

**DEPLOY TECHNOLOGIES INC.**

*(A Development Stage Company)*

**CONDENSED INTERIM FINANCIAL STATEMENTS  
(Unaudited)**

**31 January 2012**

**(Expressed in U.S. Dollars)**

**Condensed Interim Statements of Financial Position**

(Unaudited)  
(U.S. Dollars)

<b>ASSETS</b>	As at 31 January 2012	As at 31 July 2011
<b>Current</b>		
Cash and cash equivalents	\$ 10,901	\$ 38,484
Amounts receivable	13,630	1,004
Prepaid expenses	10,261	3,156
Available-for-sale securities (Note 3)	1	1
	34,793	42,645
Property, plant and equipment (Note 4)	86,985	63,519
Website development costs (Note 5)	6,997	9,683
Fleet management technology (Note 6)	30,000	30,000
	\$ 158,775	\$ 145,847
<b>LIABILITIES</b>		
<b>Current</b>		
Trade payables and accrued liabilities	\$ 356	\$ 17,233
Due to related parties (Note 7)	23,182	92,925
	23,538	110,158
Loans payable (Note 8)	50,503	58,497
	74,041	168,655
<b>SHAREHOLDERS' DEFICIENCY</b>		
<b>Share Capital - Statement 2 (Note 9)</b>		
Authorized:		
100,000,000 Common Shares - Par Value \$0.0001		
2,900,000 Class A Preferred Shares - Par Value \$0.001		
Issued and outstanding:		
21,021,709 (31 July 2011 - 44,638,769) Common Shares	2,100	4,462
2,900,000 (31 July 2011 - Nil) Class A Preferred Shares	2,900	-
<b>Additional Paid-In Capital</b>	2,628,972	2,091,216
<b>Share Subscriptions Received In Advance (Note 9)</b>	14,798	80,560
<b>Accumulated Other Comprehensive Income</b>	(43,666)	(41,967)
<b>Deficit Accumulated Prior to the Development Stage</b>	(1,455,010)	(1,455,010)
<b>Deficit Accumulated During the Development Stage</b>	(1,065,360)	(702,069)
	84,734	(22,808)
	\$ 158,775	\$ 145,847

**Nature and Continuance of Operations and Significant Accounting Policies (Note 1) and Subsequent Event (Note 13)**

ON BEHALF OF THE BOARD:

                    /s/ David Eppert                     , Director

                    /s/ Andre Thompson                     , Director

**Deploy Technologies Inc.**  
(A Development Stage Company)

**Statement 2**

**Condensed Interim Statements of Changes in Equity**

(Unaudited)

(U.S. Dollars)

	Share Capital				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
	Common Shares		Class A Preferred Shares							
	Number	Amount	Number	Amount						
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)	-	-	-	-	-	29,532	-	-	-	29,532
Foreign currency translation adjustment	-	-	-	-	-	-	639	-	-	639
Loss for the period	-	-	-	-	-	-	-	-	(82,814)	(82,814)
Balance – 31 January 2011 (Note 14)	40,638,399	4,063	-	-	1,691,578	29,532	639	(1,455,010)	(360,709)	(89,907)
Issuance of shares for:										
- Services rendered (Notes 7, 9 and 11)	1,370,370	136	-	-	136,901	-	-	-	-	137,037
- Cash (Note 9)	2,630,000	263	-	-	262,737	-	-	-	-	263,000
Share subscriptions received in advance	-	-	-	-	-	51,028	-	-	-	51,028
Foreign currency translation adjustment	-	-	-	-	-	-	(42,606)	-	-	(42,606)
Loss for the year	-	-	-	-	-	-	-	-	(341,360)	(341,360)
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:										
- Cash (Note 9)	3,465,000	346	-	-	346,154	(80,560)	-	-	-	265,940
- Services rendered (Notes 7, 9 and 11)	1,852,377	185	-	-	185,053	-	-	-	-	185,238
- Settlement of loan (Notes 8, 9 and 11)	65,563	7	-	-	6,549	-	-	-	-	6,556
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)	-	-	-	-	-	14,798	-	-	-	14,798
Foreign currency translation adjustment	-	-	-	-	-	-	(1,699)	-	-	(1,699)
Loss for the period	-	-	-	-	-	-	-	-	(363,291)	(363,291)
Balance – 31 January 2012	21,021,709	\$ 2,100	2,900,000	\$ 2,900	\$ 2,628,972	\$ 14,798	\$ (43,666)	\$ (1,455,010)	\$ (1,065,360)	\$ 84,734

