

**Corporate Catalyst Acquisition Inc.**  
(A Capital Pool Company)

**Financial Statements**

**For the Years Ended December 31, 2014 and  
2013**

**(Expressed in Canadian dollars)**

## INDEPENDENT AUDITORS' REPORT

### To the Shareholders of Corporate Catalyst Acquisition Inc. (A Capital Pool Company)

We have audited the accompanying financial statements of Corporate Catalyst Acquisition Inc. which comprise the statements of financial position as at December 31, 2014 and December 31, 2013 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years ended December 31, 2014 and December 31, 2013 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 audits. We conducted our audits in accordance with Canadian generally accepted 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 in our audits 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 Corporate Catalyst Acquisition Inc. as at December 31, 2014 and December 31, 2013, and its financial performance and its cash flows for the years ended December 31, 2014 and December 31, 2013 in accordance with International Financial Reporting Standards.

*Collins Barrow Toronto LLP*

Licensed Public Accountants  
Chartered Accountants  
March 20, 2015  
Toronto, Ontario



**Corporate Catalyst Acquisition Inc.**  
**(A Capital Pool Company)**  
**Statements of Loss and Comprehensive Loss**  
**For the years ended December 31, 2014 and December 31, 2013**  
**(Expressed in Canadian dollars)**

	2014	2013
<b>Revenue</b>		
Interest revenue	\$ 7,720	\$ 7,719
<b>Expenses</b>		
Professional fees	37,999	46,550
Filing fees	7,173	18,113
General and administrative	154	301
Expenses relating to the identification of a Qualifying Transaction	272,586	-
	<b>317,912</b>	<b>64,964</b>
<b>Net loss and comprehensive loss</b>	<b>\$ (310,192)</b>	<b>\$ (57,245)</b>

**Loss per share (Note 9)**

Basic and diluted	\$ (0.15)	\$ (0.03)
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**Weighted average number of common shares outstanding (Note 9)**

Basic and diluted	2,080,516	2,074,400
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**Corporate Catalyst Acquisition Inc.**  
**(A Capital Pool Company)**  
**Statements of Changes in Equity**  
**For the years ended December 31, 2014 and December 31, 2013**  
**(Expressed in Canadian dollars)**

	<b>Number of Common Shares</b>	<b>Capital Stock</b>	<b>Warrants</b>	<b>Contributed Surplus</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance, December 31, 2012</b>	<b>7,084,400</b>	<b>\$ 774,548</b>	<b>\$ 21,924</b>	<b>\$ 126,939</b>	<b>\$ (158,133)</b>	<b>\$ 765,278</b>
Net loss and comprehensive loss for the period	-	-	-	-	(57,245)	(57,245)
<b>Balance, December 31, 2013</b>	<b>7,084,400</b>	<b>\$ 774,548</b>	<b>\$ 21,924</b>	<b>\$ 126,939</b>	<b>\$ (215,378)</b>	<b>\$ 708,033</b>
Net loss and comprehensive loss for the year	-	-	-	-	(310,192)	(310,192)
Warrants exercised (Note 5)	186,040	37,208	-	-	-	37,208
Fair value of warrants exercised (Note 5)	-	19,568	(19,568)	-	-	-
Warrants expired (Note 5)	-	-	(2,356)	2,356	-	-
<b>Balance, December 31, 2014</b>	<b>7,270,440</b>	<b>\$ 831,324</b>	<b>\$ -</b>	<b>\$ 129,295</b>	<b>\$ (525,570)</b>	<b>\$ 435,049</b>

**Corporate Catalyst Acquisition Inc.**  
**(A Capital Pool Company)**  
**Statements of Cash Flows**  
**For the years ended December 31, 2014 and December 31, 2013**  
**(Expressed in Canadian dollars)**

	2014	2013
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net loss	\$ (310,192)	\$ (57,245)
Items not affecting cash:		
Non-cash professional fees	6,500	6,500
Interest income	(1,031)	-
Accrued interest revenue	(6,689)	(7,719)
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	246,974	(40,606)
<b>Net used in operating activities</b>	<b>(64,438)</b>	<b>(99,070)</b>
<b>Investing</b>		
Interest income	8,750	-
<b>Financing activities</b>		
Proceeds from issuance of capital stock	37,208	-
<b>Net change in cash and cash equivalents</b>	<b>(18,480)</b>	<b>(99,070)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>706,814</b>	<b>805,884</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 688,334</b>	<b>\$ 706,814</b>

