CANADIAN DATA PRESERVE, INC.

Financial Statements

For the Years Ended May 31, 2017 and 2016

(Expressed in U.S. Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Canadian Data Preserve, Inc.

We have audited the accompanying financial statements of Canadian Data Preserve, Inc., which comprise the statements of financial position as at May 31, 2017 and 2016 and the statements of operations and comprehensive loss, cash flows, and changes in shareholders' deficit for the years then ended, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Data Preserve, Inc. as at May 31, 2017 and 2016 and its operations and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Canadian Data Preserve, Inc.'s ability to continue as a going concern.

Buckley Dodds Parker LLP

Chartered Professional Accountants
Vancouver, British Columbia
September 28, 2017

CANADIAN DATA PRESERVE, INC.
STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN U.S. DOLLARS)
AS AT

	Notes	May 31, 2017	May 31, 2016
ASSETS			
Current			
Cash		$ **132**	$ 651
Receivables		**716**	130
Total assets		$ **848**	$ 781
LIABILITIES			
Current			
Accounts payable and accrued liabilities	**6**	$ **73,505**	$ 35,687
Due to related parties	**8**	**597,836**	510,308
Loans payable	**9**	**22,500**	22,500
Total liabilities		**693,841**	568,495
SHAREHOLDERS' DEFICIT			
Share capital	**7**	**275,000**	275,000
Contributed surplus		**361,117**	361,117
Deficit		**(1,329,110)**	(1,203,831)
Total shareholders' deficit		**(692,993)**	(567,714)
Total liabilities and shareholders' deficit		$ **848**	$ 781

Nature of operations and going concern (Note 1)

ON BEHALF OF THE BOARD OF DIRECTORS:

"Brian Cameron" Director
Brian Cameron

"Van Potter" Director
Van Potter

CANADIAN DATA PRESERVE, INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(EXPRESSED IN U.S. DOLLARS)
FOR THE YEARS ENDED

	Notes	May 31 2017	May 31 2016
EXPENSES			
Consulting fees	8	$ **96,000**	$ 104,000
CNSX fees		**9,265**	7,475
Interest and bank charges		**2,667**	5,333
Professional fees		**10,295**	929
Transfer agent and filing fees		**11,052**	3,310
		(129,279)	(121,047)
Foreign exchange gain		**4,000**	2,019
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		$ **(125,279)**	$ (119,028)
Basic and diluted loss per common share		$ **(0.008)**	$ (0.008)
Weighted average number of common shares outstanding		**15,638,667**	15,638,667

CANADIAN DATA PRESERVE, INC.
STATEMENTS OF CASH FLOWS
(EXPRESSED IN U.S. DOLLARS)
FOR THE YEARS ENDED

		May 31, 2017		May 31, 2016
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Loss for the year	$	**(125,279)**	$	(119,028)
Changes in non-cash working capital:				
Receivables		**(586)**		84
Due to related parties		**87,528**		144,241
Accounts payable and accrued liabilities		**37,818**		(25,105)
Net cash provided by (used in) operating activities		**(519)**		192
CHANGE IN CASH DURING THE YEAR		**(519)**		192
CASH, BEGINNING OF YEAR		**651**		459
CASH, END OF YEAR	$	**132**	$	651
Supplemental disclosure of cash flow information				
Cash paid for interest and income taxes	$	**-**	$	-

CANADIAN DATA PRESERVE, INC.
STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT
(EXPRESSED IN U.S. DOLLARS)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total Deficit
Balance as of May 31, 2015	15,638,667	$ 275,000	$ 361,117	$ (1,084,803)	$ (448,686)
Loss and comprehensive loss	-	-	-	(119,028)	(119,028)
Balance as of May 31, 2016	15,638,667	275,000	361,117	(1,203,831)	(567,714)
Loss and comprehensive loss	-	-	-	(125,279)	(125,279)
Balance as of May 31, 2017	15,638,667	$ 275,000	$ 361,117	$ (1,329,110)	$ (692,993)

1. NATURE OF OPERATIONS AND GOING CONCERN

Canadian Data Preserve, Inc. (the "Company") was incorporated on June 11, 2010 under the Laws of British Columbia. The Company is traded on the Canadian Securities Exchange ("CSE"). The head office of the Company is located at 1140 - 1185 West Georgia Street, Vancouver, BC V6E 4E6.