- See Accompanying Notes -

**Condensed Interim Statements of Loss and Comprehensive Loss**

(Unaudited)

(U.S. Dollars)

	Three Month Period Ended 31 January		Six Month Period Ended 31 January	
	2012	2011	2012	2011
		(Note 14)		(Note 14)
<b>General and Administrative Expenses</b>				
Accounting and legal (Note 7)	\$ 32,633	\$ 7,481	\$ 52,552	\$ 14,217
Automobile expenses	4,551	2,557	8,798	4,309
Bank charges and interest (Note 8)	1,396	101	2,205	1,068
Consulting fees (Note 7)	55,997	37,309	157,911	37,309
Depreciation and amortization	7,073	1,669	13,184	3,258
Dues and subscriptions	13,921	6,673	17,378	8,568
Filing fees	1,519	48	4,439	1,964
Franchise taxes	-	18	-	744
Management fees (Note 7)	35,262	3,669	71,237	7,163
Meals and entertainment	2,367	709	5,617	1,405
Office and miscellaneous	2,218	162	7,016	339
Postage and delivery	471	194	471	277
Printing and reproduction	-	3	-	45
Rent	7,836	-	13,332	-
Telecommunications	378	-	705	134
Transfer agent fees	2,600	14	3,700	1,450
Travel expenses	266	-	782	564
Tools and materials	7,043	-	12,283	-
<b>Loss Before Other Items</b>	(175,531)	(60,607)	(371,610)	(82,814)
<b>Other Items</b>				
Other income	1,161	-	8,306	-
Interest income	-	-	13	-
<b>Loss for the Period</b>	\$ (174,370)	\$ (60,607)	\$ (363,291)	\$ (82,814)
<b>Other Comprehensive Income</b>				
Foreign currency translation adjustment	48	1,315	(1,699)	639
<b>Comprehensive Loss for the Period</b>	\$ (174,322)	\$ (59,292)	\$ (364,990)	\$ (82,175)
<b>Loss per Share - Basic and Fully Diluted</b>	\$ (0.008)	\$ (0.001)	\$ (0.010)	\$ (0.002)
<b>Comprehensive Loss per Share - Basic and Fully Diluted</b>	\$ (0.008)	\$ (0.001)	\$ (0.010)	\$ (0.002)
<b>Weighted Average Number of Shares Outstanding</b>	20,682,236	40,638,499	36,022,463	40,638,399

**Condensed Interim Statements of Cash Flows**

(Unaudited)

(U.S. Dollars)

Cash Resources Provided By (Used In)	Six Month Period Ended 31 January	
	2012	2011 (Note 14)
<b>Operating Activities</b>		
Loss for the period	\$ (363,291)	\$ (82,814)
Items not affecting cash:		
Accrued interest	663	681
Depreciation	13,184	3,258
Shares issued for services	84,259	-
Foreign exchange	1,598	-
Amounts receivable	(12,626)	-
Prepaid expenses	(7,105)	900
Trade payables and accrued liabilities	(6,877)	52,866
Due to related parties	21,236	-
	<u>(268,959)</u>	<u>(25,130)</u>
<b>Investing Activities</b>		
Research and development	-	(8,461)
Purchase of property, plant and equipment	(37,663)	-
	<u>(37,663)</u>	<u>(8,461)</u>
<b>Financing Activities</b>		
Common shares issued for cash	265,940	-
Share subscriptions received in advance	14,798	29,532
	<u>280,738</u>	<u>29,532</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(1,699)</u>	<u>4,064</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(27,583)</b>	<b>5</b>
Cash and cash equivalents - Beginning of period	38,484	1,991
<b>Cash and Cash Equivalents - End of Period</b>	<b>\$ 10,901</b>	<b>\$ 1,996</b>

**Supplemental Disclosures with Respect to Cash Flows** (Note 11)

**Deploy Technologies Inc.**

(A Development Stage Company)

**Notes to Condensed Interim Financial Statements****31 January 2012**

(Unaudited)

U.S. Dollars

---

**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. 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, principal address and registered and records office of the Company is 20434 64th Avenue, Langley, BC, V2Y 1N4.

