DEPLOY TECHNOLOGIES INC.

(A Development Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)

31 January 2013

(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 January 2013		As at 31 July 2012
Current				
Cash and cash equivalents	$	2,001	$	2,682
Amounts receivable		11,525		31,680
Prepaid expenses		5,755		3,156
Available-for-sale securities *(Note 5)*		1		1
		19,282		37,519
Property, plant and equipment *(Note 6)*		90,455		94,508
Fleet management technology *(Note 7)*		30,000		30,000
	$	139,737	$	162,027
LIABILITIES				
Current				
Trade payables and accrued liabilities	$	141,074	$	133,159
Due to related parties *(Note 8)*		293,555		177,769
		434,629		310,928
Loans payable *(Note 9)*		88,791		51,781
		523,420		362,709
SHAREHOLDERS' DEFICIENCY				
Share Capital - *Statement 3 (Note 10)*				
Authorized:				
100,000,000 Common Shares – Par Value $0.0001				
2,900,000 Class A Preferred Shares – No Par Value				
Issued and Outstanding:				
22,340,209 (31 July 2012 – 22,220,209) Common Shares		2,232		2,220
2,900,000 (31 July 2012 – 2,900,000) Preferred Shares		2,900		2,900
Contributed Surplus		3,297,150		3,273,162
Shares to be Issued *(Note 10)*		560		2,560
Foreign Currency Translation Reserve		(48,975)		(49,571)
Deficit		(3,637,550)		(3,431,953)
		(383,683)		(200,682)
	$	139,737	$	162,027

Nature and Continuance of Operations *(Note 1)* and **Subsequent Event** *(Note 15)*

Approved and authorized for issue by the Board on April 1, 2013

ON BEHALF OF THE BOARD:

/s/ David Eppert , Director

/s/ Andre Thompson , Director

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

Deploy Technologies Inc.

(A Development Stage Company)

Statement 2

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited)

(U.S. Dollars)

	Three Month Period Ended 31 January		Six Month Period Ended 31 January	
	2013	2012	2013	2012
General and Administrative Expenses				
Accounting and legal *(Note 8)*	$ -	$ 32,633	$ 6,339	$ 52,552
Consulting fees *(Notes 8, 10 and 13)*	20,923	55,997	62,323	157,911
Depreciation and amortization *(Note 6)*	10,659	7,073	21,380	13,184
Management fees *(Notes 8, 10 and 13)*	30,213	35,262	66,703	71,237
Office and miscellaneous	30,381	44,566	51,876	76,726
Loss Before Other Items	(92,176)	(175,531)	(208,621)	(371,610)
Other Items				
Other Income	999	1,161	3,024	8,306
Interest Income	-	-	-	13
Loss for the Period	$ (91,177)	$ (174,370)	$ (205,597)	$ (363,291)
Other Comprehensive Loss				
Foreign currency translation adjustment	(103)	48	596	(1,699)
Comprehensive Loss for the Period	$ (91,280)	$ (174,322)	$ (205,001)	$ (364,990)
Loss per Share - Basic and Fully Diluted	$ (0.004)	$ (0.008)	$ (0.009)	$ (0.010)
Comprehensive Loss per Share - Basic and Fully Diluted	(0.004)	$ (0.008)	$ (0.009)	$ (0.010)
Weighted Average Number of Shares Outstanding	$ 22,330,431	$ 20,682,236	22,307,002	36,022,463

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

(A Development Stage Company)

Condensed Interim Statements of Changes in Shareholders' Deficiency

(Unaudited)

(U.S. Dollars)

