DEPLOY TECHNOLOGIES INC.

(A Development Stage Company)

FINANCIAL STATEMENTS

31 July 2015 and 2014

(Expressed in U.S. Dollars)

UNIT 114B (2nd floor)
8988 FRASERTON COURT
BURNABY, BC, V5J 5H8

T: **604.318.5465**
F: **604.688.8479**

Adam Kim
ADAM SUNG KIM LTD.
CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
Deploy Technologies Inc.

I have audited the accompanying financial statements of Deploy Technologies Inc. (the "Company"), which comprise the statements of financial position as at July 31, 2015 and July 31, 2014, and the statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years ended July 31, 2015 and July 31, 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2015 and July 31, 2014, and its financial performance and its cash flows for the years ended July 31, 2015 and July 31, 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying my opinion, I draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"Adam Sung Kim Ltd."
Chartered Professional Accountant

Burnaby, British Columbia
November 30, 2015

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

(A Development Stage Company)

Statements of Financial Position

(U.S. Dollars)

ASSETS	As at 31 July 2015	As at 31 July 2014
Current		
Cash and cash equivalents	$ -	$ 525
Amounts receivable and prepaid	5,782	6,321
Available-for-sale securities *(Note 5)*	1	1
	5,783	6,847
Property, plant and equipment *(Note 6)*	11,177	36,362
Fleet management technology *(Note 7)*	-	36,976
	$ 16,960	$ 80,185
LIABILITIES		
Current		
Trade payables and accrued liabilities	$ 231,860	$ 262,146
Due to related parties *(Note 8)*	593,240	555,071
Loans payable *(Note 9)*	69,092	78,358
	894,192	895,575
SHAREHOLDERS' DEFICIENCY		
Share Capital - *Statement 3* *(Note 10)*		
Authorized:		
10,000,000 Common Shares – Par Value $0.0001		
20,000,000 Class A Preferred Shares – Par Value $0.0001		
Issued and Outstanding:		
6,557,973 (31 July 2014 – 2,313,021) Common Shares	544	119
2,475,500 (31 July 2014 – 2,900,000) Preferred Shares	248	290
Contributed Surplus	3,358,082	3,358,465
Foreign Currency Translation Reserve	192,464	(13,213)
Shares to be Issued *(Note 10)*	560	560
Deficit	(4,429,130)	(4,161,611)
	(877,232)	(815,390)
	$ 16,960	$ 80,185

Nature and Continuance of Operations *(Note 1)*

Approved and authorized for issue by the Board on 30 November 2015

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

Statements of Loss and Comprehensive Loss

(U.S. Dollars)

		Year Ended 31 July 2015		2014
General and Administrative Expenses				
Accounting and legal *(Note 8)*		20,356		16,680
Bank charges and interest		4,196		6,749
Consulting fees *(Notes 8)*		30,788		95,960
Depreciation *(Note 6)*		27,049		35,495
Dues and subscriptions		5,654		14,067
Management fees *(Notes 8)*		60,379		113,667
Meals and entertainment		-		2,025
Office and miscellaneous		3,594		4,853
Rent		-		4,193
Tools and materials		1,748		11,566
Transfer agent and filing fees		2,790		9,287
Travel		1,908		5,757
Loss Before Other Items		(158,462)		(320,299)
Other Items				
Foreign exchange, net		(72,437)		51,569
Interest income		-		76
Other income		-		1,686
Write-down of fleet management technology		(36,620)		-
Loss for the Year	$	(267,519)	$	(266,968)
Other Comprehensive Loss				
Foreign currency translation adjustment		205,677		(28,159)
Comprehensive Loss for the Year	$	(61,842)	$	(295,127)
Loss per Share - Basic and Fully Diluted	$	(0.06)	$	(0.12)
Comprehensive Loss per Share - Basic and Fully Diluted	$	(0.01)	$	(0.13)
Weighted Average Number of Shares Outstanding		4,627,418		2,294,054

Deploy Technologies Inc.