**Deploy Technologies Inc.**

*(A Development Stage Company)*

**Notes to Condensed Interim Financial Statements**

**31 January 2012**

*(Unaudited)*

*U.S. Dollars*

---

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

**a) Nature and Continuance of Operations – Continued**

At 31 January 2012, the Company had cash and cash equivalents of \$10,901 (31 July 2011 - \$38,484, 1 August 2010 - \$1,991) and working capital surplus of \$11,255 (31 July 2011 – deficit of \$67,513). The funds on hand at 31 January 2012 are not sufficient to meet the Company's 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 its 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.

**Deploy Technologies Inc.**

(A Development Stage Company)

**Notes to Condensed Interim Financial Statements**

**31 January 2012**

(Unaudited)

U.S. Dollars

---

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

**b) Statement of Compliance**

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*”.

These are the Company’s second condensed interim financial statements prepared in accordance with IAS 34 and IFRS using accounting policies consistent with IFRS. The accounting policies have been selected to be consistent with IFRS as is expected to be effective on 31 July 2012, the Company’s first annual IFRS reporting date. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s first condensed interim financial statements prepared in accordance with IAS 34 and IFRS dated 31 October 2011 as well as the Company’s annual financial statements for the year ended 31 July 2011 prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”).

**c) Basis of Preparation**

These condensed interim financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value. These financial statements are presented in US dollars.

The preparation of condensed interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimates.



**Deploy Technologies Inc.**

(A Development Stage Company)

**Notes to Condensed Interim Financial Statements**

**31 January 2012**

(Unaudited)

U.S. Dollars

---

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

**d) Accounting Changes**

These condensed interim financial statements follow the same accounting policies and methods of their application as the Company's first condensed interim financial statements prepared in accordance with IAS 34 and IFRS and as such should be read in conjunction with the Company's condensed interim financial statements of for the three months ended 31 October 2011.

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 anticipates that the application of these standards and amendments will not have a material impact on the results and financial position of the Company.

**Deploy Technologies Inc.***(A Development Stage Company)***Notes to Condensed Interim Financial Statements****31 January 2012***(Unaudited)**U.S. Dollars***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	31 January 2012	31 July 2011
	Measurement		
Available-for-sale securities <i>(Note 3)</i>	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 January 2012		31 July 2011	
	Cost	Fair Value	Cost	Fair Value
Kaleidoscope 5,694 (31 July 2011 – 5,694) common shares	\$ 1	\$ 1	\$ 1	\$ 1

**Deploy Technologies Inc.**  
(A Development Stage Company)

**Notes to Condensed Interim Financial Statements**  
**31 January 2012**  
(Unaudited)  
U.S. Dollars

---

**4. Property, Plant and Equipment**

	Cost	Accumulated Depreciation	31 January 2012 Net Book Value	31 July 2011 Net Book Value
Automobile	\$ 28,053	\$ 12,690	\$ 15,363	\$ 17,789
Tools and equipment	67,003	8,545	58,458	39,517
Furniture and office equipment	15,589	2,425	13,164	6,213
	<u>\$ 110,645</u>	<u>\$ 23,660</u>	<u>\$ 86,985</u>	<u>\$ 63,519</u>

During the six month period ended 31 January 2012, total additions to property, plant and equipment were \$37,663. The difference between net book value at 31 July 2011 and 31 January 2012 was due to additions during the period and depreciation for the period of \$10,981 and a foreign exchange adjustment of \$3,216.

**5. Website Development cost**

	Cost	Accumulated Depreciation	31 January 2012 Net Book Value	31 July 2011 Net Book Value
Website Development	<u>\$ 13,041</u>	<u>\$ 6,044</u>	<u>\$ 6,997</u>	<u>\$ 9,683</u>

During the six month period ended 31 January 2012, total additions to website development were \$Nil. The difference between net book value at 31 July 2011 and 31 January 2012 was due to depreciation for the period of \$2,203 and a foreign exchange adjustment of \$483.

**Deploy Technologies Inc.***(A Development Stage Company)***Notes to Condensed Interim Financial Statements****31 January 2012***(Unaudited)**U.S. Dollars***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 January 2012 Net Book Value	31 July 2011 Net Book Value
Fleet management technology	\$ 30,000	\$ -	\$ 30,000	\$ 30,000

The fleet management technology is not yet complete and there is no amortization expense for the six month period ended 31 January 2012 .

