DEPLOY TECHNOLOGIES INC.

(A Development Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)

31 October 2011

(Expressed in U.S. Dollars)

Deploy Technologies Inc. <u>Statement 1</u>

(A Development Stage Company)

Condensed Interim Statements of Financial Position

(Unaudited)

(U.S. Dollars)

ASSETS		As at 31 October 2011		As at 31 July 2011		As at 1 August 2010
				(Note 14)		(Note 14)
Current						
Cash and cash equivalents	$	60,611	$	38,484	$	1,991
Amounts receivable		5,027		1,004		-
Prepaid expenses		1,656		3,156		1,618
Available-for-sale securities *(Note 3)*		1		1		1
		67,295		42,645		3,610
Property, plant and equipment *(Note 4)*		73,718		63,519		22,795
Website development costs *(Note 5)*		8,187		9,683		-
Fleet management technology *(Note 6)*		30,000		30,000		30,000
	$	179,200	$	145,847	$	56,405
LIABILITIES						
Current						
Trade payables and accrued liabilities	$	5,788	$	17,233	$	22,226
Due to related parties *(Note 7)*		52,347		92,925		19,367
Loans payable *(Note 8)*		-		-		52,076
		58,135		110,158		93,669
Loans payable *(Note 8)*		57,068		58,497		-
		115,203		168,655		93,669
SHAREHOLDERS' DEFICIENCY						
Share Capital - *Statement 2 (Note 9)*						
Authorized:						
100,000,000 Common Shares – Par Value $0.0001						
2,900,000 Class A Preferred Shares – Par Value $0.001						
Issued and outstanding:						
18,173,560 (31 July 2011 – 44,638,769) Common Shares		1,815		4,462		4,063
2,900,000 (31 July 2011 – Nil) Class A Preferred Shares		2,900		-		-
Additional Paid-In Capital		2,344,442		2,091,216		1,691,578
Share Subscriptions Received In Advance *(Note 9)*		101,060		80,560		-
Accumulated Other Comprehensive Income		(40,220)		(41,967)		-
Deficit Accumulated Prior to the Development Stage		(1,455,010)		(1,455,010)		(1,455,010)
Deficit Accumulated During the Development Stage		(890,990)		(702,069)		(277,895)
		63,997		(22,808)		(37,264)
	$	179,200	$	145,847	$	56,405

Nature and Continuance of Operations and Significant Accounting Policies *(Note 1)*, **Contingency** *(Note 11)* and **Subsequent Events** *(Note 12)*

ON BEHALF OF THE BOARD:

/s/ David Eppert , Director

/s/ Andre Thompson , Director

- See Accompanying Notes -

Deploy Technologies Inc. **Statement 2**

(A Development Stage Company)

Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)

(Unaudited)

(U.S. Dollars)

	Share Capital							Deficit	Deficit	
	Common Shares		Class A Preferred Shares		Additional	Subscriptions Received in	Other Comprehensive Income	Accumulated Prior to the Development	Accumulated During the Development	
	Number	Amount	Number	Amount	Paid-in Capital	Advance	(Loss)	Stage	Stage	Total
Balance – 31 July 2009	35,994,479	$ 3,599	-	$ -	$ 1,435,762	$ -	$ -	$ (1,455,010)	$ (103,736)	$ (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	-	-	-	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	-	-	-	(174,159)	(174,159)
Balance – 31 July 2010	40,638,399	4,063	-	-	1,691,578	-	-	(1,455,010)	(277,895)	(37,264)
Issuance of shares for:										
Share subscriptions received in advance *(Note 9)*	-	-	-	-	-	22,192		-	-	22,192
Foreign currency translation adjustment	-	-	-	-	-	-	(676)	-	-	(676)
Loss for the period	-	-	-	-	-	-		-	(22,207)	(22,207)
Balance – 31 October 2010	40,638,399	4,063	-	-	1,691,578	22,192	(676)	(1,455,010)	(300,102)	(37,955)
Issuance of shares for:										
- Services rendered *(Notes 7, 9 and 12)*	1,370,370	136	-	-	136,901	-	-	-	-	137,037
- Cash *(Note 9)*	2,630,000	263	-	-	262,737	-	-	-	-	263,000
Share subscriptions received in advance	-	-	-	-	-	58,368	-	-	-	58,368
Foreign currency translation adjustment	-	-	-	-	-	-	(41,291)	-	-	(41,291)
Loss for the year	-	-	-	-	-	-	-	-	(401,967)	(401,967)
Balance – 31 July 2011	44,638,769	4,462	-	-	2,091,216	80,560	(41,967)	(1,455,010)	(702,069)	(22,808)
Issuance of shares for:										
- Services rendered *(Notes 7,9 and 12)*	1,134,791	113	-	-	113,366	-	-	-	-	113,479
- Cash *(Note 9)*	1,400,000	140	-	-	139,860	-	-	-	-	140,000
Conversion of common shares to Class A Preferred Shares *(Note 9)*	(29,000,000)	(2,900)	2,900,000	2,900	-	-	-	-	-	-
Share subscriptions received in advance *(Note 9)*	-	-	-	-	-	20,500	-	-	-	20,500
Foreign currency translation adjustment	-	-	-	-	-	-	1,747	-	-	1,747
Loss for the period	-	-	-	-	-	-	-	-	(188,921)	(188,921)
Balance – 31 October 2011	18,173,560	$ 1,815	2,900,000	$ 2,900	$ 2,344,442	$ 101,060	$ (40,220)	$ (1,455,010)	$ (890,990)	$ 63,997