Cash and cash equivalents are broken downs as follows:

Cash	\$ 79,584	\$ 6,814
Guaranteed investment certificate	608,750	700,000
	<b>\$ 688,334</b>	<b>\$ 706,814</b>

## **1. NATURE OF OPERATIONS**

Corporate Catalyst Acquisition Inc. (the "Company") was incorporated under the *Business Corporations Act* (Ontario) on March 19, 2012 and is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 ("CPC Policy") of the TSX Venture Exchange Inc. (the "Exchange"). The Company has no significant assets other than cash and cash equivalents and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction, as defined in the CPC Policy.

There is no assurance that the Company will identify a Qualifying Transaction within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Company's shares from trading. The Company has 24 months to complete its Qualifying Transaction once it is listed on the Exchange. The Company's common shares commenced trading on the Exchange on December 28, 2012, under the trading symbol "CII.P".

On January 5, 2015, the common shares of the Company were suspended from trading on the Exchange for failure to complete a Qualifying Transaction within 24 months from the date of its listing on the Exchange pursuant to the CPC Policy. The Exchange has given the Company until March 30, 2015 (90 days) to complete a Qualifying Transaction or receive the necessary shareholder approvals to transfer to the NEX trading board of the Exchange. On December 16, 2014, the Company received shareholder approval to (i) cancel one-half of its 4,900,000 seed shares purchased by Non-Arm's Length Parties (as such term is defined by the Exchange), and (ii) apply to transfer the listing of the Company's common shares from the Exchange to the NEX trading board of the Exchange if the Company is unable to complete a Qualifying Transaction in the time period allowed by the Exchange.

The head office, principal address and records office of the Company are located at 181 Bay Street, Suite 4400, Toronto, Ontario, M5J 2T3.

The financial statements were approved and authorized for issue by the Board of Directors on March 20, 2015.

## **2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

### **Statement of Compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee.

### **Basis of Preparation**

The financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

The financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Significant Accounting Judgments, Estimates and Assumptions**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Significant assumptions that management has made that would result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, inputs used in the valuation of warrants and options and recognition of deferred income tax assets and liabilities.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash in the bank and short-term deposits with a maturity of less than three months.

**Financial Instruments**

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instrument: held to maturity, loans and receivables, FVTPL, available for sale, FVTPL liabilities or other liabilities.

FVTPL assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net income (loss) during the period.

Held to maturity assets, loans and receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.



## 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### Financial Instruments (Cont'd)

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost.

The Company has classified its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash and cash equivalents	FVTPL
Interest receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities

The Company's financial instruments measured at fair value on the statement of financial position consist of cash and cash equivalents. Cash and cash equivalents is measured at level 1 of the fair value hierarchy. There are three levels of the fair value hierarchy as follows:

- Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

### Impairment

#### (a) Non financial assets

The carrying amounts of the Company's non financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit").

An impairment loss is recognized if the carrying amount of a cash generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income (loss).

**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Financial Instruments (Cont'd)**

Impairment (cont'd)

(a) Non financial assets (cont'd)

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

(b) Financial assets

A financial asset not carried at FVTPL is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

**Interest Revenue**

Interest revenue is recorded as earned.

**Comprehensive Income (Loss)**

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit (loss) such as unrealized gains or losses on available-for-sale investments and gains or losses on certain derivative instruments. To date there has not been any comprehensive income (loss) other than the net loss.

**Share-based Payments**

The Company accounts for stock options using the fair value method. Under this method, compensation expense for stock options granted to employees is measured at fair value at the grant date using the Black Scholes option pricing model and recognized over the vesting period of the options granted.

**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Share-based Payments (cont'd)**

Compensation expense for stock options granted to non employees is measured at the fair of the goods or services received. However, if the fair value cannot be estimated reliably, the share based payment transaction is measured at the fair value of the stock options granted at the date the Company received the goods or the services using the Black Scholes option pricing model.

**Loss Per Share**

The Company presents basic and diluted loss per share data 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 is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options and warrants outstanding that may add to the total number of common shares.