(A Development Stage Company)

<u>Statement 3</u>

Statements of Changes in Shareholders' Deficiency

(U.S. Dollars)

	Share Capital					Foreign Currency				
	Common Shares		Class A Preferred Shares		Contributed	Translation	Warrants	Shares to be		
	Number	Amount	Number	Amount	Surplus	Reserve	Reserve	Issued	Deficit	Total
Balance – 31 July 2013	2,237,021	$ 111	2,900,000	$ 290	$ 3,280,613	$ 14,946	$ 2,685	$ 535	$ (3,894,643)	$ (595,463)
Issuance of shares for:										
- Cash *(Note 10)*	51,000	5	-	-	50,170	-	-	-	-	50,175
- Settlement of Debt *(Note 10)*	25,000	3	-	-	24,997	-	-	-	-	25,000
Share subscriptions received in advance	-	-	-	-	-	-	-	25	-	25
Expiry of warrants	-	-	-	-	2,685	-	(2,685)	-	-	-
Foreign currency translation adjustment	-	-	-	-	-	(28,159)	-	-	-	(28,159)
Loss for the year	-	-	-	-	-	-	-	-	(266,968)	(266,968)
Balance – 31 July 2014	2,313,021	$ 119	2,900,000	$ 290	$ 3,358,465	$ (13,213)	$ -	$ 560	$ (4,161,611)	$ (815,390)
Conversion of preferred shares	4,245,000	425	(424,500)	(42)	(383)	-	-	-	-	-
Small shareholding adjustment	(48)	-	-	-	-	-	-	-	-	-
Foreign currency translation adjustment	-	-	-	-	-	205,677	-	-	-	205,677
Loss for the year	-	-	-	-	-	-	-	-	(267,519)	(267,519)
Balance – 31 July 2015	6,557,973	$ 544	2,475,500	$ 248	$ 3,358,082	$ 192,464	$ -	$ 560	$ (4,429,130)	$ (877,232)

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

Deploy Technologies Inc. Statement 4

(A Development Stage Company)

Statements of Cash Flows

(U.S. Dollars)

	Year Ended 31 July	
Cash Resources Provided By (Used In)	2015	2014
Operating Activities		
Loss for the year	$ (267,519)	$ (266,968)
Items not affecting cash:		
Accrued interest *(Note 9)*	4,034	4,481
Depreciation *(Note 6)*	27,049	35,495
Foreign exchange	(14,773)	263
Write-down of fleet management technology	36,620	-
Amounts receivable and prepaid	539	4,787
Trade payables and accrued liabilities	(30,286)	(3,760)
Due to related parties	38,169	196,239
	(206,167)	(29,463)
Investing Activities		
Purchase of property, plant and equipment *(Note 6)*	(35)	(4,986)
	(35)	(4,986)
Financing Activities		
Common shares issued for cash *(Note 10)*	-	50,175
Share subscriptions received in advance *(Note 10)*	-	25
Proceeds received from loans *(Note 9)*	-	11,020
	-	61,220
Effect of foreign exchange rate changes	205,677	(28,159)
Net Increase (Decrease) in Cash and Cash Equivalents	(525)	(1,388)
Cash and cash equivalents – Beginning of year	525	1,913
Cash and Cash Equivalents - End of Year	$ -	$ 525

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

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

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 10,000,000 common shares from 50,000,000 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. On July 2, 2014, the Company revised the authorized Class A Preferred Shares from 2,900,000 to 20,000,000 with a par value of $0.0001 per share *(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 19011 – 1153 56th Street, Delta, BC, V4L 2A2.