**7. Related Party Transactions**

The key management personnel compensation for the six month period ended 31 January 2012 and 2011 is as follows:

	31 January 2012	31 January 2011
Management and consulting fees	\$ 121,036	\$ 23,294

Except as disclosed elsewhere in these condensed interim financial statements, related party transactions for the six month periods ended 31 January 2012 and 2011 are as follows:

- a) During the six month period ended 31 January 2012, management fees of \$72,022 (2011 - \$35,939; 2010 - \$34,141) were paid/accrued to the Chief Executive Officer of the Company.
- b) During the six month period ended 31 January 2012, consulting fees of \$24,007 (2011 - \$11,980; 2010 - \$11,380) were paid/accrued to the Vice President of Operations of the Company.
- c) During the six month period ended 31 January 2012, consulting fees of \$25,008 (2011 - \$37,309; 2010 - \$Nil) were paid/accrued to a company controlled by the Vice President of Corporate Development of the Company.

**7. Related Party Transactions – Continued**

- d) On 14 November 2011, the Company issued 471,837 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 \$47,184 related to management and consulting services rendered during the three month period ended 31 October 2011 (Notes 7 and 11).
- e) On 14 November 2011, the Company issued 245,749 Common Shares to a company controlled by the Vice President of Corporate Development of the Company valued at \$24,575 related to consulting services rendered during the three month period ended 31 October 2011 (Notes 9 and 11).
- f) On 29 September 2011, the Company approved the exchange of 2,900,000 of its newly authorized Class A Preferred for 29,000,000 of its Common Shares, as follows: 200,000 Class A Preferred Shares for 2,000,000 Common Shares owned by Force Options Inc., a private 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 private 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 the Company's Common Shares classified as "builder's shares" by the Canadian National Stock Exchange and the British Columbia Securities Commission.

**Deploy Technologies Inc.**

*(A Development Stage Company)*

**Notes to Condensed Interim Financial Statements**

**31 January 2012**

*(Unaudited)*

*U.S. Dollars*

---

- g) 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 11)*.
  
- h) On 6 September 2011, the Company issued 253,113 Common Shares to a company controlled by the Vice President of Corporate Development of the Company valued at \$25,311 related to consulting services rendered during the year ended 31 July 2011 *(Notes 9 and 11)*.

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.

**Deploy Technologies Inc.**

*(A Development Stage Company)*

**Notes to Condensed Interim Financial Statements**

**31 January 2012**

*(Unaudited)*

*U.S. Dollars*

---

**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 January 2012 consists of principal and accrued interest of \$45,960 (31 July 2011 - \$54,616; 1 August 2010 - \$51,077) and \$4,544 (31 July 2011 - \$3,881; 1 August 2010 - \$999), respectively.

On 14 November 2011, the Company issued 65,563 Common Shares for \$6,556 to settle short-term loans *(Notes 9 and 11)*.

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 11)*.

**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 14 November 2011, the Company issued 471,837 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 \$47,184 related to management and consulting services rendered during the three months ended October 31, 2011.
- b) On 14 November 2011, the Company issued 245,749 Common Shares to a company controlled by the Vice President of Corporate Development of the Company valued at \$24,575 related to consulting services rendered during the three months ended October 31, 2011.
- c) On 14 November 2011, the Company issued 65,563 Common Shares for \$6,556 to settle short-term loans.

**Deploy Technologies Inc.**

*(A Development Stage Company)*

**Notes to Condensed Interim Financial Statements**

**31 January 2012**

*(Unaudited)*

*U.S. Dollars*

---

**9. Share Capital – Continued**

**Issued and outstanding – Continued**

- d) On 14 November 2011, the Company issued 2,065,000 Common Shares for \$0.10 per share for total cash proceeds of \$206,500.
- e) On 29 September 2011, the Company approved the exchange of 2,900,000 of its newly authorized Class A Preferred for 29,000,000 Common Shares, as follows: 200,000 Class A Preferred Shares for 2,000,000 Common Shares owned by Force Options Inc., a private 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 private company owned equally by the Chief Executive Officer of the Company and Vice President of Operations of the Company.
- f) 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 11)*.
- g) On 6 September 2011, the Company issued 253,113 Common Shares to a company controlled by the Vice President of Corporate Development of the Company valued at \$25,311 related to consulting services rendered during the year ended 31 July 2011 *(Notes 7 and 11)*.
- h) On 6 September 2011, the Company issued 1,400,000 Common Shares for \$0.10 per share for cash proceeds of \$140,000.
- i) 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.
- j) On 6 September 2011, the Company issued 100,000 Common Shares valued at \$10,000 for legal fees rendered during the three month period ended 31 October 2011.