	Share Capital								
	Common Shares		Class A Preferred Shares		Contributed	Shares to be	Foreign Currency Translation		
	Number	Amount	Number	Amount	Surplus	Issued	Reserve	Deficit	Total
Balance – 31 July 2011	44,638,769	4,462	-	-	2,091,216	80,560	(41,967)	(2,157,079)	(22,808)
Issuance of shares for:									
- Services rendered *(Notes 8, 10 and 13)*	1,852,377	185	-	-	185,053	-	-	-	185,238
- Cash *(Note 10)*	3,465,000	346	-	-	346,154	(80,560)	-	-	265,940
- Settlement of loan *(Notes 9, 10 and 13)*	65,563	7	-	-	6,549	-	-	-	6,556
Conversion of Common Shares to Class A Preferred Shares (Note 10)	(29,000,000)	(2,900)	2,900,000	2,900	-	-	-	-	-
Share subscriptions received in advance (Note 10)	-	-	-	-	-	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)	(2,520,370)	84,734
Issuance of shares for:									
- Cash *(Note 10)*	483,500	48	-	-	83,651	(14,798)	-	-	68,901
- Services rendered *(Notes 8, 10 and 13)*	715,000	72	-	-	554,637	-	-	-	554,709
- Settlement of loan *(Notes 9, 10 and 13)*	-	-	-	-	5,902				5,902
Share subscriptions received in advance *(Note 10)*	-	-	-	-	-	2,560	-	-	2,560
Foreign currency translation adjustment	-	-	-	-	-	-	(5,905)	-	(5,905)
Loss for the year	-	-	-	-	-	-	-	(911,583)	(911,583)
Balance – 31 July 2012	22,220,209	$ 2,220	2,900,000	$ 2,900	$ 3,273,162	$ 2,560	$ (49,571)	$ (3,431,953)	$ (200,682)
Issuance of shares for:									
- Cash *(Note 10)*	120,000	12	-	-	23,988	(2,000)	-	-	22,000
Foreign currency translation adjustment	-	-	-	-			596	-	596
Loss for the year	-	-	-	-			-	(205,597)	(205,597)
Balance – 31 January 2013	22,340,209	2,232	2,900,000	2,900	3,297,150	560	(48,975)	(3,637,550)	(383,683)

Deploy Technologies Inc. Statement 4

(A Development Stage Company)

Condensed Interim Statements of Cash Flows

(Unaudited)

(U.S. Dollars)

	Six Month Period Ended 31 January	
Cash Resources Provided By (Used In)	2013	2012
Operating Activities		
Loss for the period	$ (205,597)	$ (363,291)
Items not affecting cash:		
Accrued interest *(Note 9)*	1,658	663
Depreciation *(Note 6)*	21,380	13,184
Shares issued for services *(Notes 8, 10 and 13)*	-	84,259
Foreign exchange	(278)	1,598
Amounts receivable	20,155	(12,626)
Prepaid expenses	(2,599)	(7,105)
Trade payables and accrued liabilities	7,915	(6,877)
Due to related parties	115,786	21,236
	(41,580)	(268,959)
Investing Activities		
Purchase of property, plant and equipment *(Note 6)*	(16,792)	(37,663)
Financing Activities		
Proceeds from loans *(Note 9)*	35,095	-
Common shares issued for cash *(Note 10)*	22,000	265,940
Share subscriptions received in advance *(Note 10)*	-	14,798
	57,095	280,738
Effect of exchange rate changes on cash and cash equivalents	596	(1,699)
Net Increase (Decrease) in Cash and Cash Equivalents	(681)	(27,583)
Cash and cash equivalents – Beginning of period	2,682	38,484
Cash and Cash Equivalents - End of Period	$ 2,001	$ 10,901

Supplemental Disclosures with Respect to Cash Flows *(Note 13)*

1. 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 10).*

The Company is a development stage company. The Company is devoting all of its present efforts to the marketing and sale of its fleet management technology in order to generate revenue. The Company only recently commenced its planned principal operations, and, accordingly, it has generated no revenues to date.

The head office and principal address of the Company is 19011 – 1153 56th Street, Delta, BC, V4L 2A2.

