



AYLEN CAPITAL INC.

**CONDENSED INTERIM UNAUDITED FINANCIAL STATEMENTS
(PREPARED BY MANAGEMENT)
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2016**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying condensed interim unaudited consolidated financial statements of Aylen Capital Inc. were prepared by management in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board. The most significant of these accounting principles have been disclosed in the notes to the condensed interim unaudited consolidated financial statements. Management acknowledges responsibility for the preparation and presentation of the condensed interim unaudited consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the condensed interim unaudited consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the condensed interim unaudited consolidated financial statements and (ii) the condensed interim unaudited consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the condensed interim unaudited consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the condensed interim unaudited consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed interim unaudited consolidated financial statements together with other financial information of the Company for issuance to the shareholders. These condensed interim unaudited consolidated financial statements were authorized for issuance by the Board on November 16, 2017.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"John D. Pennal"
President

"Alex Falconer"
Chief Financial Officer

November 16, 2017

AYLEN CAPITAL INC.**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

AS AT

	<u>Notes</u>	September 30, 2017	December 31, 2016 (Audited)
ASSETS			
Cash and cash equivalents	3	\$ 54,735	\$ 40,595
Marketable securities	4	109,308	125,220
Accounts receivable	5	4,650	27,571
HST recoverable		6,330	9,060
Prepaid expense and sundry assets		-	1,198
		175,023	203,644
Investments	6	2	2
Property and equipment	7	1,069	150
		\$ 176,094	\$ 203,796
LIABILITIES			
Accounts payable and accrued liabilities	8	\$ 77,070	\$ 101,678
Deferred revenue		333,211	249,328
		410,281	351,006
SHAREHOLDERS' EQUITY			
Share capital	9	1,350,570	1,350,570
Contributed surplus		299,821	288,146
Deficit		(1,884,578)	(1,785,926)
		(234,187)	(147,210)
		\$ 176,094	\$ 203,796

COMMITMENT (Note 13)

Approved on Behalf of the Board

John Pennal' DirectorWilliam Hale' Director

See accompanying notes to the condensed interim financial statements.

AYLEN CAPITAL INC.**CONDENSED INTERIM UNAUDITED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTH PERIODS ENDED

	<u>Notes</u>	Three Months September 30,		Nine Months September 30,	
		2017	2016	2017	2016
Revenues					
Sales revenue		\$ 146,975	\$ 313,971	\$ 550,630	\$ 746,520
Interest and other income	12	1,218	1,282	3,649	3,677
Realized gain on sale of marketable securities		3,189	1,971	6,966	3,365
Unrealized gain (loss) on fair value of marketable securities		1,434	(396)	(4,784)	7,916
		152,816	317,620	556,461	761,478
Expenses					
General and administrative		\$ 99,442	\$ 104,925	\$ 297,113	\$ 301,411
Selling expenses		117,112	108,150	345,818	349,645
Amortization	7	(31)	552	507	1,587
Stock-based payment	9(c)	-	-	11,675	-
Total expenses		216,523	213,627	655,113	652,643
Net loss and comprehensive loss for the period		\$ (63,707)	\$ 103,993	\$ (98,652)	\$ 108,835
Net loss per share					
Basic and fully diluted loss per share		\$ (0.004)	\$ 0.006	\$ (0.006)	\$ 0.001
Weighted average number of shares outstanding - Basic and fully diluted		16,856,632	16,856,632	16,856,632	16,856,632

See accompanying notes to the condensed interim financial statements.

AYLEN CAPITAL INC.**CONDENSED INTERIM UNAUDITED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2016

	Share capital				
	Common shares	Amount	Contributed surplus	Deficit	Total
Balance January 1, 2016	16,856,632	\$1,350,570	\$ 287,766	\$ (1,748,748)	\$ (110,412)
Net income for the period	-	-	-	4,842	4,842
Balance, September 30, 2016	16,856,632	\$1,350,570	\$ 287,766	\$ (1,743,906)	\$ (105,570)
<hr/>					
Balance January 1, 2017	16,856,632	\$1,350,570	\$ 288,146	\$ (1,785,926)	\$ (147,210)
Share-based payment (Note 9(c))	-	-	11,675	-	11,675
Net loss for the period	-	-	-	(98,652)	(98,652)
Balance, September 30, 2017	16,856,632	\$1,350,570	\$ 299,821	\$ (1,884,578)	\$ (234,187)

See accompanying notes to the condensed interim financial statements.