**Deploy Technologies Inc.**

(A Development Stage Company)

**Notes to Condensed Interim Financial Statements****31 January 2012**

(Unaudited)

U.S. Dollars

---

**9. Share Capital – Continued****Issued and outstanding – Continued**

- k) 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 11).
- l) On 20 April 2011, the Company issued 500,000 Common Shares to a company controlled by the Vice President of Corporate Development of the Company valued at \$50,000 related to consulting services rendered during the year ended 31 July 2011 (Note 11).
- m) 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 11).
- n) On 20 April 2011, the Company issued 1,635,000 Common Shares for \$0.10 per share for cash proceeds of \$163,500.
- o) On 21 February 2011, the Company issued 995,000 Common Shares for \$0.10 per share for cash proceeds of \$99,500.
- p) 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 11).
- q) On 11 July 2010, the Company issued 343,218 Common Shares for \$0.10 per share for cash proceeds of \$34,322.
- r) 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 11).
- s) 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 11).

**9. Share Capital – Continued****Issued and outstanding – Continued**

- t) On 2 February 2009, the Company issued 50,000 Common Shares for \$0.05 per share for cash proceeds of \$2,500.
- u) 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 11). Share certificates for which were issued during the fourth quarter ending 31 July 2009.
- v) 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).
- w) 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**



**Deploy Technologies Inc.**

*(A Development Stage Company)*

**Notes to Condensed Interim Financial Statements**

**31 January 2012**

*(Unaudited)*

*U.S. Dollars*

---

During the six month period ended 31 January 2012, the Company received \$14,798 (2011 - \$29,532) for the purchase of the Company's Common Shares. As of 31 January 2012, these shares have not yet been issued *(Note 11)*.

**Deploy Technologies Inc.**

*(A Development Stage Company)*

**Notes to Condensed Interim Financial Statements**

**31 January 2012**

*(Unaudited)*

*U.S. Dollars*

---

**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 January 2012 compared to the period ended 31 January 2011. The Company is not subject to externally imposed capital requirements.

**Deploy Technologies Inc.***(A Development Stage Company)***Notes to Condensed Interim Financial Statements****31 January 2012***(Unaudited)**U.S. Dollars***11. Supplemental Disclosures with Respect to Cash Flows**

	Periods Ended 31 January	
	2012	2011
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for income taxes	\$ -	\$ -

During the six month period ended 31 January 2012, 471,837 Common Shares were issued to a company controlled by the Chief Executive Office of the Company and Vice President of Operations of the Company for a total of \$47,184 related to management and consulting services rendered during the three month period ended 31 October 2011 *(Notes 7 and 9)*.

During the six month period ended 31 January 2012, the Company issued 245,749 Common Shares valued at \$24,575 to a company controlled by the Vice President of Corporate Development of the Company for consulting services rendered during the three month period ended 31 October 2011 *(Notes 7 and 9)*.

During the six month period ended 31 January 2012, the Company issued 65,563 Common Shares for \$6,556 to settle short-term loans *(Notes 9 and 11)*.

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)*.

**Deploy Technologies Inc.**

*(A Development Stage Company)*

**Notes to Condensed Interim Financial Statements**

**31 January 2012**

*(Unaudited)*

*U.S. Dollars*

---

**11. Supplemental Disclosures with Respect to Cash Flows – Continued**

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 of the Company 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 of the Company 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)*.

**Notes to Condensed Interim Financial Statements**  
**31 January 2012**  
(Unaudited)  
U.S. Dollars

---

**12. Segmented Information**

Details on a geographic basis as at 31 January 2012 are as follows:

	USA		Canada		Total	
Current assets	\$	-	\$	34,793	\$	34,793
Property, plant and equipment	\$	-	\$	86,985	\$	86,985
Fleet management technology	\$	-	\$	30,000	\$	30,000
Other long-term assets	\$	-	\$	6,997	\$	6,997
Loss for the period	\$	-	\$	(363,291)	\$	(363,291)

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

	USA		Canada		Total	
Current assets	\$	-	\$	2,715	\$	2,715
Property, plant and equipment	\$	-	\$	20,019	\$	20,019
Fleet management technology	\$	-	\$	30,000	\$	30,000
Other long-term assets	\$	-	\$	64,157	\$	64,157
Loss for the period	\$	-	\$	(82,814)	\$	(82,814)

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)

**13. Subsequent Event**

The following event occurred during the period from the six month period ended 31 January 2012 to the date these condensed interim financial statements were available to be issued on 26 March 2012:

On 20 February 2012, the Company issued 130,000 common shares for cash proceeds of \$13,000.