The financial statements of the Company are presented in U.S. dollars, which is the functional currency of the Company, unless otherwise indicated.

The financial statements were prepared on a going concern basis, under the historical cost convention. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. The Company has minimal capital resources presently available to meet obligations which normally can be expected to be incurred by similar companies and has a working capital deficit of $692,993, a loss for the year of $125,279 and a deficit of $1,329,110.

Management of the Company does not expect that cash flows from operations will be sufficient to cover its operating requirements, financial commitments and business development priorities during the next twelve months. Accordingly, the Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof for the next twelve months. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. If adequate funds are not available, the Company may be required to delay or reduce the scope of any or all of its operations.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

2. BASIS OF PRESENTATION

Statement of compliance to international financial reporting standards

These financial statements, including comparatives have been prepared in accordance with International Accounting Standard ("IAS") 1, "Presentation of Financial Statements" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements were authorized by the Board of Directors of the Company on September 28, 2017.

2. BASIS OF PRESENTATION (cont'd…)

Significant accounting judgements and estimates

The preparation of the financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements. Actual results could differ from these estimates.

Critical Judgements

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company, as previously discussed in Note 1, as well as determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency for the Company has been determined to be the U.S. dollar.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity of IFRS requires management to make estimates that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be material. Significant estimates made by management affecting the consolidated financial statements include:

i) Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future years, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future years.

Determination of functional currency

The functional currency is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency for the Company is the U.S. dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign exchange

Transactions in currencies other than the U.S. dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are recognized through profit or loss.

Cash

Cash 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 amount of cash and subject to an insignificant risk of change value.

Financial instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss ("FVTPL"), (2) loans and receivables, (3) financial assets available-for-sale, (4) financial assets held-to maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in net earnings. Financial assets "available-for-sale" are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax.

Financial assets "held-to-maturity", "loans and receivables", and "other financial liabilities" are subsequently measured at amortized cost using the effective interest method. The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	Category	Measurement
Cash	FVTPL	Fair value
Receivables	Loans and receivables	Amortized cost
Accounts payable	Other liabilities	Amortized cost
Loans payable	Other liabilities	Amortized cost
Due to related parties	Other liabilities	Amortized cost

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash is measured at fair value using Level 1 inputs. The carrying value of receivables, accounts payable, due to related parties and loan payable approximate their fair values due to their short terms to maturity.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes (cont'd…)

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

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. 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.

Future accounting pronouncements

A number of new standards, amendments to standards and interpretations are not yet effective as at the date of issuing these statements, and have not been applied in preparing these financial statements. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

IFRS 9 - Financial Instruments, addresses classification, measurement and recognition of financial assets and financial liabilities. This new standard is a partial replacement of IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing multiple impairment methods in IAS 39. IFRS 9 is effective for annual years beginning on or after January 1, 2018, with early adoption permitted.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Future accounting pronouncements (cont'd…)

IFRS 15 - Revenue from Contracts and Customers ("IFRS 15") will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual years beginning on or after January 1, 2018, with early adoption permitted.

IFRS 16 - Leases, effective for annual periods beginning on or after 1 January 2019. The scope of IFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

4. MANAGEMENT OF CAPITAL

The Company manages its common shares, stock options and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its assets and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company is not subject to any externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets.

4. MANAGEMENT OF CAPITAL (cont'd…)

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury invested in demand certificates of deposit with major financial institutions.

There have been no changes to the Company's approach to capital management during the year ended May 31, 2017.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, receivables, accounts payable, loans payable and due to related parties.