Deploy Technologies Inc. <u>Statement 3</u>

(A Development Stage Company)

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited)

(U.S. Dollars)

	Three Month Period Ended 31 October	
	2011	2010
		(Note 14)
General and Administrative Expenses		
Accounting and legal *(Note 7)*	$ 19,919	$ 6,736
Automobile expenses	4,247	1,752
Bank charges and interest *(Note 8)*	809	967
Consulting fees *(Note 7)*	101,914	-
Depreciation and amortization	6,111	1,589
Dues and subscriptions	3,457	1,895
Filing fees	2,920	1,916
Franchise taxes	-	726
Management fees *(Note 7)*	35,975	3,494
Meals and entertainment	3,250	696
Office and miscellaneous	4,798	306
Rent	5,496	-
Telecommunications	327	130
Transfer agent fees	1,100	1,450
Travel expenses	516	550
Tools and materials	5,240	-
Loss Before Other Items	(196,079)	(22,207)
Other Items		
Other income	7,145	-
Interest income	13	-
Loss for the Period	$ (188,921)	$ (22,207)
Other Comprehensive Income		
Foreign currency translation adjustment	(1,747)	(676)
Comprehensive Loss for the Period	$ (190,668)	$ (22,883)
Loss per Share - Basic and Fully Diluted	$ (0.005)	$ (0.001)
Comprehensive Loss per Share - Basic and Fully Diluted	$ (0.005)	$ (0.001)
Weighted Average Number of Shares Outstanding	36,022,463	40,638,399

Deploy Technologies Inc. Statement 4

(A Development Stage Company)

Condensed Interim Statements of Cash Flows

(Unaudited)

(U.S. Dollars)

		Three Month Period Ended 31 October		
Cash Resources Provided By (Used In)		2011		2010
Operating Activities				
Loss for the period	$	(188,921)	$	(22,207)
Items not affecting cash:				
Accrued interest		506		660
Depreciation		6,111		1,589
Shares issued for services		113,479		-
Amounts receivable		(4,023)		-
Prepaid expenses		1,500		900
Trade payables and accrued liabilities		(1,445)		(193)
Due to related parties		(46,411)		-
		(119,204)		(19,251)
Investing Activities				
Research and development		-		(3,300)
Purchase of property, plant and equipment		(17,432)		-
		(17,432)		(3,300)
Financing Activities				
Common shares issued for cash		140,000		-
Share subscriptions received in advance		20,500		22,192
		160,500		22,192
Effect of exchange rate changes on cash and cash equivalents		(1,747)		348
Net Increase (Decrease) in Cash and Cash Equivalents		22,117		(11)
Cash and cash equivalents – Beginning of period		38,484		1,991
Cash and Cash Equivalents - End of Period	$	60,611	$	1,980

Supplemental Disclosures with Respect to Cash Flows *(Note 12)*

1. Nature and Continuance of Operations and Significant Accounting Policies

a) Nature and Continuance of Operations

Deploy Technologies Inc. (the "Company") was originally incorporated on 5 November 1998 in the State of Delaware, USA, under the name Concept Development Group Inc. 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. and in September 2008, the Company changed its name to Deploy Technologies Inc.

