

DEPLOY TECHNOLOGIES INC.

(A Development Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)

30 April 2013

(Expressed in U.S. Dollars)

Condensed Interim Statements of Financial Position
(Unaudited)
(U.S. Dollars)

ASSETS	As at 30 April 2013	As at 31 July 2012
Current		
Cash and cash equivalents	\$ 2,077	\$ 2,682
Amounts receivable	13,741	31,680
Prepaid expenses	3,879	3,156
Available-for-sale securities (Note 5)	1	1
	19,698	37,519
Property, plant and equipment (Note 6)	79,131	94,508
Fleet management technology (Note 7)	30,000	30,000
	\$ 128,829	\$ 162,027
LIABILITIES		
Current		
Trade payables and accrued liabilities	\$ 189,240	\$ 133,159
Due to related parties (Note 8)	322,632	177,769
	511,872	310,928
Loans payable (Note 9)	90,392	51,781
	602,264	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)	2,560	2,560
Foreign currency translation reserve	(46,354)	(49,571)
Deficit	(3,731,923)	(3,431,953)
	(473,435)	(200,682)
	\$ 128,829	\$ 162,027

Nature and Continuance of Operations (Note 1) and **Subsequent Event** (Note 14)

Approved and authorized for issue by the Board on 28 June 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.

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited)

(U.S. Dollars)

	Three Month Period Ended 30 April		Nine Month Period Ended 30 April	
	2013	2012	2013	2012
Sales Revenue	1,277	-	1,277	-
General and Administrative Expenses				
Accounting and legal (Note 8)	\$ 34,881	\$ 486	\$ 41,220	\$ 53,038
Consulting fees (Notes 8, 10 and 13)	14,288	104,801	76,611	262,712
Depreciation and amortization (Note 6)	10,424	7,449	31,804	20,633
Management fees (Notes 8, 10 and 13)	17,689	37,346	84,392	108,583
Office and miscellaneous	18,386	24,963	70,262	101,689
Loss Before Other Items	(94,391)	(175,045)	(303,012)	(546,655)
Other Items				
Other Income	18	10,071	3,042	18,377
Interest Income	-	1	-	14
Loss for the Period	\$ (94,373)	\$ (164,973)	\$ (299,970)	\$ (528,264)
Other Comprehensive Loss				
Foreign currency translation adjustment	2,621	6,199	3,217	4,500
Comprehensive Loss for the Period	\$ (91,752)	\$ (158,774)	\$ (296,753)	\$ (523,764)
Loss per Share - Basic and Fully Diluted	\$ (0.004)	\$ (0.008)	\$ (0.013)	\$ (0.014)
Comprehensive Loss per Share - Basic and Fully Diluted (0.004)		\$ (0.008)	\$ (0.013)	\$ (0.014)
Weighted Average Number of Shares Outstanding	\$ 22,330,431	\$ 20,682,236	22,307,002	36,022,463

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

Condensed Interim Statements of Changes in Shareholders' Deficiency

(Unaudited)

(U.S. Dollars)

	Share Capital				Contributed Surplus	Shares to be Issued	Foreign Currency Translation Reserve	Deficit	Total
	Common Shares		Class A Preferred Shares						
	Number	Amount	Number	Amount					
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)	3,595,000	359	-	-	359,141	(80,560)	-	-	278,940
- 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)	-	-	-	-	-	11,260	-	-	11,260
Foreign currency translation adjustment	-	-	-	-	-	-	4,500	-	4,500
Loss for the period	-	-	-	-	-	-	-	(528,264)	(528,264)
Balance – 30 April 2012	21,151,709	2,113	2,900,000	2,900	2,641,959	11,260	(37,467)	(2,685,343)	(64,578)
Issuance of shares for:									
- Cash (Note 10)	353,500	35	-	-	70,664	(11,260)	-	-	59,439
- 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	-	-	-	-	-	-	(12,104)	-	(12,104)
Loss for the year	-	-	-	-	-	-	-	(746,610)	(746,610)
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	-	-	-	24,000
Foreign currency translation adjustment	-	-	-	-	-	-	3,217	-	3,217
Loss for the year	-	-	-	-	-	-	-	(299,970)	(299,970)
Balance – 30 April 2013	22,340,209	2,232	2,900,000	2,900	3,297,150	2,560	(46,354)	(3,731,923)	(473,435)