AYLEN CAPITAL INC.**CONDENSED INTERIM UNAUDITED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTH PERIODS ENDED

	Three Months September 30,		Nine Months September 30,	
	2017	2016	2017	2016
OPERATING ACTIVITIES				
Net loss for the period	\$ (63,707)	\$ 103,993	\$ (98,652)	\$ 108,835
Adjustments not effecting cash:				
Realized gain on sale of marketable securities	(3,189)	(1,971)	(6,966)	(3,365)
Unrealized gain (loss) on fair value of marketable securities	(1,434)	396	4,784	(7,916)
Amortization (Note 7)	(31)	552	507	1,587
Stock-based payment	-	-	11,675	-
	(68,361)	102,970	(88,652)	99,141
Changes in non-cash working capital				
Accounts receivable	12,820	(14,785)	22,921	699
Prepaid expense and sundry assets	-	-	1,198	(3,194)
HST recoverable	5,815	2,113	2,730	(2,467)
Deferred revenue	28,809	(172,146)	83,883	(133,353)
Accounts payable and accrued liabilities	17,888	(4,180)	(24,608)	(54,126)
Cash used in operating activities	(3,029)	(86,028)	(2,528)	(93,300)
INVESTING ACTIVITIES				
Property and equipment	-	-	(1,426)	(840)
Proceeds from sale of marketable securities	37,692	(104)	56,037	(1,174)
Purchase of marketable securities	(18,732)	-	(37,943)	-
Cash provided by (used in) investing activities	18,960	(104)	16,668	(2,014)
Net increase (decrease) in cash	15,931	(86,132)	14,140	(95,314)
Cash and cash equivalents, beginning of period	38,804	132,869	40,595	142,051
Cash and cash equivalents, end of period	\$ 54,735	\$ 46,737	\$ 54,735	\$ 46,737

See accompanying notes to the condensed interim financial statements.

AYLEN CAPITAL INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2015

1. INCORPORATION AND NATURE OF OPERATIONS

Aylen Capital Inc. (“Aylen” or the “Company”) was incorporated on October 28, 2010 under the Canada Business Corporations Act. The Company's registered head office is located at Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario, M5J 2Z4, Canada.

Grapevine Solutions (“Grapevine”), an unincorporated division of Aylen, operates a web-based survey and data-collection business. Aylen also has an equity interest in a technology-based company, Leonardo Worldwide Corporation and a portfolio of marketable securities.

2. BASIS OF PRESENTATION

Statement of compliance

The condensed interim unaudited financial statements have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”) and therefore, do not contain all disclosures required by International Financial Report Standards (“IFRS”) for annual financial statements. Accordingly, these condensed interim unaudited financial statements should be read in conjunction with the Company's most recently prepared audited annual financial statements for the fiscal year ended December 31, 2016.

The policies applied in these condensed interim unaudited financial statements are consistent with the policies disclosed in Notes 2 and 3 of the audited annual financial statements for the year ended December 31, 2016.

The condensed interim unaudited financial statements were authorized for issue by the Board of Directors on November 16, 2017.

Basis of measurement and functional currency

The condensed interim unaudited financial statements are presented in Canadian dollars and have been prepared on the historical cost basis except for financial instruments measured at fair value through profit or loss. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The Company and its subsidiary's functional currency is the Canadian dollar.

Future Accounting Pronouncements not yet Adopted

Standard issued but not yet effective up to the date of issuance of these financial statements is listed below. The Company intends to adopt this standard when it becomes effective.

