DEPLOY TECHNOLOGIES INC.

(A Development Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

31 January 2016

(Expressed in U.S. Dollars)

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

(A Development Stage Company)

Condensed Interim Statements of Financial Position

(U.S. Dollars)

ASSETS	As at 31 January 2016 (Unaudited)	As at 31 July 2015 (Audited)
Current		
Cash and cash equivalents	$ -	$ -
Amounts receivable and prepaid	6,798	5,782
Available-for-sale securities *(Note 5)*	1	1
	6,799	5,783
Property, plant and equipment *(Note 6)*	6,815	11,177
	$ 13,614	$ 16,960
LIABILITIES		
Current		
Trade payables and accrued liabilities	$ 228,369	$ 231,860
Due to related parties *(Note 8)*	602,811	593,240
Loans payable *(Note 9)*	65,281	69,092
	896,461	894,192
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 2015 – 6,557,973) Common Shares	544	544
2,475,500 (31 July 2015 – 2,475,500) Preferred Shares	248	248
Contributed Surplus	3,358,082	3,358,082
Foreign Currency Translation Reserve	324,533	192,464
Shares to be Issued *(Note 10)*	-	560
Deficit	(4,566,254)	(4,429,130)
	(882,847)	(877,232)
	$ 13,614	$ 16,960

Nature and Continuance of Operations *(Note 1)*

Approved and authorized for issue by the Board on 25 March 2016

ON BEHALF OF THE BOARD:

/s/ David Eppert , Director

/s/ Andre Thompson , Director

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

Deploy Technologies Inc.

Statement 2

(A Development Stage Company)

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited)

(U.S. Dollars)

	Three Month Period Ended 31 January		Six Month Period Ended 31 January	
	2016	2015	2016	2015
General and Administrative Expenses				
Accounting and legal *(Note 8)*	$ 8,082	$ 7,844	$ 12,641	$ 10,558
Consulting fees *(Notes 8)*	6,546	8,183	13,385	16,449
Depreciation *(Note 6)*	1,863	5,870	4,104	15,831
Management fees *(Notes 8)*	13,092	15,390	26,770	31,673
Office and miscellaneous	2,226	6,478	4,929	13,307
Loss Before Other Items	(31,809)	(43,765)	(61,829)	(87,818)
Other Items				
Other income	937	-	937	-
Foreign exchange, net	(10,192)	(16,405)	(76,232)	(75,716)
Loss for the Period	$ (41,064)	(60,170)	$ (137,124)	$ (163,534)
Other Comprehensive Income				
Foreign currency translation adjustment	63,694	93,946	132,069	179,262
Comprehensive Loss for the Period	$ 22,630	33,776	$ (5,055)	$ 15,728
Loss per Share – Basic and Diluted	$ (0.01)	(0.03)	$ (0.02)	$ (0.07)
Comprehensive Loss per Share – Basic and Diluted	$ 0.00	0.01	$ (0.00)	$ 0.01
Weighted Average Number of Shares Outstanding	6,557,973	2,313,021	6,557,973	2,313,021

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

Deploy Technologies Inc. Statement 3

(A Development Stage Company)

Condensed Interim Statements of Changes in Shareholders' Deficiency

(Unaudited)

(U.S. Dollars)

	Share Capital								
	Common Shares		Class A Preferred Shares		Contributed	Foreign Currency Translation	Shares to be		
	Number	Amount	Number	Amount	Surplus	Reserve	Issued	Deficit	Total
Balance – 31 July 2014	2,313,021	$ 119	2,900,000	$ 290	$ 3,358,465	$ (13,213)	$ 560	$ (4,161,611)	$ (815,390)
Foreign currency translation adjustment	-	-	-	-	-	179,262	-	-	179,262
Loss for the period	-	-	-	-	-	-	-	(163,534)	(163,534)
Balance – 31 January 2015	2,313,021	$ 119	2,900,000	$ 290	$ 3,358,465	$ 166,049	$ 560	$ (4,325,145)	$ (799,662)
Conversion of preferred shares	4,245,000	425	(424,500)	(42)	(383)	-	-	-	-
Rounding differences upon stock split	(48)	-	-	-	-	-	-	-	-
Foreign currency translation adjustment	-	-	-	-	-	26,415	-	-	26,415
Loss for the period	-	-	-	-	-	-	-	(103,985)	(103,985)
Balance – 31 July 2015	6,557,973	$ 544	2,475,500	$ 248	$ 3,358,082	$ 192,464	$ 560	$ (4,429,130)	$ (877,232)
Reclassified as a liability	-	-	-	-	-	-	(560)	-	(560)
Foreign currency translation adjustment	-	-	-	-	-	132,069	-	-	132,069
Loss for the period	-	-	-	-	-	-	-	(137,124)	(137,124)
Balance – 31 January 2016	6,557,973	$ 544	2,475,500	$ 248	$ 3,358,082	$ 324,533	$ -	$ (4,566,254)	$ (882,847)