At 31 July 2015, the Company had cash and cash equivalents of $Nil (31 July 2014 – $525) and a working capital deficit of $888,409 (31 July 2014 – $888,728). The funds on hand at 31 July 2015 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 full annual 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 minimal 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 full annual 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 full annual 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 full annual financial statements, have been 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"), effective for the Company's reporting for the year ended 31 July 2015.

c) New Standards Not Yet Adopted

The IASB has issued IFRS 9 – Financial Instruments ("IFRS 9") which intends to replace IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") in its entirety with three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments. The IASB tentatively decided to defer the mandatory effective date until 1 January 2018 with earlier adoption still permitted. The Company will evaluate the impact the final standard will have on its financial statements based on the characteristics of its financial instruments at the time of adoption.

3. Summary of Significant Accounting Policies

a) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts.

b) Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item.

Depreciation is provided at rates calculated to write off the cost of property, plant and equipment, less their estimated residual value, using the straight-line method over the following expected useful lives:

- Automobile — 4 years
- Tools and equipment — 3-4 years
- Furniture and office equipment — 5 years
- Website development — 3 years

3. Summary of Significant Accounting Policies – *Continued*

c) Financial Assets

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

Financial assets at FVTPL

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

Held-to-maturity and loans and receivables

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

Available-for-sale

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

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

Derivatives designated as hedging instruments in an effective hedge

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

3. Summary of Significant Accounting Policies – *Continued*

d) Impairment of Financial Assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Available-for-sale

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

e) Financial Liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Financial liabilities measured at amortized cost

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

Derivatives designated as hedging instruments in an effective hedge

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

3. Summary of Significant Accounting Policies – *Continued*

f) De-recognition of Financial Assets and Liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

g) Impairment of Non-Financial Assets

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

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

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

h) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. Summary of Significant Accounting Policies – *Continued*

i) Foreign Currencies

The Company's presentation currency is the U.S. dollar and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which the Company operates. 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.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

j) Taxation

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

3. Summary of Significant Accounting Policies – *Continued*

k) Share-Based Payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the contributed surplus. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

l) Comparative Figures

Certain comparative figures have been reclassified in accordance with the current year's presentation.

4. Fair Value of Financial Instruments

Categories of financial instruments

	As at 31 July 2015	As at 31 July 2014
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash and cash equivalents	$ -	$ 525
Loans and receivables, at amortized cost		
Amounts receivable	-	1,337
Available-for-sale, at fair value		
Kaleidoscope (5,694 common shares)	1	1
Total financial assets	$ 1	$ 1,863
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	157,722	187,552
Due to related parties	593,087	555,071
Loans payable	69,092	78,358
	$ 819,901	$ 820,981

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.

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 31 July 2015, the Company does not have any Level 3 financial instruments.

As at 31 July 2015		Level 1		Total
Financial assets at fair value				
Cash and cash equivalents	$	-	$	-
Available-for-sale		1		1
Total financial assets at fair value	$	1	$	1

As at 31 July 2014		Level 1		Total
Financial assets at fair value				
Cash and cash equivalents	$	525	$	525
Available-for-sale		1		1
Total financial assets at fair value	$	526	$	526

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 $888,409 as at 31 July 2015. However, the Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities.

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

	31 July 2015		31 July 2014	
	Cost	Fair Value	Cost	Fair Value
Kaleidoscope 5,694 (31 July 2013 – 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 2014	$ 25,896	$ 94,731	$ 16,755	$ 12,038	$ 149,420
Additions	-	35	-	-	35
Foreign exchange adjustment	(4,281)	(15,659)	(2,769)	(1,990)	(24,699)
Balance, 31 July 2015	$ 21,615	$ 79,107	$ 13,986	$ 10,048	$ 124,756
Accumulated depreciation					
Balance, 1 August 2014	$ 25,216	$ 62,720	$ 13,084	$ 12,038	$ 113,058
Depreciation	-	25,893	1,156	-	27,049
Foreign exchange adjustment	(3,601)	(19,399)	(1,538)	(1,990)	(26,528)
Balance, 31 July 2015	$ 21,615	$ 69,214	$ 12,702	$ 10,048	$ 113,579
Net book value, 31 July 2015	$ -	$ 9,893	$ 1,284	$ -	$ 11,177

