DEPLOY TECHNOLOGIES INC.

(A Development Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)

Three and six months ended 31 January 2017

(Expressed in U.S. Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of Deploy Technologies Inc. for the six months ended 31 January 2017 have been prepared in accordance with International Accounting Standard 34 for Interim Financial Reporting under International Financial Reporting Standards. These interim financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The Company's independent auditors have not performed an audit or review of these interim financial statements.

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

(A Development Stage Company)

Condensed Interim Statements of Financial Position

(Unaudited)

(U.S. Dollars)

ASSETS		As at 31 January 2017		As at 31 July 2016 (Audited)
Current				
Cash	$	74	$	-
Amounts receivable and prepaid		9,211		7,355
Available-for-sale securities *(Note 5)*		1		1
		9,286		7,356
Property, plant and equipment *(Note 6)*		-		5,099
	$	9,286	$	12,455
LIABILITIES				
Current				
Trade payables and accrued liabilities	$	247,072	$	242,109
Due to related parties *(Note 7)*		63,698		41,714
Loans payable *(Note 8)*		92,653		76,048
		403,423		359,871
SHAREHOLDERS' DEFICIENCY				
Share Capital – *Statement 3 (Note 9)*				
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 2016 – 6,557,973) Common Shares		544		544
2,475,500 (31 July 2016 – 2,475,500) Preferred Shares		248		248
Contributed Surplus		3,358,082		3,358,082
Foreign Currency Translation Reserve		331,627		266,749
Deficit		(4,084,638)		(3,973,039)
		(394,137)		(347,416)
	$	9,286	$	12,455

Nature and Continuance of Operations *(Note 1)*

Approved and authorized for issue by the Board on 3 April 2017

ON BEHALF OF THE BOARD:

"Chris MacLeod" , Director

"Murray Simser" , Director

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	
	2017	2016	2017	2016
General and Administrative Expenses				
Accounting and legal *(Note 8)*	$ 7,228	$ 8,082	$ 11,972	$ 12,641
Consulting fees *(Notes 8)*	22,133	6,546	22,133	13,385
Depreciation *(Note 6)*	175	1,863	1,592	4,104
Management fees *(Notes 8)*	-	13,092	-	26,770
Office and miscellaneous	6,605	2,226	10,816	4,929
Loss Before Other Items	(36,141)	(31,809)	(46,513)	(61,829)
Other Items				
Other income	-	937	-	937
Foreign exchange, net	3,396	(10,192)	(69,230)	(76,232)
Settlement of liabilities	(32)	-	4,144	-
Loss for the Period	$ (32,777)	$ (41,064)	$ (111,599)	$ (137,124)
Other Comprehensive Income				
Foreign currency translation adjustment	(11,123)	63,694	64,878	132,069
Comprehensive Income (Loss) for the Period	$ (43,900)	$ 22,630	$ (46,721)	$ (5,055)
Loss per Share – Basic and Diluted	$ (0.00)	$ (0.01)	$ (0.02)	$ (0.02)
Weighted Average Number of Shares Outstanding	6,557,973	6,557,973	6,557,973	6,557,973

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

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

(A Development Stage Company)

Condensed Interim Statements of Changes in Shareholders' Deficiency

(Unaudited)

(U.S. Dollars)

	Share Capital														
	Common Shares			Class A Preferred Shares				Contributed		Foreign Currency Translation		Shares to be			
	Number		Amount	Number		Amount		Surplus		Reserve		Issued		Deficit		Total
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)
Foreign currency translation adjustment	-		-	-		-		-		(57,784)		-		-		(57,784)
Income for the period	-		-	-		-		-		-		-		593,215		593,215
Balance – 31 July 2016	6,557,973	$	544	2,475,500	$	248	$	3,358,082	$	266,749	$	-	$	(3,973,039)	$	(347,416)
Foreign currency translation adjustment	-		-	-		-		-		64,878		-		-		64,878
Loss for the period	-		-	-		-		-		-		-		(111,599)		(111,599)
Balance – 31 January 2017	6,557,973	$	544	2,475,500	$	248	$	3,358,082	$	331,627	$	-	$	(4,084,638)	$	(394,137)

Deploy Technologies Inc. Statement 4

(A Development Stage Company)

Condensed Interim Statements of Cash Flows

(Unaudited)