Deploy Technologies Inc. <u>Statement 4</u>

(A Development Stage Company)

Condensed Interim Statements of Cash Flows

(Unaudited)

(U.S. Dollars)

	Six Month Period Ended 31 January	
Cash Resources Provided By (Used In)	2016	2015
Operating Activities		
Loss for the period	$ (137,124)	$ (163,534)
Items not affecting cash:		
Accrued interest *(Note 9)*	1,324	2,116
Depreciation *(Note 6)*	4,104	15,831
Foreign exchange	(4,877)	(6,254)
Amounts receivable and prepaid	(1,016)	1,044
Trade payables and accrued liabilities	(4,051)	(29,744)
Due to related parties	9,571	754
	(132,069)	(179,787)
Effect of exchange rate changes on cash and cash equivalents	132,069	179,262
Net Increase (Decrease) in Cash and Cash Equivalents	-	(525)
Cash and cash equivalents – Beginning of period	-	525
Cash and Cash Equivalents - End of Period	$ -	$ -

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

The accompanying notes are an integral part of these condensed interim 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 January 2016, the Company had no cash and cash equivalents (31 July 2015 – $Nil) and a working capital deficit of $889,662 (31 July 2015 – $888,409). The funds on hand at 31 January 2016 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 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 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 2015 prepared in accordance with and using accounting policies in full compliance with IFRS.

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. 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 2015. There have been no changes to the accounting policies and methods applied in the six month period ended 31 January 2016.

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

4. Fair Value of Financial Instruments

Categories of financial instruments

	As at 31 January 2016	As at 31 July 2015
FINANCIAL ASSETS		
Available-for-sale, at fair value		
Kaleidoscope (5,694 common shares)	1	1
Total financial assets	$ 1	$ 1
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	154,821	157,722
Due to related parties	602,811	593,087
Loans payable	65,281	69,092
	$ 822,913	$ 819,901

Fair value

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

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

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at 31 January 2016, the Company does not have any Level 3 financial instruments.

As at 31 January 2016	Level 1	Total
Financial assets at fair value		
Available-for-sale	$ 1	$ 1
Total financial assets at fair value	$ 1	$ 1

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

4. Fair Value of Financial Instruments – *Continued*

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 $889,662 as at 31 January 2016. However, the Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities.

Interest rate risk

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

Currency risk

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

Other risks

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

5. Available-for-Sale Securities

	31 January 2016		31 July 2015	
	Cost	Fair Value	Cost	Fair Value
Kaleidoscope 5,694 (31 July 2015 – 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 2015	$ 21,615	$ 79,107	$ 13,986	$ 10,048	$ 124,756
Additions	-	-	-	-	-
Foreign exchange adjustment	(1,587)	(5,811)	(1,028)	(738)	(9,164)
Balance, 31 January 2016	$ 20,028	$ 73,296	$ 12,958	$ 9,310	$ 115,592
Accumulated depreciation					
Balance, 1 August 2015	$ 21,615	$ 69,214	$ 12,702	$ 10,048	$ 113,579
Depreciation	-	3,729	375	-	4,104
Foreign exchange adjustment	(1,587)	(5,631)	(950)	(738)	(8,906)
Balance, 31 January 2016	$ 20,028	$ 67,312	$ 12,127	$ 9,310	$ 108,777
Net book value, 31 January 2016	$ -	$ 5,984	$ 831	$ -	$ 6,815

	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

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 six month period ended 31 January 2016, no related sales have been made and no development costs have been incurred by the Company *(Note 14)*.