	Automobile	Tools and equipment	Furniture and office equipment	Website development costs	Total
Cost					
Balance, 1 August 2013	$ 27,453	$ 95,652	$ 16,909	$ 12,761	$ 152,775
Additions	-	4,961	25	-	4,986
Foreign exchange adjustment	(1,557)	(5,882)	(179)	(723)	(8,341)
Balance, 31 July 2014	$ 25,896	$ 94,731	$ 16,755	$ 12,038	$ 149,420
Accumulated depreciation					
Balance, 1 August 2013	$ 22,723	$ 38,568	$ 9,539	$ 12,279	$ 83,109
Depreciation	3,837	27,049	4,146	463	35,495
Foreign exchange adjustment	(1,344)	(2,897)	(601)	(704)	(5,546)
Balance, 31 July 2014	$ 25,216	$ 62,720	$ 13,084	$ 12,038	$ 113,058
Net book value, 31 July 2014	$ 680	$ 32,011	$ 3,671	$ -	$ 36,362

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 3,000,000 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.

During the year ended 31 July 2013, an addition to the fleet management technology includes $7,687 incurred to obtain a Canadian PCT patent and for the application of other international patents.

On 6 April 2013, the Company entered into an agreement with a third party to receive an exclusive license to the Air Brake Monitor technology. This technology is to be incorporated with the fleet management technology in the development of marketable products. In exchange, the Company is obligated to make royalty payments of 15% of net sales relating to products utilizing the technology. During the years ended 31 July 2015 and 2014, no related sales have been made and no development costs have been incurred by the Company *(Note 15).*

During the year ended 31 July 2015, the Company recorded a provision for write-down of $36,620 related to the fleet management technology as the Company has no immediate plans to develop a product that can be properly marketed for the purposes of earning revenues.

8. Related Party Balances and Transactions

The key management personnel compensation for the years ended 31 July 2015 and 2014 is as follows:

	31 July 2015	31 July 2014
Accounting fees	$ 15,933	$ 4,938
Management and consulting fees	90,569	193,794
Total	$ 106,502	$ 198,732

Except as disclosed elsewhere in these full annual financial statements, related party transactions for the years ended 31 July 2015 and 2014 are as follows:

a) As at 31 July 2015, the amount due to related parties includes $340,291 (31 July 2014 - $317,074) payable to the Chairman and the Chief Executive Officer of the Company.

b) As at 31 July 2015, the amount due to related parties includes $210,727 (31 July 2014 - $219,401) payable to the former director of the Company.

c) As at 31 July 2015, the amount due to related parties include $12,172 (31 July 2014 - $Nil) payable to a company controlled by both the Chief Executive Officer and the former director of the Company.

d) As at 31 July 2015, the amount due to related parties includes $11,498 (31 July 2014 - $13,775) payable to various directors of the Company.

e) As at 31 July 2015, the amount due to related parties includes $18,549 (31 July 2014 - $4,821) payable to the Chief Financial Officer of the Company.

f) As at 31 July 2015, included in loans payable is $14,717 (CAD$19,200) (31 July 2014 – CAD$19,200) payable to a company controlled by the former director of the Company. The loans are unsecured and bear interest at a rate of 5% per annum and are due on demand. The total balance as at 31 July 2015 consists of principal and accrued interest of $14,717 (31 July 2014 - $17,631) and $3,956 (31 July 2014 - $3,858), respectively *(Note 11).*

8. Related Party Balances and Transactions – *Continued*

g) During the year ended 31 July 2015, management fees of $60,379 (2014 - $113,667) were paid/accrued to the Chairman and the Chief Executive Officer of the Company.

h) During the year ended 31 July 2015, consulting fees of $30,190 (2014 - $80,126) were paid/accrued to the former director of the Company.

i) During the year ended 31 July 2015, accounting fees of $15,933 (2014 - $4,938) were paid/accrued to the Chief Financial Officer of the Company.