At 31 January 2013, the Company had cash and cash equivalents of $2,001 (31 July 2012 – $2,682) and a working capital deficit of $415,347 (31 July 2012 – $273,409). The funds on hand at 31 January 2013 are not sufficient to meet the Company's planned corporate, administrative and development activities for the next 12 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, is generating no revenue, is 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 the carrying value of assets and liabilities, the reported expenses and the classifications on the statement of financial position used, and such adjustments would be material.

2. Basis of Preparation

a) Basis of Presentation

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 except where otherwise indicated.

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 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 annual financial statements for the year ended 31 July 2012 prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

c) Adoption of new and revised standards and interpretations

At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised standards, amendments and interpretations which are not yet effective during the period ended 31 January 2013.

IFRS 9 "*Financial Instruments: Classification and Measurement"* is a new financial instruments standard effective for annual periods beginning on or after 1 January 2015 that replaces IAS 39 and IFRIC 9 for classification and measurement of financial assets and financial liabilities.

IFRS 12, *"Disclosure of Interests in Other Entities"* is a new standard effective for annual periods beginning on or after 1 January 2013 that replaces disclosure requirements in IAS 27 (as amended in 2008), IAS 28 (as revised in 2003) and IAS 31.

IFRS 13, *"Fair Value Measurement"* is a new standard effective for annual periods beginning on or after 1 January 2013 that replaces fair value measurement guidance in other IFRSs.

IAS 1 (Amendment), *"Presentation of Financial Statements"* is effective for annual periods beginning on or after 1 July 2012 and includes amendments regarding presentation of items of other comprehensive income.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

3. Significant Accounting Policies

These condensed interim financial statements follow the same accounting policies and methods of their application as the Company's full annual financial statements prepared in accordance with IFRS and as such should be read in conjunction with the Company's full annual financial statements for the year ended 31 July 2012. There have been no changes to the accounting policies and methods applied in the six month period 31 January 2013.

4. Fair Value of Financial Instruments

Categories of financial instruments

	As at 31 January 2013	As at 31 July 2012
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash and cash equivalents	$ 2,001	$ 2,682
Loans and receivables, at amortized cost		
Amounts receivable	11,525	4,564
Available-for-sale, at fair value		
Kaleidoscope (5,694 common shares)	1	1
Total financial assets	$ 13,527	$ 7,247
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	121,521	120,196
Due to related parties	293,555	177,769
Loans payable	88,791	51,781
	$ 503,867	$ 349,746

Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the short term maturity of these instruments and the nature of the loans.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at 31 January 2013, the Company does not have any Level 3 financial instruments.

4. Fair Value of Financial Instruments – *Continued*

As at 31 January 2013		Level 1		Total
Financial assets at fair value				
Cash and cash equivalents	$	2,001	$	2,001
Available-for-sale		1		1
Total financial assets at fair value	$	2,002	$	2,002

As at 31 July 2012		Level 1		Total
Financial assets at fair value				
Cash and cash equivalents	$	2,682	$	2,682
Available-for-sale		1		1
Total financial assets at fair value	$	2,683	$	2,683

Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk and currency risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

The Company is not exposed to credit risk as it does not hold cash in excess of federally insured limits, with major financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is exposed to liquidity risk as it has a working capital deficit of $415,347 as at 31 January 2013. However, the Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the term deposits is limited.

Currency risk

The Company is exposed to currency risk by incurring expenditures and holding assets denominated in currencies in the Canadian dollar. Assuming all other variables remain constant, a 1% change in the Canadian dollar against the US dollar would not result in a significant change to the Company's operations.

4. Fair Value of Financial Instruments – *Continued*

Other risks

The Company is not exposed to other risks unless otherwise noted.