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 six month periods ended 31 January 2016 and 2015 is as follows:

	31 January 2016	31 January 2015
Accounting fees	$ 8,923	$ 6,159
Management and consulting fees	40,155	47,509
Total	$ 49,078	$ 53,668

Except as disclosed elsewhere in these full annual financial statements, related party transactions for the six month period ended 31 January 2016 and 2015 are as follows:

a) As at 31 January 2016, the amount due to related parties includes $345,294 (31 July 2015 - $340,291) payable to the Chairman and the Chief Executive Officer of the Company.

b) As at 31 January 2016, the amount due to related parties includes $208,033 (31 July 2015 - $210,727) payable to a former director of the Company.

c) As at 31 January 2016, the amount due to related parties includes $13,337 (31 July 2015 - $12,172) payable to a company controlled by the Chief Executive Officer of the Company.

d) As at 31 January 2016, the amount due to related parties includes $10,653 (31 July 2015 - $11,498) payable to various directors of the Company.

e) As at 31 January 2016, the amount due to related parties includes $25,496 (31 July 2015 - $18,549) payable to the Chief Financial Officer of the Company.

f) As at 31 January 2016, included in loans payable is $13,636 (CAD$19,200) (31 July 2015 – CAD$19,200) payable to a company controlled by a 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 January 2016 consists of principal and accrued interest of $13,636 (31 July 2015 - $14,717) and $4,007 (31 July 2015 - $3,956), respectively *(Note 9)*.

g) During the six month period ended 31 January 2016, management fees of $26,770 (2014 - $16,283) were paid/accrued to the Chairman and the Chief Executive Officer of the Company.

h) During the six month period ended 31 January 2016, consulting fees of $13,385 (2014 - $8,141) were paid/accrued to a former director and former Vice President of Operations of the Company.

i) During the six month period ended 31 January 2016, accounting fees of $8,923 (2014 - $2,714) 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 January 2016 $	31 July 2015 $
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 January 2016 consists of principal and accrued interest of $710 (31 July 2015 - $767) and $231 (31 July 2015 - $230), respectively.	941	997
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 January 2016 consists of principal and accrued interest of $1,420 (31 July 2015 - $1,533) and $462 (31 July 2015 - $460), respectively.	1,882	1,993
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 January 2016 consists of principal and accrued interest of $2,131 (31 July 2015 - $2,300) and $660 (31 July 2015 - $655), respectively.	2,791	2,955
On 12 February 2010, a company controlled by the former 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 January 2016 consists of principal and accrued interest of $10,653 (31 July 2015 - $11,498) and $3,178 (31 July 2015 - $3,142), respectively (*Note 8*).	13,831	14,640
Subtotal	19,445	20,585

9. Loans Payable – *Continued*

	31 January 2016 $	31 July 2015 $
Balance carried forward	19,445	20,585
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 January 2016 consists of principal and accrued interest of $4,971 (31 July 2015 - $5,365) and $1,472 (31 July 2015 - $1,455), respectively.	6,443	6,820
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 January 2016 consists of principal and accrued interest of $9,943 (31 July 2015 - $10,731) and $2,908 (31 July 2015 - $2,871), respectively.	12,851	13,602
On 11 July 2010, a company controlled by the former 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 January 2016 consists of principal and accrued interest of $2,983 (31 July 2015 - $3,219) and $829 (31 July 2015 - $814), respectively (*Note 8*).	3,812	4,033
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. On 22 November 2013, the Company issued 25,000 common shares valued at CAD$25,000 related to the conversion of this loan *(Note 12)*. The balance as at 31 January 2016 consists of principal and accrued interest of $Nil (31 July 2015 - $Nil) and $2,476 (31 July 2015 - $2,672), respectively.	2,476	2,672
Subtotal	45,027	47,712

9. Loans Payable – *Continued*

	31 January 2016 $	31 July 2015 $
Balance carried forward	45,027	47,712
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 January 2016 consists of principal and accrued interest of $7,102 (31 July 2015 - $7,665) and $1,134 (31 July 2015 - $1,032), respectively.	8,236	8,697
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 January 2016 consists of principal and accrued interest of $2,130 (31 July 2015 - $2,299) and $300 (31 July 2015 - $266), respectively.	2,430	2,565
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 January 2016 consists of principal and accrued interest of $2,841 (31 July 2015 - $3,066) and $355 (31 July 2015 - $307), respectively.	3,196	3,373
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 January 2016 consists of principal and accrued interest of $5,682 (31 July 2015 - $6,132) and $710 (31 July 2015 - $613), respectively.	6,392	6,745
	65,281	69,092

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

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.

Share to be Issued

During the six months ended 31 January 2016, the Company reclassified $560 share subscriptions received as accounts payable.

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 six month period ended 31 January 2016 compared to the year ended 31 July 2015. The Company is not subject to externally imposed capital requirements.

12. Supplemental Disclosures with Respect to Cash Flows

	Six Month Period Ended 31 January	
	2016	2015
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

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 *(Note 9)*.

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. 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 six month period ended 31 January 2016, no related sales have been made and no development costs have been incurred by the Company *(Note 7)*.