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 July 2015 $	31 July 2014 $
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 due on demand. The balance as at 31 July 2015 consists of principal and accrued interest of $767 (31 July 2014 - $918) and $230 (31 July 2014 - $230), respectively.	997	1,148
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 due on demand. The balance as at 31 July 2015 consists of principal and accrued interest of $1,533 (31 July 2014 - $1,837) and $460 (31 July 2014 - $459), respectively.	1,993	2,296
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 due on demand. The balance as at 31 July 2015 consists of principal and accrued interest of $2,300 (31 July 2014 - $2,755) and $655 (31 July 2014 - $647), respectively.	2,955	3,402
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 due on demand. The balance as at 31 July 2015 consists of principal and accrued interest of $11,498 (31 July 2014 - $13,744) and $3,142 (31 July 2014 - $3,076), respectively.	14,640	16,850
Subtotal	20,585	23,696

9. Loans Payable – *Continued*

	31 July 2015 $	31 July 2014 $
Balance carried forward	20,585	23,696
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 due on demand. The balance as at 31 July 2015 consists of principal and accrued interest of $5,365 (31 July 2014 - $6,428) and $1,455 (31 July 2014 - $1,421), respectively.	6,820	7,849
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 due on demand. The balance as at 31 July 2015 consists of principal and accrued interest of $10,731 (31 July 2014 - $12,856) and $2,871 (31 July 2014 - $2,797), respectively.	13,602	15,653
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 due on demand. The balance as at 31 July 2015 consists of principal and accrued interest of $3,219 (31 July 2014 - $3,857) and $814 (31 July 2014 - $782), respectively.	4,033	4,639
On 16 October 2012, a third party issued a loan of CAD$25,000 to the Company. The loan is unsecured and bears interest at a rate of 5% per annum and is due on demand. During the year ended 31 July 2014, the Company issued 25,000 common shares valued at CAD$25,000 related to the conversion of this loan *(Note 10 and 13)*. The balance as at 31 July 2015 consists of principal and accrued interest of $Nil (31 July 2014 - $Nil) and $2,672 (31 July 2014 - $2,054), respectively.	2,672	2,054
Subtotal	47,712	53,891

9. Loans Payable – *Continued*

	31 July 2015 $	31 July 2014 $
Balance carried forward	47,712	53,891
On 20 November 2012, a third party issued a loan of CAD$10,000 to the Company. The loan is unsecured and bears interest at a rate of 5% per annum and is due on demand. The balance as at 31 July 2015 consists of principal and accrued interest of $7,665 (31 July 2014 - $9,183) and $1,032 (31 July 2014 - $777), respectively.	8,697	9,960
On 8 April 2013, 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 due on demand. The balance as at 31 July 2015 consists of principal and accrued interest of $2,299 (31 July 2014 - $2,755) and $266 (31 July 2014 - $181), respectively.	2,565	2,936
On 1 October 2013, a third party issued a loan of CAD$4,000 to the Company. The loan is unsecured and bears interest at a rate of 5% per annum and is due on demand. The balance as at 31 July 2015 consists of principal and accrued interest of $3,066 (31 July 2014 - $3,673) and $307 (31 July 2014 - $184), respectively.	3,373	3,857
On 2 December 2013, a third party issued a loan of CAD$8,000 to the Company. The loan is unsecured and bears interest at a rate of 5% per annum and is due on demand. The balance as at 31 July 2015 consists of principal and accrued interest of $6,132 (31 July 2014 - $7,347) and $613 (31 July 2014 - $367), respectively.	6,745	7,714
	69,092	78,358

10. Share Capital

The Company's authorized share capital comprises 10,000,000 Common Shares, with a $0.0001 par value per share, and 20,000,000 Class A Preferred Shares, with a $0.0001 par value per share *(Note 1)*. 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*

On 11 November 2014, the Company's Board of Directors has approved a reverse split of its common stock on the basis of one (1) new share for ten (10) old shares as well as a reduction in its authorized capital from 100,000,000 shares of common stock to 10,000,000 shares. All figures in the financial statements are adjusted to reflect the 10:1 reverse stock split.