IFRS 9, Financial Instruments, (“IFRS 9”) was issued by the IASB in July 2014 in final form and will replace IAS 39, Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

AYLEN CAPITAL INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2015

2. BASIS OF PRESENTATION (Cont'd)

IFRS 16, Leases (“IFRS 16”) will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. Under IFRS 16 a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. This will typically produce a front-loaded expense profile (whereas operating leases under IAS 17, Leases (“IAS 17”) would typically have had straight-line expenses) as an assumed linear depreciation of the right-of-use asset and the decreasing interest on the liability will lead to an overall decrease of expense over the reporting period. IFRS 16 supersedes IAS 17 and related interpretations and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted if IFRS 15, Revenue from Contracts with Customers has also been applied.

3. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents consist of the following:

	September 30, 2017	December 31, 2016
Cash held in banks	\$ 51,909	\$ 37,220
Cash held by broker	2,826	3,375
	<u>\$ 54,735</u>	<u>\$ 40,595</u>

4. MARKETABLE SECURITIES

The Company has the following marketable securities:

	September 30, 2017		December 31, 2016	
	Cost	Fair value	Cost	Fair value
Investment in equities	\$ 110,261	\$ 109,308	\$ 118,944	\$ 125,220

Investment in equities are publicly-traded investments on a recognized securities exchange and for which no sales restrictions apply. The fair value of these securities is based on quoted closing prices at the period end date or the closing price on the last day the security traded if there were no trades at the period end date. If the closing price is outside of the bid-ask spread, management determines appropriate price for the security within the bid-ask spread. The fair value of mutual funds is determined using the net asset value per unit of each fund. The decline in the value of marketable securities was recognized in the statement comprehensive of loss.

5. ACCOUNTS RECEIVABLE

Details of the Company's trade and other receivables are as follows:

	September 30, 2017	December 31, 2016
Canadian and U.S. customers	\$ 4,650	\$ 27,571

Accounts receivable are amounts due from subscriptions that remain uncollected at the financial statements date. These amounts are classified as current because collection is expected in one year or less. Accounts receivable are recognized initially at the amount expected to be received less any discount to reduce the recoverable amount to fair value. Subsequently, accounts receivable are measured at amortized cost using the effective interest method less a provision for impairment.

AYLEN CAPITAL INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2015

6. INVESTMENTS

	September 30, 2017		December 31, 2016	
	Number of shares	Amount	Number of shares	Amount
Privately held investments:				
Leonardo Worldwide Corporation				
Common shares	15,075,359	\$ 1	15,075,359	\$ 1
Class A preferred shares	2,436,685	1	2,436,685	1
		\$ 2		\$ 2

As at September 30, 2017, the Company owns an equity interest of 12.6% (December 31, 2016 - 12.6%) in Leonardo Worldwide Corporation ("Leonardo") representing approximately 12.0% (December 31, 2016 - 12.0%) on a fully-diluted basis, should all options and warrants be exercised.

The Company also owns Class A Preferred Shares representing approximately 2.6% of all outstanding Class A and Class B preference shares. Class A Preferred Shares Series 1 were entitled to a cumulative dividend of 8% per annum and are convertible into common shares at a conversion price of \$0.2811 per share.

Leonardo is a provider of interactive content solutions to the lodging and travel industry. Leonardo uses the latest technology, some proprietary, to produce, host, manage, distribute and track rich media advertising platform and distribution network on many different travel websites. Leonardo is a producer and distributor of online visual content for the hotel and travel industry. Investments in Leonardo are recorded at cost, there being no active market in its privately-held shares and there being no reliable estimate/measurement of fair value. Management of the Company reviewed the indicators of impairment and concluded that there was objective evidence of impairment on the Leonardo common shares as at December 31, 2015 and recorded an impairment loss of \$1,037,666 in the statement of comprehensive loss for the year ended December 31, 2015.

Management intends to maintain the investment in the long-term to receive benefits from the operational activities of the investee company unless there is a liquidity event that generates significant value to shareholders.

