DEPLOY TECHNOLOGIES INC.

(A Development Stage Company)

FINANCIAL STATEMENTS

31 July 2016

(Expressed in U.S. Dollars)

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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, 2016 and July 31, 2015, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years ended July 31, 2016 and July 31, 2015 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, 2016 and July 31, 2015, and its financial performance and its cash flows for the years ended July 31, 2016 and July 31, 2015 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 28, 2016

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

(A Development Stage Company)

Statements of Financial Position

(U.S. Dollars)

ASSETS		As at 31 July 2016		As at 31 July 2015
Current				
Amounts receivable and prepaid	$	7,355	$	5,782
Available-for-sale securities *(Note 5)*		1		1
		7,356		5,783
Property, plant and equipment *(Note 6)*		5,099		11,177
	$	12,455	$	16,960
LIABILITIES				
Current				
Trade payables and accrued liabilities	$	242,109	$	231,860
Due to related parties *(Note 8)*		41,714		593,240
Loans payable *(Note 9)*		76,048		69,092
		359,871		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		266,749		192,464
Shares to be Issued *(Note 10)*		-		560
Deficit		(3,973,039)		(4,429,130)
		(347,416)		(877,232)
	$	12,455	$	16,960

Nature and Continuance of Operations *(Note 1)*

Approved and authorized for issue by the Board on 28 November 2016

ON BEHALF OF THE BOARD:

"Chris MacLeod" , Director

"Murray Simser" , Director

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

Deploy Technologies Inc.

(A Development Stage Company)

Statement 2

Statements of Income (Loss) and Comprehensive Income (Loss)

(U.S. Dollars)

	Year Ended 31 July 2016	2015
General and Administrative Expenses		
Accounting and legal *(Note 8)*	$ 29,977	$ 20,356
Consulting fees *(Notes 8)*	27,112	30,788
Depreciation *(Note 6)*	6,553	27,049
Management fees *(Notes 8)*	54,223	60,379
Office and miscellaneous	11,447	19,890
Loss Before Other Items	(129,312)	(158,462)
Other Items		
Other income	949	-
Foreign exchange, net	(65,536)	(72,437)
Settlement of liabilities *(Notes 8)*	651,053	-
Write off of accounts receivable	(1,063)	-
Write-down of fleet management technology	-	(36,620)
Net Income (Loss) for the Year	$ 456,091	$ (267,519)
Other Comprehensive Income		
Foreign currency translation adjustment	74,285	205,677
Comprehensive Income (Loss) for the Year	$ 530,376	$ (61,842)
Income (Loss) per Share – Basic and Diluted	$ 0.07	$ (0.06)
Weighted Average Number of Shares Outstanding	6,557,973	4,627,418

Deploy Technologies Inc.

(A Development Stage Company)

Statements of Changes in Shareholders' Deficiency

(U.S. Dollars)

	Share Capital					Foreign Currency			
	Common Shares		Class A Preferred Shares		Contributed	Translation	Shares to be		
	Number	Amount	Number	Amount	Surplus	Reserve	Issued	Deficit	Total
Balance – 31 July 2014	2,312,973	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)	-	-	-	-
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)
Reclassified as a liability	-	-	-	-	-	-	(560)	-	(560)
Foreign currency translation adjustment	-	-	-	-	-	74,285	-	-	74,285
Income for the year	-	-	-	-	-	-	-	456,091	456,091
Balance – 31 July 2016	6,557,973	544	2,475,500	248	3,358,082	266,749	-	(3,973,039)	(347,416)

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)		2016	2015
Operating Activities			
Income (loss) for the year	$	456,091	(267,519)
Items not affecting cash:			
Accrued interest *(Note 9)*		2,738	4,034
Depreciation *(Note 6)*		6,553	27,049
Settlement of liabilities		(651,053)	-
Foreign exchange		3,861	(14,773)
Write-down of fleet management technology		-	36,620
Amounts receivable and prepaid		(1,573)	539
Trade payables and accrued liabilities		9,689	(30,286)
Due to related parties		99,409	38,169
		(74,285)	(206,167)
Investing Activities			
Purchase of property, plant and equipment		-	(35)
Effect of exchange rate changes on cash and cash equivalents		74,285	205,667
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 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 350 – 7th Ave SW, Suite 1500 c/o Susan Naylen Sorrell, Calgary, AB T2P 3N9.

At 31 July 2016, the Company had cash and cash equivalents of $Nil (31 July 2015 – $Nil) and a working capital deficit of $352,515 (31 July 2015 – $888,409). The funds on hand at 31 July 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 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 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 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"), effective for the Company's reporting for the year ended 31 July 2016.

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

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 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	$ 168,276	$ 157,722
Due to related parties	41,714	593,087
Loans payable	76,048	69,092
	$ 286,038	$ 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.

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 2016, the Company does not have any Level 3 financial instruments.