(U.S. Dollars)

	Six Month Period Ended 31 January	
Cash Resources Provided By (Used In)	2017	2016
Operating Activities		
Loss for the period	$ (111,599)	$ (137,124)
Items not affecting cash:		
Accrued interest *(Note 8)*	1,444	1,324
Depreciation *(Note 6)*	1,592	4,104
Settlement of liabilities	(4,144)	-
Foreign exchange	3,438	(4,877)
Amounts receivable and prepaid	(1,856)	(1,016)
Trade payables and accrued liabilities	4,963	(4,051)
Due to related parties	21,984	9,571
	(84,178)	(132,069)
Financing Activities		
Short term loans	19,374	-
Effect of exchange rate changes on cash and cash equivalents	64,878	132,069
Net Increase (Decrease) in Cash and Cash Equivalents	74	-
Cash and cash equivalents – Beginning of period	-	-
Cash and Cash Equivalents - End of Period	$ 74	$ -

Supplemental Disclosures with Respect to Cash Flows *(Note 11)*

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 issue 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 9).*

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 50 Lonsdale Ave, Suite 203, North Vancouver, BC V7M 2E6.

At 31 January 2017, the Company had cash and cash equivalents of $74 (31 July 2016 – $Nil) and a working capital deficit of $394,137 (31 July 2016 – $352,515). The funds on hand at 31 January 2017 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 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 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 2016 prepared in accordance with and using accounting policies in full compliance with IFRS.

c) New Standards Not Yet Adopted

On 20 June 2016, the IASB issued amendments to IFRS 2 clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments apply for annual periods beginning on or after 1 January 2018. As a practical simplification, the amendments can be applied prospectively, retrospectively, or early application is permitted if information is available without the use of hindsight. The Company intends to adopt the amendments to IFRS 2 in its consolidated financial statements for the annual period beginning on 1 January 2018. The extent of the impact of adoption of the standard has not yet been determined.

The final version of IFRS 9, Financial Instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, however is available for early adoption. In addition, the elements of IFRS 9 related to presentation of gains from changes in an entity's own credit risk can be early applied in isolation without otherwise changing the accounting for financial instruments. The Company is in the process of assessing the impact of IFRS 9 and has not yet determined when it will adopt the new standard.

2. Basis of Preparation – *Continued*

The IASB issued IFRS 15, Revenue Recognition, in June 2014. The objective of IFRS 15 is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It also contains new disclosure requirements. IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Company is in the process of assessing the impact of IFRS 15 and has not yet determined when it will adopt the new standard. The IASB issued IFRS 16, Leases, in January 2016, which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. IFRS 16 requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Earlier adoption is permitted, but only in conjunction with IFRS 15. The Company is in the process of assessing the impact of IFRS 16 and has not yet determined when it will adopt the new standard.

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 2016. There have been no changes to the accounting policies and methods applied in the six month period ended 31 January 2017. 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 2017	As at 31 July 2016
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash	$ 74	$ -
Available-for-sale, at fair value		
Kaleidoscope (5,694 common shares)	1	1
Total financial assets	$ 75	$ 1
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	$ 173,231	$ 168,276
Due to related parties	63,698	41,714
Loans payable	92,653	76,048
	$ 329,582	$ 286,038

4. Fair Value of Financial Instruments – *Continued*

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 2017, the Company does not have any Level 3 financial instruments.

As at 31 January 2017		Level 1		Total
Financial assets at fair value				
Cash	$	74	$	-
Available-for-sale		1		1
Total financial assets at fair value	$	75	$	1

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

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.

4. Fair Value of Financial Instruments – *Continued*

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 $394,137 as at 31 January 2017. 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 2017		31 July 2016	
	Cost	Fair Value	Cost	Fair Value
Kaleidoscope 5,694 (31 July 2016 – 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 2016	$ 21,624	$ 79,138	$ 13,991	$ 10,052	$ 124,805
Additions	-	-	-	-	-
Foreign exchange adjustment	20	72	13	9	114
Balance, 31 January 2017	$ 21,644	$ 79,210	$ 14,004	$ 10,061	$ 124,919
Accumulated depreciation					
Balance, 1 August 2016	$ 21,624	$ 74,550	$ 13,480	$ 10,052	$ 119,706
Depreciation	-	1,081	511	-	1,592
Foreign exchange adjustment	20	3,579	13	9	3,621
Balance, 31 January 2017	$ 21,644	$ 79,210	$ 14,004	$ 10,061	$ 124,919
Net book value, 31 January 2017	$ -	$ -	$ -	$ -	$ -