The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair values of receivables, accounts payable, loans payable and due to related parties approximate their book values because of the short-term nature of these instruments.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments with the exception of the financial institutions which hold its cash. The Company manages this credit risk by ensuring that these financial assets are placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company's receivables consist primarily of harmonized sales tax due from the Canada Revenue Agency. The Company does not believe it has a material exposure to credit risk.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

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 manages liquidity risk through the management of its capital structure as described in Note 4. There is a risk that the Company may not be able to meet its financial obligation when they are due. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at May 31, 2017 the Company has no financial assets that are past due or impaired due to credit risk defaults.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the U.S. dollar. All of the Company's financial instruments are denominated in U.S. dollars. In management's opinion there is no significant foreign exchange risk to the Company.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2017	May 31, 2016
Accounts payable	$ 32,967	$ 27,837
Accrued liabilities	40,538	7,850
Total	$ 73,505	$ 35,687

7. SHARE CAPITAL

Authorized

Unlimited common shares without par value
Unlimited preferred shares without par value

As at May 31, 2017, the company has no stock options or warrants issued or outstanding.

(EXPRESSED IN U.S. DOLLARS)

8. RELATED PARTY TRANSACTIONS

The Company's related parties consist of companies owned in whole or in part by executive officers and directors as follows:

Name	Position and nature of transactions
Advantive Information Management, Inc.	Common Director - Management services
Brian Cameron	Director - Consulting services
Jack Saltich	Director - Consulting services
Van Potter	Director - Consulting services
Certive Solutions Inc.	Common Director - Management services
Certive Technologies Arizona Inc.	Common Director - Management services

The following summarizes the amount due to related parties:

	May 31, 2017	May 31, 2016
Advantive Information Management, Inc.	$ 61,675	$ 61,675
Brian Cameron	36,380	380
Certive Solutions Inc.	55,457	23,552
Certive Technologies Arizona Inc.	408,324	424,701
Van Potter	36,000	-
Total	$ 597,836	$ 510,308

The remuneration of directors and other members of key management personnel during the years ended May 31, 2017 and May 31, 2016 were as follows:

	May 31, 2017	May 31, 2016
Consulting fees	$ 72,000	$ 104,000

(EXPRESSED IN U.S. DOLLARS)

9. LOANS PAYABLE

The loans are made of the following:

	May 31, 2017	May 31, 2016
Chuck Bowen	$ 12,500	$ 12,500
Jim Doyle	10,000	10,000
Total	$ 22,500	$ 22,500

The Company owes its former directors Chuck Bowen and Jim Doyle, $12,500 and $10,000 respectively. There are no set terms for repayment, the loans are unsecured, and the interest rates are 7% and 12% respectively. As at May 31, 2017, accrued interest expense of $16,538 has been included in accrued liabilities.

(EXPRESSED IN U.S. DOLLARS)

10. INCOME TAXES

The income tax provision recorded differs from the income tax obtained by applying the statutory income tax rate of 26.00% (2016 – 26.00%) to the income for the year and is reconciled as follows:

	May 31, 2017	May 31, 2016
Loss for the year	$ (125,279)	$ (119,028)
Expected income tax (recovery)	(32,573)	(29,757)
Change in unrecognized deductible temporary differences	32,573	29,757
Total income tax expense (recovery)	$ -	$ -

The significant components of the Company`s deferred tax assets are as follows:

	May 31, 2017	May 31, 2016
Deferred tax assets (liabilities)		
Non-capital losses available for future period	$ 215,569	$ 182,996
Unrecognized deferred tax assets	(215,569)	(182,996)
Net deferred tax assets	$ -	$ -

The deferred tax assets have not been recognized in these financial statements as it is not probable that they will be realized.

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	May 31, 2017	Expiry Date Range	May 31, 2016
Temporary differences			
Non-capital losses available for future period	$ 829,111	2031-2037	$ 703,832

Tax attributes are subject to review, and potential adjustment by tax authorities.