As at 31 July 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

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 $359,871 as at 31 July 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 July 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	9	31	5	4	49
Balance, 31 July 2016	$ 21,624	$ 79,138	$ 13,991	$ 10,052	$ 124,805
Accumulated depreciation					
Balance, 1 August 2015	$ 21,615	$ 69,214	$ 12,702	$ 10,048	$ 113,579
Depreciation	-	5,794	759	-	6,553
Foreign exchange adjustment	9	(458)	19	4	(426)
Balance, 31 July 2016	$ 21,624	$ 74,550	$ 13,480	$ 10,052	$ 119,706
Net book value, 31 July 2016	$ -	$ 4,588	$ 511	$ -	$ 5,099

	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

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 year ended 31 July 2016 and 2015 is as follows:

		31 July 2016		31 July 2015
Accounting fees	$	18,074	$	15,933
Management and consulting fees		81,335		90,569
Total	$	99,409	$	106,502

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

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

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

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

d) As at 31 July 2016, the amount due to related parties includes $4,984 (31 July 2015 - $11,498) payable to former directors of the Company.

e) As at 31 July 2016, the amount due to related parties includes $36,730 (31 July 2015 - $18,549) payable to the former Chief Financial Officer of the Company.

f) As at 31 July 2016, included in loans payable is $19,416 (31 July 2015 – $18,673) 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 July 2016 consists of principal and accrued interest of $14,722 (31 July 2015 - $14,717) and $4,694 (31 July 2015 - $3,956), respectively *(Note 9)*.

g) During the year ended 31 July 2016, management fees of $54,223 (2015 - $60,379) were paid/accrued to the Chairman and the Chief Executive Officer of the Company.

h) During the year ended 31 July 2016, consulting fees of $27,112 (2015 - $30,190) were paid/accrued to a former director and former Vice President of Operations of the Company.

i) During the year ended 31 July 2016, accounting fees of $18,074 (2015 - $15,933) were paid/accrued to the Chief Financial Officer of the Company.

j) During the year ended 31 July 2016, the Company settled $651,053 due to former Chief Executive Officer and former directors 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 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 July 2016 consists of principal and accrued interest of $767 (31 July 2015 - $767) and $268 (31 July 2015 - $230), respectively.	1,035	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 July 2016 consists of principal and accrued interest of $1,534 (31 July 2015 - $1,533) and $537 (31 July 2015 - $460), respectively.	2,071	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 July 2016 consists of principal and accrued interest of $2,300 (31 July 2015 - $2,300) and $771 (31 July 2015 - $655), respectively.	3,071	2,955
Subtotal	6,177	5,945

9. Loans Payable – *Continued*

	31 July 2016 $	31 July 2015 $
Balance carried forward	6,177	5,945
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 July 2016 consists of principal and accrued interest of $11,502 (31 July 2015 - $11,498) and $3,719 (31 July 2015 - $3,142), respectively (*Note 8*).	15,221	14,640
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 2016 consists of principal and accrued interest of $5,368 (31 July 2015 - $5,365) and $1,723 (31 July 2015 - $1,455), respectively.	7,091	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 July 2016 consists of principal and accrued interest of $10,735 (31 July 2015 - $10,731) and $3,409 (31 July 2015 - $2,871), respectively.	14,144	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 July 2016 consists of principal and accrued interest of $3,221 (31 July 2015 - $3,219) and $975 (31 July 2015 - $814), respectively (*Note 8*).	4,196	4,033
Subtotal	46,829	45,040

9. Loans Payable – *Continued*

	31 July 2016 $	31 July 2015 $
Balance carried forward	46,829	45,040
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 13)*. The balance as at 31 July 2016 consists of principal and accrued interest of $Nil (31 July 2015 - $Nil) and $2,673 (31 July 2015 - $2,672), respectively.	2,673	2,672
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 2016 consists of principal and accrued interest of $7,668 (31 July 2015 - $7,665) and $1,416 (31 July 2015 - $1,032), respectively.	9,084	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 July 2016 consists of principal and accrued interest of $2,300 (31 July 2015 - $2,299) and $381 (31 July 2015 - $266), respectively.	2,681	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 July 2016 consists of principal and accrued interest of $3,067 (31 July 2015 - $3,066) and $460 (31 July 2015 - $307), respectively.	3,527	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 July 2016 consists of principal and accrued interest of $6,135 (31 July 2015 - $6,132) and $920 (31 July 2015 - $613), respectively.	7,055	6,745
Subtotal	71,849	69,092

9. Loans Payable – *Continued*

	31 July 2016 $	31 July 2015 $
Balance carried forward	71,849	69,092
On 19 April 2016, a third party issued a loan of CAD$5,400 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 2016 consists of principal and accrued interest of $4,141 and $58, respectively.	4,199	-
	76,048	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.

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

12. Income Taxes

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

		2016		2015
Net income (loss) for the year	$	456,091	$	(267,519)
Federal and state income tax rates		35%		35%
Expected income tax expense (recovery)	$	159,632	$	(93,632)
Change in estimates and others		45,888		-
Change in valuation allowance		(205,520)		93,632
Total income tax recovery	$	-	$	-

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

		As at 31 July 2016		As at 31 July 2015
Deferred income tax assets				
Net income tax operating loss carry forward	$	2,444,745	$	3,031,945
Statutory federal income tax rate		35%		35%
Effective income tax rate		0%		0%
Deferred income tax asset		855,661		1,061,181
Valuation allowance		(855,661)		(1,061,181)
Net future income tax assets	$	-	$	-

12. Income Taxes – *Continued*

As at 31 July 2016, the Company has unused net operating losses for U.S. federal income tax purposes of approximately $2,444,745 that are available to offset future taxable income, which, if unutilized, will expire as follows:

2031	$	240,406
2032		1,270,743
2033		421,942
2034		254,585
2035		257,069
Total	$	2,444,745

13. Supplemental Disclosures with Respect to Cash Flows

	Year Ended 31 July			
		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)*.

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.