5. Available-for-Sale Securities

	31 January 2013		31 July 2012	
	Cost	Fair Value	Cost	Fair Value
Kaleidoscope 5,694 (31 July 2012 – 5,694) common shares	$ 1	$ 1	$ 1	$ 1

6. Property, Plant and Equipment

	Automobile	Tools and equipment	Furniture and office equipment	Website development costs	Total
Cost					
Balance, 1 August 2012	$ 28,118	$ 82,660	$ 15,625	$ 13,071	$ 139,474
Additions	-	15,081	1,711	-	16,792
Foreign exchange adjustment	158	311	81	73	623
Balance, 31 January 2013	$ 28,276	$ 98,052	$ 17,417	$ 13,144	$ 156,889
Accumulated depreciation					
Balance, 1 August 2012	$ 16,244	$ 15,657	$ 4,845	$ 8,220	$ 44,966
Depreciation	3,561	12,335	3,284	2,200	21,380
Foreign exchange adjustment	65	(7)	(6)	36	88
Balance, 31 January 2013	$ 19,870	$ 27,985	$ 8,123	$ 10,456	$ 66,434
Net book value, 31 January 2013	$ 8,406	$ 70,067	$ 9,294	$ 2,688	$ 90,455

	Automobile	Tools and equipment	Furniture and office equipment	Website development costs	Total
Cost					
Balance, 1 August 2011	$ 27,468	$ 42,156	$ 7,146	$ 13,743	$ 90,513
Additions	1,994	42,272	8,829	-	53,095
Foreign exchange adjustment	(1,344)	(1,768)	(350)	(672)	(4,134)
Balance, 31 July 2012	$ 28,118	$ 82,660	$ 15,625	$ 13,071	$ 139,474
Accumulated depreciation					
Balance, 1 August 2011	$ 9,679	$ 2,639	$ 933	$ 4,060	$ 17,311
Depreciation	7,039	13,128	3,956	4,417	28,540
Foreign exchange adjustment	(474)	(110)	(44)	(257)	(885)
Balance, 31 July 2012	$ 16,244	$ 15,657	$ 4,845	$ 8,220	$ 44,966
Net book value, 31 July 2012	$ 11,874	$ 67,003	$ 10,780	$ 4,851	$ 94,508

7. 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. The technology is focusing on enabling organizations that use it to become more efficient, productive and profitable through the use of their fleet assets.

The fleet management technology was completed during the year ended 31 July 2012; however, no depreciation expense was recorded during the period ended 31 January 2013 as the technology has not been placed in use for the purpose of earning revenue.

8. Related Party Balances and Transactions

The key management personnel compensation for the six month periods ended 31 January 2013 and 2012 is as follows:

	31 January 2013	31 January 2013
Accounting fees	2,518	-
Management and consulting fees	109,774	121,036
Total	$ 112,292	$ 121,036

Except as disclosed elsewhere in these condensed interim financial statements, related party transactions for the six month periods ended 31 January 2013 and 2012 are as follows:

a) As at 31 January 2013, the amount due to related parties includes $163,283 (31 July 2012 - $91,100) payable to the Chief Executive Officer of the Company.

b) As at 31 January 2013, the amount due to related parties includes $130,272 (31 July 2012 - $86,669) payable to the Vice President of Operations of the Company.

c) During the six month period ended 31 January 2013, management fees of $66,469 (2012 - $72,022) were paid/accrued to the Chief Executive Officer of the Company.

d) During the six month period ended 31 January 2013, consulting fees of $43,305 (2012 - $24,007) were paid/accrued to the Vice President of Operations of the Company.

e) During the six month period ended 31 January 2013, consulting fees of $Nil (2012 - $24,007) were paid/accrued to a company controlled by the Vice President of Corporate Development of the Company.

f) During the six month period ended 31 January 2013, accounting fees of $2,518 (2012 - $Nil) were paid/accrued to a director of the Company.

g) During the year ended 31 July 2012, the Company issued 1,368,515 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 $416,354 . Of the total, $120,849 and $295,505 relate to management and consulting services rendered during the years ended 31 July 2012 and 2011, respectively. A loss of $229,837 was recognized to settle the payable outstanding in relation to the services rendered during the year ended 31 July 2011 *(Notes 10 and 13)*.