Issued and outstanding

a) On 13 January 2015, a total of 424,500 Class A Preferred Shares previously owned by a company controlled by the Company's Chief Executive Officer and a director were converted into 4,245,000 common shares of the Company.

b) On 22 November 2013, the Company issued 25,000 common shares valued at CAD$25,000 related to the conversion of CAD$25,000 loan by a third party *(Notes 9 and 13)*.

c) On 22 November 2013, the Company issued 2,000 common shares for $1.00 (CAD$1.00) per share for cash proceeds of $1,979 (CAD$2,000).

d) On 1 November 2013, the Company issued 7,000 common shares for $1.00 (CAD$1.00) per share for cash proceeds of $6,794 (CAD$7,000).

e) On 29 October 2013, the Company issued 15,000 common shares for $1.00 (CAD$1.00) per share for cash proceeds of $14,463 (CAD$15,000).

f) On 9 October 2013, the Company issued 25,000 common shares for $1.00 (CAD$1.00) per share for cash proceeds of $25,000 (CAD$25,000).

g) On 16 September 2013, the Company issued 2,000 common shares for $1.00 (CAD$1.00) per share for cash proceeds of $1,939 (CAD$2,000).

Share to be Issued

As of 31 July 2015, common shares relating to $560 proceeds had not yet been issued.

Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the year ended 31 July 2015 and 2014:

	31 July 2015		31 July 2014	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning	-	$ -	12,000	$ 4.00
Expired	-	$ -	(12,000)	$ 4.00
Outstanding, end of year	-	$ -	-	$ -

11. Income Taxes

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

	2015	2014
Net loss for the year	$ 267,519	$ 266,968
Federal and state income tax rates	35%	35%
Expected income tax recovery	$ 93,632	$ 93,439
Permanent differences	-	(355)
Change in valuation allowance	(93,632)	(93,084)
Total income tax recovery	$ -	$ -

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

	As at 31 July 2015	As at 31 July 2014
Deferred income tax assets		
Net income tax operating loss carry forward	$ 3,031,945	$ 2,764,426
Statutory federal income tax rate	35%	35%
Effective income tax rate	0%	0%
Deferred income tax asset	1,061,181	967,549
Valuation allowance	(1,061,181)	(967,549)
Net future income tax assets	$ -	$ -

As at 31 July 2015, the Company has unused net operating losses for U.S. federal income tax purposes of approximately $3,031,945 that are available to offset future taxable income, which, if unutilized, will expire as follows:

2028	$	82,726
2029		104,752
2030		163,060
2031		431,531
2032		1,284,658
2033		431,743
2034		265,956
2035		267,519
Total	$	3,031,945

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 year ended 31 July 2015 compared to the year ended 31 July 2014. The Company is not subject to externally imposed capital requirements.

13. Supplemental Disclosures with Respect to Cash Flows

	Year Ended 31 July			
		2015		2014
Cash paid during the year for interest	$	-	$	-
Cash paid during the year for income taxes	$	-	$	-

During the year ended 31 July 2014, the Company issued 25,000 common shares valued at CAD$25,000 related to the conversion of CAD$25,000 loan by a third party *(Notes 9 and 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. Commitments and Contingency

On 6 April 2013, the Company entered into an agreement with a third party to receive an exclusive license to the Air Brake Monitor technology. This technology is to be incorporated with the fleet management technology in the development of marketable products. In exchange, the Company is obligated to make royalty payments of 15% of net sales relating to products utilizing the technology. During the years ended 31 July 2015 and 2014, no related sales have been made and no development costs have been incurred by the Company *(Note 7)*.