

CANADIAN DATA PRESERVE, INC.
Condensed Interim Financial Statements
For the Three Months Ended August 31, 2017
(Expressed in U.S. Dollars)

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

	Page
NOTICE TO READER	1
CONDENSED INTERIM FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Operations and Comprehensive Loss	3
Statements of Cash Flows	4
Statements of Changes in Shareholders' Equity	5
Notes to the Financial Statements	6 - 14

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

NOTICE TO READER

**NO Auditor Review of the Interim
Financial Statements**

The accompanying unaudited interim financial statements of Canadian Data Preserve, Inc. (the “Company”), for the three-month period ended August 31, 2015 have been prepared by management and have not been the subject of a review by the Company’s external independent auditor.

Canadian Data Preserve, Inc.

Vancouver, British Columbia
October 30, 2017

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

CANADIAN DATA PRESERVE, INC.

Condensed Statements of Financial Position

As at August 31, 2017 and May 31, 2017

(Unaudited – Expressed in U.S. Dollars)

	Notes	August 31, 2017	May 31, 2017
ASSETS			
Current assets			
Cash	\$	390	\$ 132
Receivables		149	716
Total assets		539	848
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	4 \$	78,315	\$ 73,505
Due to related parties	6	618,313	597,836
Loans payable	7	22,500	22,500
Total liabilities		719,128	693,841
Shareholders' Equity (Deficit)			
Share capital	5	275,000	275,000
Contributed surplus		361,117	361,117
Deficit		(1,354,706)	(1,329,110)
Total shareholders' deficit		(718,589)	(692,993)
Total shareholders' deficit and liabilities		539	848

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors:

"Brian Cameron"

Director

Brian Cameron

"Van Potter"

Director

Van Potter

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

CANADIAN DATA PRESERVE, INC.

Condensed Statements of Operations and Comprehensive Loss

For the periods ended

(Unaudited – Expressed in U.S. Dollars)

	Notes	August 31, 2017	August 31, 2016
EXPENSES			
Bank charges		43	54
Consulting fees	6	24,000	24,000
Interest expense		613	614
Professional fees		-	2,837
Transfer agent and filing fees		2,316	4,458
Total expenses		(26,972)	(31,963)
Foreign exchange gain		1,376	961
Net loss and comprehensive loss for the period	\$	(25,596)	\$ (31,002)
Basic and diluted loss per common share	\$	(0.002)	\$ (0.002)
Weighted average number of common share outstanding		15,638,667	15,638,667

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

CANADIAN DATA PRESERVE, INC.

Condensed Statements of Cash Flows

For the periods ended

(Unaudited – Expressed in U.S. Dollars)

	August 31, 2017	August 31, 2016
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net loss for the period	\$ (25,596)	\$ (31,002)
Non-cash working capital item changes:		
Receivables	567	(85)
Accounts payable and accrued liabilities	4,810	3,169
Due to related parties	20,477	28,100
Net cash provided by operating activities	<u>258</u>	<u>182</u>
Net change in cash during the period	258	182
Cash, beginning of the period	132	651
Cash, end of the period	\$ 390	\$ 833
Cash (paid) received for		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -

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

CANADIAN DATA PRESERVE, INC.

Condensed Statements of Changes in Shareholders' Equity (Deficit)

For the periods ended August 31, 2017 and 2016

(Unaudited – Expressed in U.S. Dollars)

	Capital Stock		Contributed surplus	Deficit	Total
	Number of Shares	Amount			
Balance, May 31, 2016	15,638,667	\$ 275,000	\$ 361,117	\$ (1,203,831)	\$ (567,714)
Loss for the period	-	-	-	(31,002)	(31,002)
Balance, August 31, 2016	15,638,667	\$ 275,000	\$ 361,117	\$ (1,234,833)	\$ (598,716)
Balance, May 31, 2017	15,638,667	275,000	361,117	(1,329,110)	(692,993)
Loss for the period	-	-	-	(25,596)	(25,596)
Balance, August 31, 2017	15,638,667	\$ 275,000	\$ 361,117	\$ (1,354,706)	\$ (718,589)

The accompanying notes are an integral part of these financial statements

CANADIAN DATA PRESERVE, INC.