8. Related Party Balances and Transactions – *Continued*

h) During the year ended 31 July 2012, the Company issued 598,862 Common Shares to a company controlled by the Vice President of Corporate Development of the Company, valued at a total of $173,593. Of the total $59,692 and $113,901 relate to consulting services rendered during the years ended 31 July 2012 and 31 July 2011, respectively. A loss of $88,590 was recognized to settle the payable outstanding in relation to the services rendered during the year ended 31 July 2011 *(Notes 10 and 13)*.

i) During the year ended 31 July 2012, the Company issued 100,000 Common Shares to a director of the Company valued at $13,000 related to accounting services rendered during the year ended 31 July 2012 *(Notes 10 and 13)*.

j) During the year ended 31 July 2012, the Company approved the exchange of 29,000,000 of its Common Shares for 2,900,000 of its newly authorized Class A Preferred Shares, as follows: 2,000,000 Common Shares owned by Force Options Inc., a private company owned by the Chief Executive Officer of the Company for 200,000 Class A Preferred Shares, and, 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 for 2,700,000 Class A Preferred Shares. 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 *(Note 10)*.

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.

9. Loans Payable

	31 January 2013 $	31 July 2012 $
On 1 August 2009, a third party issued a loan of CAD$1,000 to the Company. The loan is unsecured and bears interest at a rate of 5% per annum and is repayable by 31 July 2013. During the year ended 31 July 2012, the loan was extended to be repayable by 31 July 2014. The balance as at 31 January 2013 consists of principal and accrued interest of $1,003 (31 July 2012 - $997) and $152 (31 July 2012 - $149) respectively.	1,155	1,146
On 1 August 2009, a third party issued a loan of CAD$2,000 to the Company. The loan is unsecured and bears interest at a rate of 5% per annum and is repayable by 31 July 2013. During the year ended 31 July 2012, the loan was extended to be repayable by 31 July 2014. The balance as at 31 January 2013 consists of principal and accrued interest of $2,005 (31 July 2012 - $1,994) and $304 (31 July 2012 - $299) respectively.	2,309	2,293
On 19 November 2009, a third party issued a loan of CAD$3,000 to the Company. The loan is unsecured and bears interest at a rate of 5% per annum and is repayable by 31 July 2013. During the year ended 31 July 2012, the loan was extended to be repayable by 31 July 2014. The balance as at 31 January 2013 consists of principal and accrued interest of $3,008 (31 July 2012 - $2,991) and $456 (31 July 2012 - $403) respectively.	3,464	3,394
On 12 February 2010, a company controlled by the Vice President of Operations of the Company, issued a loan of CAD$15,000 to the Company. The loan is unsecured and bears interest at a rate of 5% per annum and is repayable by 31 July 2013. During the year ended 31 July 2012, the loan was extended to be repayable by 31 July 2014. The balance as at 31 January 2013 consists of principal and accrued interest of $15,041 (31 July 2012 - $14,957) and $2,264 (31 July 2012 - $1,950) respectively.	17,305	16,907
Subtotal	24,233	23,740

9. Loans Payable – *Continued*

	31 January 2013 $	31 July 2012 $
Balance carried forward	24,233	23,740
On 28 February 2010, a third party issued a loan of CAD$7,000 to the Company. The loan is unsecured and bears interest at a rate of 5% per annum and is repayable by 31 July 2013. During the year ended 31 July 2012, the loan was extended to be repayable by 31 July 2014. The balance as at 31 January 2013 consists of principal and accrued interest of $7,019 (31 July 2012 - $6,980) and $1,064 (31 July 2012 - $844) respectively.	8,083	7,824
On 26 March 2010, a third party issued a loan of CAD$14,000 to the Company. The loan is unsecured and bears interest at a rate of 5% per annum and is repayable by 31 July 2013. During the year ended 31 July 2012, the loan was extended to be repayable by 31 July 2014. The balance as at 31 January 2013 consists of principal and accrued interest of $14,038 (31 July 2012 - $13,959) and $2,128 (31 July 2012 - $1,640) respectively.	16,166	15,599
On 11 July 2010, a company controlled by the Vice President of Operations of the Company, issued a loan of CAD$4,200. The loan is unsecured and bears interest at a rate of 5% per annum and is repayable by 31 July 2013. During the year ended 31 July 2012, the loan was extended to be repayable by 31 July 2014. The balance as at 31 January 2013 consists of principal and accrued interest of $4,211 (31 July 2012 - $4,188) and $548 (31 July 2012 - $430) respectively.	4,759	4,618
On 11 July 2010, a third party issued a loan of $5,200 to the Company. The loan is unsecured and bears interest at a rate of 5% per annum and is repayable by 31 July 2013. During the year ended 31 July 2012, the Company issued 55,166 valued at $5,517 to settle the loan *(Notes 10 and 13)*. The balance as at 31 January 2013 consists of principal and accrued interest of $Nil (31 July 2012 - $Nil) and $Nil (31 July 2012 - $Nil), respectively.	-	-
Subtotal	53,241	57,781