7. PROPERTY AND EQUIPMENT

	Equipment	Office equipment	Total
Cost			
Balance at December 31, 2014	\$ 7,581	\$ 5,790	\$ 13,371
Additions	-	1,740	1,740
Balance at December 31, 2015	\$ 7,581	\$ 7,530	\$ 15,111
Additions	\$ -	\$ 840	\$ 840
Balance at December 31, 2016	\$ 7,581	\$ 8,370	\$ 15,951
Additions	\$ -	\$ 1,426	\$ 1,426
Balance at September 30, 2017	\$ 7,581	\$ 9,796	\$ 17,377
Accumulated Amortization			
Balance at December 31, 2014	\$ 7,581	\$ 4,521	\$ 12,102
Amortization for the period	-	1,559	1,559
Balance at December 31, 2015	\$ 7,581	\$ 6,080	\$ 13,661
Amortization for the period	-	2,140	2,140
Balance at December 31, 2016	\$ 7,581	\$ 8,220	\$ 15,801
Amortization for the period	-	507	507
Balance at September 30, 2017	\$ 7,581	\$ 8,727	\$ 16,308

AYLEN CAPITAL INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2015

7. PROPERTY AND EQUIPMENT (Cont'd)

	Office equipment	Total
Net Book Values		
As at December 31, 2014	\$ 1,269	\$ 1,269
As at December 31, 2015	\$ 1,450	\$ 1,450
As at December 31, 2016	\$ 150	\$ 150
As at September 30, 2017	\$ 1,069	\$ 1,069

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2017	December 31, 2016
Trade payables	\$ 22,221	\$ 37,739
Accrued expenses	47,213	52,299
Credit cards	7,636	11,640
	\$ 77,070	\$ 101,678

Accounts payable and accrued liabilities are current obligations expected to be settled in the normal course of operations. There are no accounts payable past due.

9. SHARE CAPITAL

(a) Authorized:

An unlimited number of common shares, an unlimited number of Class A common shares and unlimited number of preferred shares issuable in series.

(b) Total outstanding shares:

Issued:

16,856,632 Common shares

(c) Stock options

The Company has an incentive stock option plan for the officers and directors enabling them to purchase common shares. Each option granted under the plan is for a maximum term of 10 years. The exercise price is determined by the Company's board of directors at the time the option is granted, subject to regulatory approval, and may not be less than the most recent closing price of the common shares at the date of grant. Vesting provisions are also determined at the time of grant by the Company's board of directors.

The Company used a zero forfeiture rate in valuing the stock options as all stock options were vested immediately on the date of the grant.

The stock options activity is as follows:

	September 30, 2017		December 31, 2016	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of the period	150,000	\$ 0.02	1,285,663	\$ 0.05
Granted	1,185,663	0.01	100,000	0.02
Cancelled during the period	-	-	(1,185,663)	0.05
Expired during the period	-	-	(50,000)	0.10
Outstanding, end of the period	1,335,663	\$ 0.01	150,000	\$ 0.02

AYLEN CAPITAL INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2015

9. SHARE CAPITAL (Cont'd)

On January 16, 2017, the Company granted 1,185,663 options which vested immediately at an exercise price of \$0.01 per share and with a term of 5 years from the date of grant.

The following table summarizes the stock options outstanding as at September 30, 2017:

Number of options outstanding	Exercise price	Expiry date	Number of options exercisable
50,000	\$ 0.05	November 26, 2017	50,000
100,000	\$ 0.02	November 25, 2021	100,000
1,185,663	\$ 0.01	January 16, 2022	1,185,663
1,335,663			1,335,663

10. RELATED PARTY TRANSACTIONS

The following related party transactions occurred and were reflected in the financial statements during the periods ended September 30, 2017 and 2016 as follows:

	Three Months September 30,		Nine Months September 30,	
	2017	2016	2017	2016
Legal fees paid to a firm of which the CEO is counsel	\$ 44	\$ 1,858	\$ 1,491	\$ 1,858

REMUNERATION OF KEY PERSONNEL

	Three Months September 30,		Nine Months September 30,	
	2017	2016	2017	2016
Salaries	\$ 60,000	\$ 63,881	\$ 182,146	\$ 183,881
Directors' fees	5,625	7,500	16,875	16,875
Consulting fees	7,900	12,900	33,700	38,700
Total	\$ 73,525	\$ 84,281	\$ 232,721	\$ 239,456

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiary including the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors and the Chief Executive Officer.