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

Condensed Interim Statements of Cash Flows

(Unaudited)

(U.S. Dollars)

Cash Resources Provided By (Used In)	Nine Month Period Ended 30 April	
	2013	2012
Operating Activities		
Loss for the period	\$ (299,970)	\$ (528,264)
Items not affecting cash:		
Accrued interest (Note 9)	2,238	1,328
Depreciation (Note 6)	31,804	20,633
Shares issued for services (Notes 8, 10 and 13)	-	84,259
Foreign exchange	(250)	-
Amounts receivable	17,939	(18,106)
Prepaid expenses	(723)	(1,500)
Trade payables and accrued liabilities	56,081	64,624
Due to related parties	144,863	108,954
	<u>(48,018)</u>	<u>(268,072)</u>
Investing Activities		
Purchase of property, plant and equipment (Note 6)	<u>(16,385)</u>	<u>(37,830)</u>
Financing Activities		
Proceeds from loans (Note 9)	36,581	-
Common shares issued for cash (Note 10)	24,000	278,940
Share subscriptions received in advance (Note 10)	-	11,260
	<u>60,581</u>	<u>290,200</u>
Effect of exchange rate changes on cash and cash equivalents	<u>3,217</u>	<u>(20,711)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(605)	(36,413)
Cash and cash equivalents - Beginning of period	2,682	38,484
Cash and Cash Equivalents - End of Period	<u>\$ 2,077</u>	<u>\$ 2,071</u>

Supplemental Disclosures with Respect to Cash Flows (Note 12)

Notes to Condensed Interim Financial Statements
30 April 2013
(Unaudited)

U.S. Dollars

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 minimal revenues to date.

The head office and principal address of the Company is 12677 20 Avenue, Surrey, BC, V4A 6J3.

At 30 April 2013, the Company had cash and cash equivalents of \$2,077 (31 July 2012 - \$2,682) and a working capital deficit of \$492,174 (31 July 2012 - \$273,409). The funds on hand at 30 April 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.

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(Unaudited)

U.S. Dollars

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 30 April 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 32 (Amendment), “*Offsetting Financial Assets and Financial Liabilities*” is effective for annual periods beginning on or after 1 January 2014 that clarifies the application of offsetting requirements.

IAS 1 (Amendment), “*Presentation of Financial Statements*” is effective for annual periods beginning on or after 1 January 2013 that clarifies the requirements for comparative information.

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.

Notes to Condensed Interim Financial Statements
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U.S. Dollars

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 nine month period 30 April 2013.

4. Fair Value of Financial Instruments

Categories of financial instruments

	As at 30 April 2013	As at 31 July 2012
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash and cash equivalents	\$ 2,077	\$ 2,682
Loans and receivables, at amortized cost		
Amounts receivable	13,741	4,564
Available-for-sale, at fair value		
Kaleidoscope (5,694 common shares)	1	1
Total financial assets	\$ 15,819	\$ 7,247
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	165,400	120,196
Due to related parties	322,632	177,769
Loans payable	90,392	51,781
	\$ 578,424	\$ 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.

Notes to Condensed Interim Financial Statements
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(Unaudited)

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4. Fair Value of Financial Instruments – Continued

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 30 April 2013, the Company does not have any Level 3 financial instruments.

As at 30 April 2013		Level 1		Total
Financial assets at fair value				
Cash and cash equivalents	\$	2,077	\$	2,077
Available-for-sale		1		1
Total financial assets at fair value	\$	2,078	\$	2,078
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 \$492,174 as at 30 April 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.

Notes to Condensed Interim Financial Statements
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U.S. Dollars

4. Fair Value of Financial Instruments – Continued

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.