6. Property, Plant and Equipment – *Continued*

	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

7. Related Party Balances and Transactions

The key management personnel compensation for the six month period ended 31 January 2017 and 2016 is as follows:

	31 January 2017	31 January 2016
Accounting fees	$ 6,054	$ 8,923
Management and consulting fees	22,133	40,155
Total	$ 28,187	$ 49,078

Except as disclosed elsewhere in these full annual financial statements, related party transactions for the six month period ended 31 January 2017 and 2016 are as follows:

a) As at 31 January 2017, the amount due to related parties includes $4,989 (31 July 2016 - $4,984) payable to former directors of the Company.

b) As at 31 January 2017, the amount due to related parties includes $23,571 (31 July 2016 - $Nil) payable to the former Chief Executive Officer of the Company.

c) As at 31 January 2017, the amount due to related parties includes $40,618 (31 July 2016 - $36,730) payable to the former Chief Financial Officer of the Company.

d) During the six month period ended 31 January 2017, accounting fees of $6,054 (2016 - $8,923) were paid/accrued to the former Chief Financial Officer of the Company.

e) During the six month period ended 31 January 2017, consulting fees of $22,133 (2016 - $Nil) were paid/accrued to the former Chief Executive Officer of the Company.

f) During the six month period ended 31 January 2017, the former Chief Executive Officer of the Company agreed to repay a loan payable to a third party (*Note 8*). As a result, the Company recorded a gain of $4,144 for the period.

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.

8. Loans Payable

	31 January 2017 $	31 July 2016 $
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 2017 consists of principal and accrued interest of $767 (31 July 2016 - $767) and $288 (31 July 2016 - $268), respectively.	1,055	1,035
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 2017 consists of principal and accrued interest of $1,535 (31 July 2016 - $1,534) and $576 (31 July 2016 - $537), respectively.	2,111	2,071
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 2017 consists of principal and accrued interest of $2,302 (31 July 2016 - $2,300) and $829 (31 July 2016 - $771), respectively.	3,131	3,071
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 2017 consists of principal and accrued interest of $11,512 (31 July 2016 - $11,502) and $4,010 (31 July 2016 - $3,719), respectively.	15,522	15,221
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 2017 consists of principal and accrued interest of $5,373 (31 July 2016 - $5,368) and $1,859 (31 July 2016 - $1,723), respectively.	7,232	7,091
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 2017 consists of principal and accrued interest of $10,745 (31 July 2016 - $10,735) and $3,681 (31 July 2016 - $3,409), respectively.	14,426	14,144
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 2017 consists of principal and accrued interest of $3,223 (31 July 2016 - $3,221) and $1,057 (31 July 2016 - $975), respectively.	4,280	4,196
Subtotal	47,757	46,829

8. Loans Payable – *Continued*

	31 January 2017 $	31 July 2016 $
Balance carried forward	47,757	46,829
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 11)*. The balance as at 31 January 2017 consists of principal and accrued interest of $Nil (31 July 2016 - $Nil) and $2,676 (31 July 2016 - $2,673), respectively.	2,676	2,673
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 2017 consists of principal and accrued interest of $7,675 (31 July 2016 - $7,668) and $1,609 (31 July 2016 - $1,416), respectively.	9,284	9,084
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 2017 consists of principal and accrued interest of $2,302 (31 July 2016 - $2,300) and $439 (31 July 2016 - $381), respectively.	2,741	2,681
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 2017 consists of principal and accrued interest of $3,070 (31 July 2016 - $3,067) and $537 (31 July 2016 - $460), respectively.	3,607	3,527
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 2017 consists of principal and accrued interest of $6,140 (31 July 2016 - $6,135) and $1,074 (31 July 2016 - $920), respectively.	7,214	7,055
Subtotal	73,279	71,849

9. 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.

9. Share Capital – *Continued*

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.

10. 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 2017. The Company is not subject to externally imposed capital requirements.

11. Supplemental Disclosures with Respect to Cash Flows

	Six Month Period Ended 31 January	
	2017	2016
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)*.

12. 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.