On 15 September 2010, the Company completed a merger with its newly incorporated and wholly-owned subsidiary, Deploy Acquisition Corp., a Nevada corporation, formed for the sole purpose of changing the Company's state of incorporation from the State of Delaware to the State of Nevada. Although Deploy Acquisition Corp. was the surviving corporation, upon the completion of the merger it assumed the name of the Company and all the assets, obligations and commitments of the Company. Concurrent with the merger, the authorized capital of the Company decreased to 100,000,000 common shares from 500,000,000 common shares.

The Company's Nevada Charter authorizes it to issued two classes of equity securities. Accordingly, on 29 September 2011, the Company increased its authorized capital to include 2,900,000 Class A Preferred Shares (Note 9).

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.

The head office and principal place of business is 20434 64th Avenue, Langley, BC V2Y 1N4.

At 31 October 2011, the Company had cash and cash equivalents of $60,611 (31 July 2011 - $38,484, 1 August 2010 - $1,991) and working capital surplus of $9,160 (31 July 2011 – deficit of $67,513, 1 August 2010 – deficit of $90,059). The funds on hand at 31 October 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 condensed interim 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 condensed interim 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.

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

b) Basis of Presentation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these condensed interim financial statements comply with International Accounting Standards ("IAS") 34, *"Interim Financial Reporting".*

c) Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, the recoverability and measurement of deferred tax assets and liabilities, and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

d) Cash and Cash Equivalents

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 equivalents with institutions of high-credit worthiness.

e) Trade Payables and Accrued Liabilities

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

f) Financial Assets

Financial assets are classified as loans and receivables, available-for-sale financial assets, financial assets at fair value through profit or loss ("FVTPL"), or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. Amounts receivables are included in this category of financial assets.

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

f) Financial Assets – *Continued*

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Available-for-sale assets include investment in equities of other entities.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

Financial assets at fair value through profit or loss

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Cash and cash equivalents are included in this category of financial assets.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

g) Impairment of Financial Assets

Financial assets, other than financial assets at fair value through profit or loss, are assessed for indicators of impairment at each period end.

Loans and receivables

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost have 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 discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income.

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

h) Financial Liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. 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 has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Trade payables, amounts due to related parties and loans payable are included in this category of financial liabilities.

i) Impairment

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

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

j) 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.

k) Income Taxes

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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 each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

l) Foreign Currency Translation

The functional currency is the Canadian dollar and the reporting currency is the U.S. dollar. Assets and liabilities that are denominated in a currency other than U.S. dollars are translated to reflect the exchange rate in effect at the date of the statements financial position. 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. Foreign currency translation adjustment is accounted for as a separate component of shareholders' equity and included in other comprehensive income (loss).

m) Website Development Costs

Under IFRS, website costs can either be expensed or capitalized, depending if certain criteria are met. For capitalization, the website costs must meet the definition of an intangible asset. An intangible asset must have probable future economic benefits.

The costs of website application and infrastructure development, as defined under SIC Interpretation 32, 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*

n) 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.

o) New Accounting Standards and Interpretations Not Yet Adopted

Amendments to IFRS 7, *"Financial Instruments: Disclosures"* are effective for annual periods beginning on or after July 1, 2011. These amendments increase the disclosure with regards to the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period.

New standard IFRS 9, *"Financial Instruments"* is effective for annual periods beginning on or after January 1, 2013. This new standard is the first part of a multi-phase project to replace IAS 39, Financial Instruments: Recognition and Measurement.

Amendments to IAS 12, *"Income Taxes"* are effective for annual periods beginning on or after January 1, 2012. These amendments supersede Standing Interpretations Committee ("SIC") Interpretation 21, "Income Taxes – Recovery of Revalued Non-Depreciable Assets".

The Company is currently assessing the impact that these revised or new standards will have on the consolidated financial statements.

2. Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, available-for-sale securities, trade payables, 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 October 2011	31 July 2011	1 August 2010
Available-for-sale securities *(Note 3)*	Level 1	$ 1	$ 1	$ 1

2. Fair Value of Financial Instruments – *Continued*

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 October 2011		31 July 2011		1 August 2010	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Kaleidoscope 5,694 (31 July 2011 – 5,694) common shares	$ 1	$ 1	$ 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 October 2011 Net Book Value	31 July 2011 Net Book Value	1 August 2010 Net Book Value
Automobile	$ 28,383	$ 11,066	$ 17,317	$ 17,789	$ 21,877
Tools and equipment	53,964	5,247	48,717	39,517	-
Furniture and office equipment	9,152	1,468	7,684	6,213	918
	$ 91,499	$ 17,781	$ 73,718	$ 63,519	$ 22,795

During the three month period ended 31 October 2011, total additions to property, plant and equipment were $17,432 (31 July 2011 - $49,302). The difference between net book value at 31 July 2011 and 31 October 2011 was due to additions during the period and depreciation for the period of $5,010 offset by a foreign exchange adjustment of $2,223.

5. Website Development cost

	Cost	Accumulated Depreciation	31 October 2011 Net Book Value	31 July 2011 Net Book Value	1 August 2010 Net Book Value
Website Development	$ 13,194	$ 5,007	$ 8,187	$ 9,683	$ -

During the three month period ended 31 October 2011, total additions to website development were $Nil (31 October 2010 - $11,778). The difference between net book value at 31 July 2011 and 31 October 2011 was due to, depreciation for the period of $1,101 and a foreign exchange adjustment of $395.

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 October 2011 Net Book Value	31 July 2011 Net Book Value	1 August 2010 Net Book Value
Fleet management technology	$ 30,000	$ -	$ 30,000	$ 30,000	$ 30,000

The fleet management technology is not yet complete and amortization expense for the three month period ended 31 October 2011 is $Nil (31 October 2010 - $Nil).

7. Related Party Transactions

The key management personnel compensation for the three month period ended 31 October 2011 and 2010 is as follows:

	31 October 2011	31 October 2010
Management and consulting fees	$ 72,950	$ 23,294

Except as disclosed elsewhere in these consolidated interim financial statements, related party transactions for the three month periods ended 31 October 2011 and 2010 are as follows:

a) During the three month period ended 31 October 2011, management fees of $35,975 (2010 - $17,470; 2009 - $16,748) were paid/accrued to the Chief Executive Officer of the Company.

b) During the three month period ended 31 October 2011, consulting fees of $11,992 (2010 - $5,824; 2009 - $5,583) were paid/accrued to the Vice President of Operations of the Company.

c) During the three month period ended 31 October 2011, consulting fees of $24,983 (2010 - $Nil; 2009 - $Nil) were paid/accrued to a company controlled by the Vice President of Corporate Development.

d) On 29 September 2011, we approved the exchange of 2,900,000 of our newly authorized Class A Preferred for 29,000,000 of our common shares, as follows: 200,000 Class A Preferred Shares for 2,000,000 common shares owned by Force Options Inc., a company owned by the Chief Executive Officer of the Family, and, 2,700,000 Class A Preferred Shares for 27,000,000 common shares owned by Trepped Enterprises Inc., a company owned equally by the Chief Executive Officer and Vice President of Operations of the Company. The purpose of the exchange was to reduce the number of our common shares classified as "builder's shares" by the Canadian National Stock Exchange and the British Columbia Securities Commission.

e) On 6 September 2011, the Company issued 656,678 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 $65,668 related to management and consulting services rendered during the year ended 31 July 2011 *(Notes 9 and 12)*.

7. Related Party Transactions – *Continued*

f) On 6 September 2011, the Company issued 253,113 common shares to a company controlled by the Vice President of Corporate Development valued at $25,311 related to consulting services rendered during the year ended 31 July 2011 *(Notes 9 and 12)*.

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 has long-term loans payable to 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 repayable by 31 July 2013. The balance as at 31 October 2011 consists of principal and accrued interest of $52,681 (31 July 2011 - $54,616; 1 August 2010 - $51,077) and $4,387 (31 July 2011 - $3,881; 1 August 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 9 and 12)*.

9. Share Capital

The Company's authorized share capital comprises 100,000,000 common shares, with $0.0001 par value per share, and 2,900,000 Class A Preferred Shares, with par value of $0.001 per share. Each Class A Preferred Share entitles the holder to 10 votes each.