Other risks

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

5. Available-for-Sale Securities

	30 April 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	-	14,715	1,670	-	16,385
Foreign exchange adjustment	(127)	(155)	(54)	(59)	(395)
Balance, 30 April 2013	\$ 27,991	\$ 97,220	\$ 17,241	\$ 13,012	\$ 155,464
Accumulated depreciation					
Balance, 1 August 2012	\$ 16,244	\$ 15,657	\$ 4,845	\$ 8,220	\$ 44,966
Depreciation	5,323	18,327	4,877	3,277	31,804
Foreign exchange adjustment	(148)	(155)	(71)	(63)	(437)
Balance, 30 April 2013	\$ 21,419	\$ 33,829	\$ 9,651	\$ 11,434	\$ 76,333
Net book value, 30 April 2013	\$ 6,572	\$ 63,391	\$ 7,590	\$ 1,578	\$ 79,131

Notes to Condensed Interim Financial Statements
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U.S. Dollars

6. Property, Plant and Equipment – Continued

	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 better 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 30 April 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 nine month periods ended 30 April 2013 and 2012 is as follows:

	30 April 2013	30 April 2012
Accounting fees	2,457	-
Management and consulting fees	135,492	169,964
Total	\$ 137,949	\$ 169,964

Except as disclosed elsewhere in these condensed interim financial statements, related party transactions for the nine month periods ended 30 April 2013 and 2012 are as follows:

- As at 30 April 2013, the amount due to related parties includes \$184,243 (31 July 2012 - \$91,100) payable to the Chief Executive Officer of the Company.
- As at 30 April 2013, the amount due to related parties includes \$138,389 (31 July 2012 - \$86,669) payable to the Vice President of Operations of the Company.

8. Related Party Balances and Transactions – Continued

- During the nine month period ended 30 April 2013, management fees of \$84,392 (2012 - \$108,583) were paid/accrued to the Chief Executive Officer of the Company.

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- d) During the nine month period ended 30 April 2013, consulting fees of \$51,100 (2012 - \$36,205) were paid/accrued to the Vice President of Operations of the Company.
- e) During the nine month period ended 30 April 2013, consulting fees of \$Nil (2012 - \$25,413) were paid/accrued to a company controlled by the Vice President of Corporate Development of the Company.
- f) During the nine month period ended 30 April 2013, accounting fees of \$2,457 (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).
- 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

	30 April 2013	31 July 2012
	\$	\$
On 1 August 2009, a third party issued a loan of	1,156	1,146

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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 30 April 2013 consists of principal and accrued interest of \$993 (31 July 2012 - \$997) and \$163 (31 July 2012 - \$149) respectively.

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 30 April 2013 consists of principal and accrued interest of \$1,985 (31 July 2012 - \$1,994) and \$326 (31 July 2012 - \$299) respectively.

2,311 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 30 April 2013 consists of principal and accrued interest of \$2,978 (31 July 2012 - \$2,991) and \$489 (31 July 2012 - \$403) respectively.

3,467 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 30 April 2013 consists of principal and accrued interest of \$14,889 (31 July 2012 - \$14,957) and \$2,429 (31 July 2012 - \$1,950) respectively.

17,318 16,907

Subtotal

24,252 23,740

Notes to Condensed Interim Financial Statements
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9. Loans Payable – Continued

	30 April 2013 \$	31 July 2012 \$
Balance carried forward	24,252	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 30 April 2013 consists of principal and accrued interest of \$6,948 (31 July 2012 - \$6,980) and \$1,141 (31 July 2012 - \$844) respectively.	8,089	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 30 April 2013 consists of principal and accrued interest of \$13,896 (31 July 2012 - \$13,959) and \$2,281 (31 July 2012 - \$1,640) respectively.	16,177	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 30 April 2013 consists of principal and accrued interest of \$4,169 (31 July 2012 - \$4,188) and \$595 (31 July 2012 - \$430) respectively.	4,764	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 (<i>Notes 10 and 13</i>). The balance as at 30 April 2013 consists of principal and accrued interest of \$Nil (31 July 2012 - \$Nil) and \$Nil (31 July 2012 - \$Nil), respectively.	-	-
Subtotal	53,282	57,781

Notes to Condensed Interim Financial Statements
30 April 2013
(Unaudited)

