares, price per common share or weighted average number of common shares outstanding have been adjusted to reflect this reverse stock split on a retroactive basis.

Share subscriptions received in advance

During the year ended 31 July 2011, the Company received $80,560 for the purchase of the Company's common shares. As of 31 July 2011, these shares have not yet been issued *(Note 13)*.

10. Income Taxes

a) A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2011		2010
Net loss for the period	$	424,174	$	163,716
Federal and state income tax rates		35%		35%
Expected income tax recovery	$	148,461	$	57,301
Permanent differences		(700)		(203)
Change in valuation allowance		(147,761)		(57,071)
Total income tax recovery	$	-	$	-

b) The significant components of the Company's future income tax assets and liabilities are as follows:

		As at 30 July 2011		As at 31 July 2010
Future income tax assets				
Net income tax operating loss carry forward	$	772,713	$	350,538
Statutory federal income tax rate		35%		35%
Effective income tax rate		0%		0%
Future income tax asset		270,449		122,688
Valuation allowance		(270,449)		(122,688)
Net future income tax assets	$	-	$	-

10. Income Taxes – *Continued*

As at 31 July 2011, the Company has unused net operating losses for U.S. federal income tax purposes of approximately $772,713 that are available to offset future taxable income, which, if unutilized, will expire as follows:

2028	$	82,726
2029		104,752
2030		163,060
2031		422,175
Total	$	772,713

11. Capital Disclosure

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital, additional paid-in capital, accumulated other comprehensive loss and deficit. The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic condition and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank sponsored instruments.

There were no changes in the Company's approach to capital management during the year ended 31 July 2011 compared to the year ended 31 July 2010. The Company is not subject to externally imposed capital requirements.

12. Contingency

During the year ended 31 July 2011, the Company wrote off amounts due to related parties of $17,540 related to the Company's former director. Management does not consider that these amounts are payable. This write down has been recorded as a recovery of expenses and a decrease in due to related parties *(Note 7)*.

13. Subsequent Events

The following events occurred during the period from the year ended 31 July 2011 to the date the financial statements were available to be issued on 24 October 2011:

a) On 6 September 2011, the Company issued 2,534,791 common shares for $0.10 per share for cash proceeds of $253,479 *(Note 9)*.

13. Subsequent Events – *Continued*

b) On 29 September 2011, the Company amended the Articles of Incorporation to authorize the issuance of up to 2,900,000 shares of Class A Preferred Stock, each share having the following voting powers, designations, preferences, limitations, restrictions, and relative rights:

   a. Ten votes per share in *pari passu* with shares of common stock on all matters presented to the holders of the Company's equity securities for vote or approval;
   b. A right to receive dividends when, as and if declared by the board of directors, I *pari passu* with each share of common stock with the amount of such dividends determined by multiplying the dividend per share of common stock by ten;
   c. A right to receive distributions, whether or not in liquidation, in *pari passu* with each share of common stock with the amount of such distribution determined by multiplying the distribution per share of common stock by ten;
   d. Conversion into ten shares of common stock at the election of the Company or of the holder any time after two years of the date of issuance.

c) On 29 September 2011, the Company issued 2,700,000 shares of Class A Preferred Stock in exchange for 27,000,000 common shares previously owned by a company controlled by the Chief Executive Officer of the Company and Vice President of Operations of the Company.

d) On 29 September 2011, the Company issued 200,000 shares of Class A Preferred Stock in exchange for 2,000,000 common shares previously owned by a company controlled by the Chief Executive Officer of the Company.

14. Supplemental Disclosures with Respect to Cash Flows

		Year Ended 31 July	
		2011	2010
Cash paid during the year for interest	$	-	-
Cash paid during the year for income taxes	$	-	-

During the year ended 31 July 2011, 470,370 common shares were issued to a company controlled by the Chief Executive Officer of the Company and Vice President of Operations of the Company, for a total of $47,037 related to management and consulting services rendered during the year ended 31 July 2011 *(Notes 7 and 9)*.

During the year ended 31 July 2011, the Company issued 500,000 common shares valued at $50,000 to a company controlled by the Vice President of Corporate Development for consulting services rendered during the year ended 31 July 2011 *(Notes 7 and 9)*.

During the year ended 31 July 2011, the Company issued 400,000 common shares valued at $40,000 for consulting services rendered during the year ended 31 July 2011 *(Note 9)*.

During the year ended 31 July 2010, the Company issued 4,041,613 common shares with a fair value of $202,049 to the Chief Executive Officer of the Company and Vice President of Operations of the Company for management and consulting fees incurred in the prior and current year in the amount of $112,932 and $89,117, respectively *(Notes 7 and 9)*.

During the year ended 31 July 2010, the Company issued 120,000 common shares with a fair value of $6,000 to a former director and officer of the Company for management and consulting fees incurred in a prior year *(Notes 7 and 9)*.

During the year ended 31 July 2010, the Company issued 139,089 common shares for $13,909 to settle loans payable to business associates related to the Vice President of Operations of the Company *(Notes 7, 8, and 9)*.

15. Segmented Information

Details on a geographic basis as at 31 July 2011 are as follows:

	USA		Canada		Total
Current assets	$	- $	42,645	$	42,645
Property, plant and equipment	$	- $	63,519	$	63,519
Fleet management technology	$	- $	30,000	$	30,000
Other long-term assets	$	- $	9,683	$	9,683
Loss for the year	$	- $	(424,174)	$	(424,174)

Details on a geographic basis as at 31 July 2010 are as follows:

	USA		Canada		Total
Current assets	$	- $	3,610	$	3,610
Property, plant and equipment	$	- $	22,795	$	22,795
Fleet management technology	$	- $	30,000	$	30,000
Loss for the year	$	- $	(163,716)	$	(163,716)

16. Differences between Canadian GAAP and United States GAAP

These financial statements have been prepared in accordance with Canadian GAAP. Unless otherwise noted, these financial statements also comply, in all material aspects, with United States GAAP.

Recent Accounting Pronouncements

In December 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2010-28, "Intangibles, Goodwill and Other". The amendments in this ASU are effective for fiscal years, and interim periods within those years, beginning after 15 December 2010. The adoption of ASU 2010-28 during the period did not have a material impact on the Company's financial position, cash flows or results of operations.

In December 2010, the FASB issued ASU 2010-29, "Business Combinations". The amendments in this ASU are effective for fiscal years, and interim periods within those years, beginning after 15 December 2010. The adoption of ASU 2010-29 during the period did not have a material impact on the Company's financial position, cash flows or results of operations.

In June 2011, the FASB issued ASU 2011-05, "Presentation of Comprehensive Income". This ASU presents an entity with the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. This update eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The amendments in this update do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. As ASU 2011-05 relates only to the presentation of Comprehensive Income, the Company does not expect that the adoption of this update will have a material effect on its financial statements.