Issued and outstanding

a) On 29 September 2011, the Company approved the exchange of 2,900,000 of newly authorized Class A Preferred for 29,000,000 of our common shares, as follows: 200,000 Class A Preferred Shares for 2,000,000 common shares owned by Force Options Inc., a company owned by the Chief Executive Officer of the Company, and, 2,700,000 Class A Preferred Shares for 27,000,000 common shares owned by Trepped Enterprises Inc., a company owned equally by Chief Executive Officer and Vice President of Operations of the Company.

b) On 6 September 2011, the Company issued 656,678 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 $65,668 related to management and consulting services rendered during the year ended 31 July 2011 *(Notes 7 and 12)*.

c) On 6 September 2011, the Company issued 253,113 common shares to a company controlled by the Vice President of Corporate Development valued at $25,311 related to consulting services rendered during the year ended 31 July 2011 *(Notes 7 and 12)*.

d) On 6 September 2011, the Company completed a non-brokered private placement and issued 1,400,000 common shares for $0.10 per share for cash proceeds of $140,000.

e) On 6 September 2011, the Company issued 125,000 common shares valued at $12,500 for consulting services of $10,000 rendered during the year ended 31 July 2011, and consulting services of $2,500 rendered during the three month period ended 31 October 2011.

f) On 6 September 2011, the Company issued 100,000 common shares to the Company's US attorney valued at $10,000 for legal services rendered during the three month period ended 31 October 2011.

9. Share Capital – *Continued*

Issued and outstanding – *Continued*

g) 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 *(Note 12)*.

h) 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 *(Note 12)*.

i) 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 12)*.

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

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

l) 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 8 and 12).*

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

n) 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 *(Note 12).*

o) 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 *(Note 12).*

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

q) 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 12)*. Share certificates for which were issued during the fourth quarter ending 31 July 2009.

r) 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).*

s) On 20 September 2008, the Company completed a 1:100 reverse stock split. 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.

9. Share Capital – *Continued*

Share subscriptions received in advance

During the three month period ended 31 October 2011, the Company received $101,060 (2010 - $22,192) for the purchase of the Company's common shares. As of 31 October 2011, these shares have not yet been issued *(Note 12)*.

10. 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 period ended 31 October 2011 compared to the period ended 31 October 2010. The Company is not subject to externally imposed capital requirements.

11. Subsequent Events

The following events occurred during the period from the three month period ended 31 October 2011 to the date the consolidated interim financial statements were available to be issued on 19 December 2011:

a) On 14 November 2011, the Company issued 353,878 common shares to the Chief Executive Officer of the Company valued at a total of $35,388 related to management services rendered during the three month period ended 31 October 2011 *(Notes 7 and 12)*.

b) On 14 November 2011, the Company issued 117,959 common shares to the Vice President of Operations of the Company valued at a total of $11,796 related to consulting services rendered during the three month period ended 31 October 2011 *(Notes 7 and 12)*.

c) On 14 November 2011, the Company issued 245,749 common shares to a company controlled by the Vice President of Corporate Development valued at $24,575 related to consulting services rendered during the three month period ended 31 October 2011 *(Notes 7 and 12)*.

d) On 14 November 2011, the Company issued 65,563 common shares valued at $6,556 to settle loans payable to business associates related to the Vice President of Operations of the Company *(Notes 7, 8 and 12)*.

e) On 14 November 2011, the Company issued 2,065,000 common shares for cash proceeds of $206,500.

12. Supplemental Disclosures with Respect to Cash Flows

	Periods Ended 31 October	
	2011	2010
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

During the three month period ended 31 October 2011, the Company issued 100,000 common shares valued at $10,000 for consulting services rendered during the year ended 31 July 2011, and 25,000 common shares valued at $2,500 for consulting services rendered during the three month period ended 31 October 2011 (*Note 9*).

During the three month period ended 31 October 2011, the Company issued 100,000 common shares valued at $10,000 for legal fees rendered during the period ended 31 October 2011 (*Note 9*).

During the three month period ended 31 October 2011, 656,678 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 $65,668 related to management and consulting services rendered during the year ended 31 July 2011 *(Notes 7 and 9)*.

During the three month period ended 31 October 2011, the Company issued 253,113 common shares valued at $25,311 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, 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)*.