U.S. Dollars

9. Loans Payable – Continued

	30 April 2013 \$	31 July 2012 \$
Balance carried forward	53,282	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 (<i>Notes 10 and 13</i>). The balance as at 30 April 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 30 April 2013 consists of principal and accrued interest of \$25,068 (31 July 2012 - \$Nil) and \$410 (31 July 2012 - \$Nil) respectively.	25,478	-
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 30 April 2013 consists of principal and accrued interest of \$10,025 (31 July 2012 - \$Nil) and \$119 (31 July 2012 - \$Nil) respectively.	10,144	-
On 8 April 2013, a third party issued a loan of \$1,500 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 30 April 2013 consists of principal and accrued interest of \$1,488 (31 July 2012 - \$Nil) and \$Nil (31 July 2012 - \$Nil) respectively.	1,488	-
	<u>90,392</u>	<u>51,781</u>

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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.

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.

10. Share Capital – Continued

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Issued and outstanding – *Continued*

- 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.
- 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 nine month period ended 30 April 2013, the Company received \$2,000 (31 July 2012 - \$2,560) for the purchase of Common Shares. As of 30 April 2013, Common Shares relating to \$2,560 proceeds had not yet been issued.

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11. 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 nine month period ended 30 April 2013 compared to the year ended 31 July 2012. The Company is not subject to externally imposed capital requirements.

12. Supplemental Disclosures with Respect to Cash Flows

	<u>Nine Month Period Ended 30 April</u>	
	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).

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12. Supplemental Disclosures with Respect to Cash Flows – Continued

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).

13. 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.

14. Subsequent Event

There have been no subsequent events during the period from the nine month period ended 30 April 2013 to the date these condensed interim financial statements were available to be issued on 28 June 2013.

15. 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.

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

b) Reconciliations of IFRS to US GAAP

Application of US GAAP would have affected shareholders' deficiency as at 30 April 2013 and 31 July 2012 to the extent, as follows:

Reconciliation of Shareholders' Deficiency as at 30 April 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		2,560	-	2,560
Foreign Currency Translation Reserve	(a)	(46,354)	(9,179)	(55,533)
Deficit	(a)	(3,731,923)	9,179	(3,722,744)
		\$ (473,435)	\$ -	\$ (473,435)

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)

c) Recent Accounting Pronouncement

In April 2013, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-07, "Presentation of Financial Statements". The objective of this Update is to clarify when an entity should apply the liquidation basis of accounting and to provide principles for the measurement of assets and liabilities under the liquidation basis of accounting, as well as any required disclosures. ASU No. 2013-07 will be effective for fiscal years, and interim periods within those years beginning after 15 December 2013, with early adoption permitted. The Company does not expect the adoption of this update will have a material effect on its interim consolidated financial statements.

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

c) Recent Accounting Pronouncement – Continued

In March 2013, FASB issued ASU No. 2013-05, “*Foreign Currency Matters*”. The amendments in this update resolve the diversity in practice about whether Subtopic 810-10, “*Consolidation – Overall*”, or Subtopic 830-30, “*Foreign Currency Matters - Translation of Financial Statements*”, applies to the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business (other than a sale of in substance real estate or conveyance of oil and gas mineral rights) within a foreign entity. In addition, the amendments in this update resolve the diversity in practice for the treatment of business combinations achieved in stages (sometimes also referred to as step acquisitions) involving a foreign entity. ASU No. 2013-05 will be effective for fiscal years, and interim periods within those years, beginning after 15 December 2013, with early adoption permitted, and should be applied retrospectively to all prior periods presented. The Company does not expect the adoption of this update will have a material effect on its interim consolidated financial statements.

In February 2013, FASB issued ASU No. 2013-04, “*Liabilities*”. This update requires an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of this guidance is fixed at the reporting date, as the sum of: (1) the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and (2) any additional amount the reporting entity expects to pay on behalf of its co-obligors. ASU No. 2013-04 will be effective for fiscal years, and interim periods within those years, beginning after 15 December 2013, with early adoption permitted. The Company does not expect the adoption of this update will have a material effect on its interim consolidated financial statements.

In July 2012, FASB issued 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.