9. Loans Payable – *Continued*

	31 January 2013 $	31 July 2012 $
Balance carried forward	53,241	51,781
On 27 July 2010, a third party issued a loan of $980 to the Company. The loan is unsecured and bears interest at a rate of 5% per annum and is repayable by 31 July 2013. During the year ended 31 July 2012, the Company issued 10,397 for $1,040 to settle the loan *(Notes 10 and 13)*. The balance as at 31 January 2013 consists of principal and accrued interest of $Nil (31 July 2012 - $Nil) and $Nil (31 July 2012 - $Nil), respectively.	-	-
On 16 October 2012, a third party issued a loan of $25,000 to the Company. The loan is unsecured and bears interest at a rate of 5% per annum and is repayable by 31 July 2014. The balance as at 31 January 2013 consists of principal and accrued interest of $25,068 (31 July 2012 - $Nil) and $361 (31 July 2012 - $Nil) respectively.	25,429	-
On 20 November 2012, a third party issued a loan of $10,000 to the Company. The loan is unsecured and bears interest at a rate of 5% per annum and is repayable by 31 July 2014. The balance as at 31 January 2013 consists of principal and accrued interest of $10,025 (31 July 2012 - $Nil) and $96 (31 July 2012 - $Nil) respectively.	10,121	-
	88,791	51,781

10. Share Capital

The Company's authorized share capital comprises 100,000,000 Common Shares, with a $0.0001 par value per share, and 2,900,000 Class A Preferred Shares, with no par value per share. Each Class A Preferred Share entitles the holder to 10 votes each.

Each Class A Preferred Share provides holders a right to receive dividends, as and if declared by the Company's board of directors, with the amount of such dividend determined by multiplying the dividend per share by 10 and a right to receive distributions, whether or not in liquidation, with the amount of such distribution determined by multiplying the distribution per share by 10. Each Class A Preferred Share can also be converted into 10 Common Shares at the election of the Company or the holder any time after two years following the date of issuance.

10. Share Capital – *Continued*

Issued and outstanding

a) On 30 January 2013, the Company issued 10,000 units at a price of $0.20 per unit for total proceeds of $2,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase an additional common share at a price of $0.40 per share for a period of 12 months from the date of issuance.

b) On 9 September 2012, the Company issued 110,000 units at a price of $0.20 per unit for total proceeds of $22,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase an additional common share at a price of $0.40 per share for a period of 12 months from the date of issuance.

c) During the year ended 31 July 2012, the Company issued 1,368,515 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 $416,354. Of the total, $120,849 and $295,505 relate to management and consulting services rendered during the years ended 31 July 2012 and 2011, respectively. A loss of $229,837 was recognized to settle the payable outstanding in relation to the services rendered during the year ended 31 July 2011 *(Notes 8 and 13)*.