13. Segmented Information

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

	USA	Canada	Total
Current assets	$ -	$ 67,295	$ 67,295
Property, plant and equipment	$ -	$ 73,718	$ 73,718
Fleet management technology	$ -	$ 30,000	$ 30,000
Other long-term assets	$ -	$ 8,187	$ 8,187
Loss for the period	$ -	$ (188,921)	$ (188,921)

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

	USA	Canada	Total
Current assets	$ -	$ 2,699	$ 2,699
Property, plant and equipment	$ -	$ 21,290	$ 21,290
Fleet management technology	$ -	$ 30,000	$ 30,000
Other long-term assets	$ -	$ 35,101	$ 35,101
Loss for the period	$ -	$ (22,207)	$ (22,207)

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)

14. Transition to International Financial Reporting Standards

IFRS 1, "First-time Adoption of International Financial Reporting Standards" sets forth guidance for the initial adoption of IFRS. The accounting policies in Note 1 have been applied in preparing the interim condensed financial statements for the three months ended 31 October 2011, the comparative information for the three months ended 31 October 2011, the financial statements for the year ended 31 July 2010 and the preparation of an opening IFRS statement of financial position on 1 August 2010 (the "Transition Date").

a) IFRS Mandatory Exception

In accordance with IFRS 1, the Company's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under Canadian GAAP unless there is objective evidence that those estimates were in error. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS.

14. Transition to International Financial Reporting Standards – *Continued*

b) Functional currency and foreign currency translation

Under Canadian GAAP, the basis of measurement for foreign operations is dependent upon whether an operation is classified as integrated or self-sustaining. The measurement currency of a self-sustaining foreign operation is the foreign currency.

Under IFRS, IAS 21, the concepts of integrated and self-sustaining are not included. Instead the functional currency of each individual entity must be considered. All assets and liabilities are translated at the exchange rate in effect at the date of the statement of financial position. Revenues and expenses are translated at rates of exchange in effect during the period. Gains and losses on translation are included in equity as a separate component of other comprehensive income or loss. On transition to IFRS, the Company has elected under the option available under the IFRS 1, cumulative translation difference exemption, and deemed the foreign currency translation adjustment at the transition date to be zero. The impact of this change was to reclassify the $9,179 cumulative translation loss from accumulated comprehensive loss to retaining earnings at 1 August 2010.

c) Reconciliations of Canadian GAAP to IFRS

IFRS 1 requires an entity to reconcile its equity, comprehensive loss and cash flows for prior periods. The adoption of IFRS has resulted in reclassification within equity on the statements of financial position; however, there have been no changes to the statements of comprehensive loss and cash flows. Therefore, no reconciliations have been presented for the statements of comprehensive loss and cash flows.

The reconciliations between the previously reported financial results under Canadian GAAP and the current reported financial results under IFRS are provided as follows:

i. Reconciliation of the condensed interim statement of financial position and equity as at 1 August 2010;
ii. Reconciliation of the condensed interim statement of financial position and equity as at 31 October 2010; and
iii. Reconciliation of the condensed interim statement of financial position and equity as at 31 July 2011.

14. Transition to International Financial Reporting Standards – *Continued*

Reconciliation of Statement of Financial Position as at 1 August 2010

	Notes	Canadian GAAP	IFRS Adjustments	IFRS
ASSETS				
Current				
Cash and cash equivalents		$ 1,991	$ -	$ 1,991
Prepaid expenses		1,618	-	1,618
Available-for-sale securities		1	-	1
		3,610	-	3,610
Property, plant and equipment		22,795	-	22,795
Fleet management technology		30,000	-	30,000
		$ 56,405	$ -	$ 56,405
LIABILITIES				
Current				
Trade payables and accrued liabilities		$ 22,226	$ -	$ 22,226
Due to related parties		19,367	-	19,367
Loans payable		52,076	-	52,076
		93,669	-	93,669
SHAREHOLDERS' DEFICIENCY				
Share Capital				
Common Shares				
Class A Preferred Shares		4,063	-	4,063
Additional Paid-In Capital		1,691,578	-	1,691,578
Accumulated Other Comprehensive Income	15 b)	(9,179)	9,179	-
Deficit Accumulated Prior to the Development Stage		(1,455,010)	-	(1,455,010)
Deficit Accumulated During the Development Stage	15 b)	(268,716)	(9,179)	(277,895)
		(37,264)	-	(37,264)
		$ 56,405	$ -	$ 56,405