**Deploy Technologies Inc.**

(A Development Stage Company)

**Notes to Condensed Interim Financial Statements****31 January 2012**

(Unaudited)

U.S. Dollars

---

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

The Company has adopted IFRS with a transition date of 1 August 2010 (the "Transition Date"), the details of which are described in the condensed interim financial statements for the three months ended 31 October 2011. Under IFRS 1, "First-time Adoption of International Financial Reporting Standards", the IFRS are applied retrospectively at the Transition Date with all adjustments to assets and liabilities as stated under Canadian GAAP taken to deficit unless certain exemptions are applied.

**a) 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.

**b) 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.

**Notes to Condensed Interim Financial Statements**  
**31 January 2012**  
(Unaudited)  
U.S. Dollars

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

**b) Reconciliations of Canadian GAAP to IFRS – Continued**

Reconciliation of Statement of Financial Position as at 31 January 2011 is as follows:

	Notes	Canadian GAAP	IFRS Adjustments	IFRS
<b>ASSETS</b>				
<b>Current</b>				
Cash and cash equivalents		\$ 1,996	\$ -	\$ 1,996
Prepaid expenses		718	-	718
Available-for-sale securities		1	-	1
		<u>2,715</u>	<u>-</u>	<u>2,715</u>
Property, plant and equipment		20,019	-	20,019
Website development costs		11,939	-	11,939
Deferred development costs		52,218	-	52,218
Fleet management technology		30,000	-	30,000
		<u>\$ 116,891</u>	<u>\$ -</u>	<u>\$ 116,891</u>
<b>LIABILITIES</b>				
<b>Current</b>				
Trade payables and accrued liabilities		\$ 150,814	\$ -	\$ 150,814
Loans payable		55,984	-	55,984
		<u>206,798</u>	<u>-</u>	<u>206,798</u>
<b>SHAREHOLDERS' DEFICIENCY</b>				
<b>Share Capital</b>				
Common Shares				
Class A Preferred Shares		4,063	-	4,063
<b>Additional Paid-In Capital</b>		1,691,578	-	1,691,578
<b>Share Subscriptions Received In Advance</b>		29,532	-	29,532
<b>Accumulated Other Comprehensive Income</b>	14 a)	(8,540)	9,179	639
<b>Deficit Accumulated Prior to the Development Stage</b>		(1,455,010)	-	(1,455,010)
<b>Deficit Accumulated During the Development Stage</b>	14 a)	(351,530)	(9,179)	(360,709)
		<u>(89,907)</u>	<u>-</u>	<u>(89,907)</u>
		<u>\$ 116,891</u>	<u>\$ -</u>	<u>\$ 116,891</u>

**15. Differences between IFRS and United States GAAP**

These condensed interim financial statements have been prepared in accordance with IFRS. The statements of financial position at 31 January 2011 and 31 July 2011 prepared in accordance with Canadian GAAP have been reconciled with IFRS. Unless otherwise noted, the statements of financial position at 31 January 2011 and 31 July 2011 prepared in accordance with Canadian GAAP also comply, in all material aspects, with United States GAAP.

**Recent Accounting Pronouncements**

In December 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2011-12, "Comprehensive Income". This update amends certain pending paragraphs in ASU 2011-05, "Presentation of Comprehensive Income", to effectively defer only those changes that relate to the presentation of reclassification adjustments out of accumulated other comprehensive income for annual and interim financial statements for public, private, and non-profit entities.

In September 2011, the FASB issued ASU 2011-08, "Intangibles – Goodwill and Other" which allows an entity to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. Under these amendments, an entity would not be required to calculate the fair value of a reporting unit unless the entity determines, based on a qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. ASU 2011-08 will be effective for the Company in fiscal 2013, with early adoption permitted. The Company does not expect the adoption of this update will have a material effect on its financial statements.

**Deploy Technologies Inc.**

*(A Development Stage Company)*

**Notes to Condensed Interim Financial Statements**

**31 January 2012**

*(Unaudited)*

*U.S. Dollars*

---



**Deploy Technologies Inc.**

(A Development Stage Company)

**Notes to Condensed Interim Financial Statements****31 January 2012**

(Unaudited)

U.S. Dollars

---

**15. Differences between IFRS and United States GAAP – Continued****Recent Accounting Pronouncements – Continued**

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.

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 financial statements.