Notes to the Condensed Financial Statements

For the three months ending August 31, 2017

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. As at August 31, 2017, the Company has a working capital deficit \$718,589, a loss for the period of \$25,596 and a deficit of \$1,354,706.

Management of the Company does not expect that cash flows for the Company’s operations will be sufficient to cover all of 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 condensed interim 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

CANADIAN DATA PRESERVE, INC.

Notes to the Condensed Financial Statements

For the three months ending August 31, 2017

2. BASIS OF PRESENTATION AND CHANGES TO ACCOUNTING POLICIES

Statement of compliance

The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of condensed interim financial statements, including IAS 34, Interim Financial Reporting and using the same accounting policies and methods of computation as the Company’s most recent annual financial statements. The condensed interim financial statements do not include all the information required for full annual financial statements. These condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended May 31, 2017.

The accounting policies followed by the Company are as set out in the audited financial statements for the year ended May 31, 2017 and have been consistently followed in the preparation of these condensed interim financial statements.

The condensed interim financial statements have been prepared on a historical cost basis except for certain financial instruments classified as fair value through profit and loss, and available for sale, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these financial statements are in accordance with IFRS.

These condensed interim financial statements were reviewed and approved and authorized for issue by the Board of Directors of the Company on October 30, 2017.

Use of estimates and judgments

The preparation of the condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement. 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.

CANADIAN DATA PRESERVE, INC.

Notes to the Condensed Financial Statements

For the three months ending August 31, 2017

2. BASIS OF PRESENTATION & CHANGES TO THE ACCOUNTING POLICES (cont'd...)

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 United States Dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

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.

CANADIAN DATA PRESERVE, INC.

Notes to the Condensed Financial Statements

For the three months ending August 31, 2017

2. BASIS OF PRESENTATION & CHANGES TO THE ACCOUNTING POLICES (cont'd...)

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.

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.

CANADIAN DATA PRESERVE, INC.

Notes to the Condensed Financial Statements

For the three months ending August 31, 2017

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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:

<u>Asset or Liability</u>	<u>Category</u>	<u>Measurement</u>
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	

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.

CANADIAN DATA PRESERVE, INC.

Notes to the Condensed Financial Statements

For the three months ending August 31, 2017

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

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 and accrued liabilities 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 and accrued liabilities 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.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. 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 of August 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.

Transaction Costs

Transaction costs attributable to the acquisition or issue of financial assets or financial liabilities, other than those classified as held-for-trading, are added to the initial fair value amount to match the costs with the related transactions. Purchases and sales of securities are accounted for on the settlement date basis

CANADIAN DATA PRESERVE, INC.

Notes to the Condensed Financial Statements

For the three months ending August 31, 2017

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	August 31, 2017	May 31, 2017
Accounts payable	\$ 31,165	\$ 32,967
Accrued liabilities	47,150	40,538
	\$ 78,315	\$ 73,505

5. SHARE CAPITALAuthorized

Unlimited common shares without par value

Unlimited preferred shares without par value

As at August 31, and May 31, 2017, the Company has no stock options or warrants issued or outstanding

6. 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 relationship
Advantive Information Management, Inc.	Common director – Management services
Certive Technologies Arizona Inc.	Common director – Management services
Certive Solutions Inc.	Common director – Management services
Brian Cameron	Director – consulting services
Van Potter	Director – consulting services
Jack Saltich	Former director – consulting services

The following summarizes the amount due (to) from related parties:

	August 31, 2017	May 31, 2017
Advantive Information Management, Inc.	\$ 61,835	\$ 61,675
Certive Technologies Arizona Inc.	410,489	408,324
Certive Solutions Inc.	55,609	55,457
Brian Cameron	45,380	36,380
Van Potter	45,000	36,000
Total	\$ 618,313	\$ 597,836

CANADIAN DATA PRESERVE, INC.

Notes to the Condensed Financial Statements

For the three months ending August 31, 2017

6. RELATED PARTY TRANSACTIONS (cont'd...)

The remuneration of directors and other members of key management personnel including share-based payments during the three months ended August 31, 2017 and 2016 is as follows:

	August 31, 2017	August 31, 2016
Consulting fees	\$ 24,000	\$ 24,000

7. LOANS PAYABLE

The loans are made of the following:

	August 31, 2017	May 31, 2017
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.