14. Transition to International Financial Reporting Standards – *Continued*

Reconciliation of Statement of Financial Position as at 31 October 2010

	Notes	Canadian GAAP	IFRS Adjustments	IFRS
ASSETS				
Current				
Cash and cash equivalents		$ 1,980	$ -	$ 1,980
Prepaid expenses		718	-	718
Available-for-sale securities		1	-	1
		2,699	-	2,699
Property, plant and equipment		21,290	-	21,290
Website development costs		11,778	-	11,778
Research and Development		23,323	-	23,323
Fleet management technology		30,000	-	30,000
		$ 89,090	$ -	$ 89,090
LIABILITIES				
Current				
Trade payables and accrued liabilities		$ 73,861	$ -	$ 75,518
Loans payable		53,184	-	51,525
		127,045	-	127,045
SHAREHOLDERS' DEFICIENCY				
Share Capital				
Common Shares				
Class A Preferred Shares		4,063	-	4,063
Additional Paid-In Capital		1,691,578	-	1,691,578
Share Subscriptions Received In Advance		22,192	-	22,192
Accumulated Other Comprehensive Income	15 b)	(9,855)	9,179	(676)
Deficit Accumulated Prior to the Development Stage		(1,455,010)	-	(1,455,010)
Deficit Accumulated During the Development Stage	15 b)	(290,923)	(9,179)	(300,102)
		(37,955)	-	(37,955)
		$ 89,090	$ -	$ 89,090

14. Transition to International Financial Reporting Standards – *Continued*

Reconciliation of Statement of Financial Position as at 31 July 2011

	Notes	Canadian GAAP	IFRS Adjustments	IFRS
ASSETS				
Current				
Cash and cash equivalents		$ 38,484	$ -	$ 38,484
Amounts receivable		1,004	-	1,004
Prepaid expenses		3,156	-	3,156
Available-for-sale securities		1	-	1
		42,645	-	42,645
Property, plant and equipment		63,519	-	63,519
Website development costs		9,683	-	9,683
Fleet management technology		30,000	-	30,000
		$ 145,847	$ -	$ 145,847
LIABILITIES				
Current				
Trade payables and accrued liabilities		$ 17,233	$ -	$ 17,233
Due to related parties		92,925	-	92,925
		110,158	-	110,158
Loans payable		58,497	-	58,497
		168,655	-	168,655
SHAREHOLDERS' DEFICIENCY				
Share Capital				
Common Shares		4,462	-	4,462
Additional Paid-In Capital		2,091,216	-	2,091,216
Share Subscriptions Received In Advance		80,560	-	80,560
Accumulated Other Comprehensive Income	15 b)	(51,146)	9,179	(41,967)
Deficit Accumulated Prior to the Development Stage		(1,455,010)	-	(1,455,010)
Deficit Accumulated During the Development Stage	15 b)	(692,890)	(9,179)	(702,069)
		(22,808)	-	(22,808)
		$ 145,847	$ -	$ 145,847

15. Differences between IFRS and United States GAAP

These consolidated interim financial statements have been prepared in accordance with IFRS. The statements of financial position at 1 August 2010, 31 October 2010 and 31 July 2011 prepared in accordance with Canadian GAAP have been reconciled with IFRS. Unless otherwise noted, the statements of financial position at 1 August 2010, 31 October 2010 and 31 July 2011 prepared in accordance with Canadian GAAP also comply, in all material aspects, with United States GAAP (*Note 15*).

Recent Accounting Pronouncements

In June 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("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.

In May 2011, the FASB issued ASU No. 2011-04, "Fair Value Measurement" to amend the accounting and disclosure requirements on fair value measurements. This ASU limits the highest-and-best-use measure to nonfinancial assets, permits certain financial assets and liabilities with offsetting positions in market or counterparty credit risks to be measured at a net basis, and provides guidance on the applicability of premiums and discounts. Additionally, this update expands the disclosure on Level 3 inputs by requiring quantitative disclosure of the unobservable inputs and assumptions, as well as description of the valuation processes and the sensitivity of the fair value to changes in unobservable inputs. ASU No. 2011-04 is to be applied prospectively and is effective during interim and annual periods beginning after 15 December 2011. The Company does not expect the adoption of this update will have a material effect on its interim consolidated financial statements.