d) During the year ended 31 July 2012, the Company issued 598,862 Common Shares to a company controlled by the Vice President of Corporate Development of the Company, valued at a total of $173,593. Of the total $59,692 and $113,901 relate to consulting services rendered during the years ended 31 July 2012 and 31 July 2011, respectively. A loss of $88,590 was recognized to settle the payable outstanding in relation to the services rendered during the year ended 31 July 2011 *(Notes 8 and 13)*.

e) On 20 July 2012, the Company issued 100,000 Common Shares to a Director of the Company valued at $13,000 related to accounting services rendered during the year ended 31 July 2012 *(Notes 8 and 13)*.

f) On 20 July 2012, the Company issued 275,000 Common Shares valued at $35,750 for consulting services rendered during the year ended 31 July 2012 *(Note 13)*.

g) On 15 May 2012, the Company issued 353,500 Common Shares for $0.20 per share for cash proceeds of $70,700.

h) On 20 February 2012, the Company issued 130,000 Common Shares for $0.10 per share for cash proceeds of $13,000.

i) On 14 November 2011, the Company issued 65,563 Common Shares valued at $12,457 to settle short-term loans valued at $6,556. A loss of $5,901 was recognized to settle the short-term loan *(Notes 9 and 13).*

j) On 14 November 2011, the Company issued 2,065,000 Common Shares for $0.10 per share for cash proceeds of $206,500.

10. Share Capital – *Continued*

Issued and outstanding – *Continued*

k) On 29 September 2011, the Company approved the exchange of 29,000,000 of its Common Shares for 2,900,000 of its newly authorized Class A Preferred Shares, as follows: 2,000,000 Common Shares owned by Force Options Inc., a private company owned by the Chief Executive Officer of the Company for 200,000 Class A Preferred Shares, and, 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 for 2,700,000 Class A Preferred Shares. 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 *(Note 8)*.

l) On 30 August 2011, the Company issued 1,400,000 Common Shares for $0.10 per share for cash proceeds of $140,000.

m) On 30 August 2011, the Company issued 125,000 Common Shares valued at $56,250 for consulting services of $45,000 rendered during the year ended 31 July 2011, and consulting services of $11,250 rendered during the year ended 31 July 2012. A loss of $35,000 was recognized to settle the payable outstanding in relation to the services rendered during the year ended 31 July 2011 *(Note 13)*.

n) On 30 August 2011, the Company issued 100,000 Common Shares valued at $45,000 for legal fees rendered during the year ended 31 July 2012 *(Note 13)*.

Share to be Issued

During the six month period ended 31 January 2013, the Company received $Nil (31 July 2012 - $2,560) for the purchase of Common Shares. As of 31 January 2013, Common Shares relating to $560 proceeds had not yet been issued.

12. Capital Disclosure

The capital structure of the Company consists of loans payable and equity attributable to common shareholders, comprised of issued capital, contributed surplus, shares to be issued, foreign currency translation reserve 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 its 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.

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 six month period ended 31 January 2013 compared to the year ended 31 July 2012. The Company is not subject to externally imposed capital requirements.

13. Supplemental Disclosures with Respect to Cash Flows

	Six Month Period Ended 31 January	
	2013	2012
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

During the year ended 31 July 2012, the Company issued 1,368,515 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 $416,354. Of the total, $120,849 and $295,505 relate to management and consulting services rendered during the years ended 31 July 2012 and 2011, respectively. A loss of $229,837 was recognized to settle the payable outstanding in relation to the services rendered during the year ended 31 July 2011 *(Notes 8 and 10)*.

During the year ended 31 July 2012, the Company issued 598,862 Common Shares to a company controlled by the Vice President of Corporate Development of the Company, valued at a total of $173,593. Of the total $59,692 and $113,901 relate to consulting services rendered during the years ended 31 July 2012 and 31 July 2011, respectively. A loss of $88,590 was recognized to settle the payable outstanding in relation to the services rendered during the year ended 31 July 2011 *(Notes 8 and 10)*.

On 20 July 2012, the Company issued 100,000 Common Shares to a Director of the Company valued at $13,000 related to accounting services rendered during the year ended 31 July 2012 *(Notes 8 and 10)*.