Included in accounts payable and accrued liabilities are directors' fees of \$22,340 and consulting fees of \$Nil (December 31, 2016 - \$7,500 and \$2,825) and legal fees of \$471 (December 31, 2016 - \$2,337) due to a firm of which the CEO is counsel.

AYLEN CAPITAL INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2015

11. MANAGEMENT OF CAPITAL

The Company's objective is to develop a strong capital base to sustain future development and growth of the business. The Company manages its capital by maintaining a flexible capital structure which optimizes the cost of capital at an acceptable level of risk and makes adjustments on it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Company's capital base is currently represented by shareholders' equity. The Board of Directors reviews the Company's business plans as part of its strategic initiatives in conjunction with its financial forecast. The Board of Directors does not establish a quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's significant financial instruments comprise of cash and cash equivalents, marketable securities, accounts receivables, investments in shares of private and public companies, notes payable and accounts payable and accrued liabilities.

Measurement and Fair Value

The fair value of the Company's accounts receivable and accounts payable/accrued liabilities approximate their respective carrying value as at the statement of financial position date because of the short term maturity of these instruments. The Company currently does not use hedges or other derivative financial instruments in its operations.

Financial instruments recorded at fair value on the balance sheet date are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1- valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 - valuation techniques based on inputs for the asset or liability that are not based on observable market data.

The fair value of cash and cash equivalents, marketable securities and investments in publicly traded entities are measured based on Level 1 inputs referred to in the three levels of the hierarchy noted above. There were no Level 2 financial instruments.

Risk management

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

AYLEN CAPITAL INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2015

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

The Company has exposure to the following risks from its use of financial instruments:

(a) Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is exposed to market risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

The Company's investments in marketable securities FVTPL are valued at fair value as determined by price quotations by the stock exchanges on which these investments are listed. The Company's investments in non-publicly-traded investments available-for-sale are measured at cost and are written down when there is an objective evidence of impairment. During periods of significant broader market volatility or volatility experienced by the commodity markets, the value of the Company's investment portfolio can be quite vulnerable to market fluctuations.

(b) Interest risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any floating interest rate instruments and therefore it is not exposed to interest rate fluctuations.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and accounts receivable. The carrying amount of financial assets represents the maximum credit exposure to the Company.

The Company has established credit approval and monitoring practices to mitigate this risk, including reviewing the creditworthiness of new customers to establish credit limits, monitoring customers' payments and, where considered appropriate, reviewing the financial condition of the existing customers. The Company has no experience of significant write-offs of accounts receivable.

The following table outlines the details of aging of the Company's receivables:

	September 30, 2017	December 31, 2016
Current	\$ 4,650	\$ 27,571
Past due:		
31-60 days	-	-
Greater than 60 days	-	-
Total receivable, net	<u>\$ 4,650</u>	<u>\$ 27,571</u>

Accounts receivable are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer will default. Majority of the accounts were subsequently collected after year end. The management believed that allowance for doubtful account is not necessary. As the amounts involved are not significant, this credit risk is considered small.

(d) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company's activities are financed through a combination of the cash flows from operations and proceeds from the disposition of its short-term investments. The Company manages liquidity risks by monitoring the actual and forecasted cash flows taking into account the current and planned operations. All of the Company's accounts payable are due within the next year.

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12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

(e) Foreign exchange risk

Foreign currency exchange risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate as a result of changes in foreign exchange rates. The Company's operations are exposed to foreign exchange fluctuations in that the majority of sales by the Grapevine division are denominated in US currency, while the majority of costs are denominated in Canadian currency. The Company believes it is not significantly exposed to foreign exchange rate risk; the risk is considered to be acceptable as a normal risk of that class of business.

13. COMMITMENTS

The Company has contracted with 2232021 Ontario Inc. to provide operations and sales management services to the Grapevine division for an annual base fee of \$103,600, plus applicable taxes, and additional sales based incentives.

14. SEGMENTED INFORMATION

For management purposes, the Company is organized into one business segment as web-based survey and data collection, which primarily operates in one geographical location, North America. Management assesses performance and makes decisions based on the results of operations of this business segment.