On 20 July 2012, the Company issued 275,000 Common Shares valued at $35,750 for consulting services rendered during the year ended 31 July 2012 *(Note 10)*.

On 14 November 2011, the Company issued 65,563 Common Shares valued at $12,457 to settle short-term loans valued at $6,556. A loss of $5,901 was recognized to settle the short-term loan *(Notes 9 and 10).*

On 30 August 2011, the Company issued 125,000 Common Shares valued at $56,250 for consulting services of $45,000 rendered during the year ended 31 July 2011, and consulting services of $11,250 rendered during the year ended 31 July 2012. A loss of $35,000 was recognized to settle the payable outstanding in relation to the services rendered during the year ended 31 July 2011 *(Note 10)*.

On 30 August 2011, the Company issued 100,000 Common Shares valued at $45,000 for legal fees rendered during the year ended 31 July 2012 *(Note 10).*

14. Segmented Information

The Company conducts its business as a single operating segment in Canada. All property, plant and equipment and fleet management technology are situated in Canada.

15. Subsequent Event

There have been no subsequent events during the period from the six month period ended 31 January 2013 to the date these condensed interim financial statements were available to be issued on April 1, 2013.

16. Differences between IFRS and United States Generally Accepted Accounting Principles

IFRS vary in certain significant respects from the principles and practices generally accepted in the United States ("US GAAP"). The effect of the principal measurement differences on the Company's financial statements is quantified below and described in the accompanying notes:

a) Under 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 other comprehensive income (loss) to deficit at 1 August 2010.

Under US GAAP, there is no option available that permits the reclassification of cumulative translation loss from accumulated comprehensive loss to deficit at 1 August 2010. The impact of this change was to reclassify the $9,179 cumulative translation loss from deficit to accumulated other comprehensive income (loss) at 1 August 2010.

b) **Reconciliations of IFRS to US GAAP**

Application of US GAAP would have affected shareholders' deficiency as at 31 January 2013 and 31 July 2012 to the extent, as follows:

Reconciliation of Shareholders' Deficiency as at 31 January 2013 is as follows:

	Note	IFRS	US GAAP Adjustments	US GAAP
Common Shares		$ 2,232	$ -	$ 2,232
Preferred Shares		2,900		2,900
Contributed Surplus		3,297,150	-	3,297,150
Shares to be Issued		560	-	560
Foreign Currency Translation Reserve	(a)	(48,975)	(9,179)	(58,154)
Deficit	(a)	(3,637,550)	9,179	(3,628,371)
		$ (383,683)	$ -	$ (383,683)

Reconciliation of Shareholders' Deficiency as at 31 July 2012 is as follows:

	Note	IFRS	US GAAP Adjustments	US GAAP
Common Shares		$ 2,220	$ -	$ 2,220
Preferred Shares		2,900		2,900
Contributed Surplus		3,273,162	-	3,273,162
Shares to be Issued		2,560	-	2,560
Foreign Currency Translation Reserve	(a)	(49,571)	(9,179)	(58,750)
Deficit	(a)	(3,431,953)	9,179	(3,422,774)
		$ (200,682)	$ -	$ (200,682)

16. Differences between IFRS and United States Generally Accepted Accounting Principles – *Continued*

c) Recent Accounting Pronouncement

In July 2012, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2012-02, "*Intangibles – Goodwill and Other*". This ASU will allow an entity to first assess qualitative factors to determine whether it is necessary to perform a quantitative impairment test. Under ASU No. 2012-02, an entity would not be required to calculate the fair value of an indefinite-lived intangible asset unless the entity determines, based on qualitative assessment, that it is not more likely than not, the indefinite-lived intangible asset is impaired. This includes a number of events and circumstances for an entity to consider in conducting the qualitative assessment. ASU No. 2012-02 is effective for fiscal years beginning after 15 September 2012. The adoption of this update will not have a material effect on the Company's financial statements.