Outstanding ordinary shares that are contingently returnable (including escrowed shares) are not treated as outstanding and are excluded from the calculation of basic earnings per share until the date the shares are no longer subject to recall.

**Share Issuance Costs**

Professional fees, consulting fees and other costs that are directly attributable to financing transactions are charged to share capital when the related shares are issued.

**Deferred Taxes**

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income (loss) in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

## **2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Changes in Accounting Standards**

On January 1, 2014, the Company adopted the following new standards, amendments to standards and interpretations which are effective for periods beginning on or after January 1, 2014:

- IAS 32 - Financial Instruments: Presentation
- IAS 36 - Impairment of Assets

The adoption of these accounting standards had no impact on the consolidated financial statements previously filed by the Company. As a result no reconciliations are provided for the adoption of these new standards.

## **3. FUTURE CHANGES IN ACCOUNTING POLICIES**

The following standard has been issued but are not yet effective:

- a) IFRS 9, "Financial Instruments" (IFRS 9) was issued by the IASB in October 2010 and will replace IAS 39, "Financial Instruments: Recognition and Measurement". 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. Requirements relating to Hedge Accounting, representing a new hedge accounting model, have been added to IFRS 9 in November 2013. The new model represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is available for application, however, previous mandatory effective date of January 1, 2015 has been removed as the IASB decided that this date would not allow sufficient time for entities to apply the new standard because the impairment phase of the IFRS 9 has not yet been completed. The IASB will decide upon a new date when the entire IFRS 9 project is closer to completion. The effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018.

The Company is currently evaluating the impact of the above standard on its financial performance and financial statement disclosures but expects that such impact will not be material.

**Corporate Catalyst Acquisition Inc.**  
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**4. CASH RESTRICTION**

Pursuant to the policies of the Exchange, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange. As of December 31, 2014, the Company has not exceeded this limit.

**5. CAPITAL STOCK, WARRANTS AND STOCK OPTIONS**

**Capital Stock**

Authorized: an unlimited number of common shares

Issued and outstanding:

	Number of shares	Value
<b>Balance at March 19, 2012</b>	-	\$ -
Issued for cash (a)	5,000,000	500,000
Issued for cash, net of issuance costs (b)	2,084,400	274,548
<b>Balance at December 31, 2013 and 2012</b>	<b>7,084,400</b>	<b>774,548</b>
Warrants exercised	-	37,208
Fair value of warrants exercised	-	19,568
<b>Balance at December 31, 2014</b>	<b>7,084,400</b>	<b>\$ 831,324</b>

(a) Escrowed Shares:

On April 3, 2012, the Company issued 4,600,000 common shares at \$0.10 per share for gross proceeds of \$460,000, which are subject to a CPC Escrow Agreement. Subsequently, on October 10, 2012, the Company issued an additional 400,000 common shares at \$0.10 per share for gross proceeds of \$40,000, which are subject to the same CPC Escrow Agreement. Under the CPC Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. All common shares acquired on the exercise of stock options granted to directors, officers and non-employees prior to the completion of a Qualifying Transaction must also be deposited in escrow until the Final Exchange Bulletin is issued. In addition, all common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by any person or company who becomes a control person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Company held by principals of the resulting issuer will also be escrowed.

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**5. CAPITAL STOCK, WARRANTS AND STOCK OPTIONS (Cont'd)**

(b) Initial Public Offering:

On December 28, 2012, the Company completed its initial public offering (the "Offering") of 2,084,400 common shares at a price of \$0.20 per common share for gross proceeds of \$416,880.

The Company granted the agent 208,440 warrants to acquire common shares at an exercise price of \$0.20 per common share. The warrants expire 24 months from the date the common shares are listed on the Exchange. The agent also received a cash commission equal to 10% of the gross proceeds of the Offering.

Regarding the 2,084,400 common shares issued pursuant to the Offering, 10,000 of these shares were acquired by an associate of a director, as a result these shares are being held in escrow.

The weighted average shares outstanding does not include shares held in escrow as they are contingently returnable.

**Warrants**

The Company issued warrants to acquire common shares as follows:

	Number of warrants	Value
<b>Balance at March 19, 2012</b>	-	\$ -
Warrants issued	208,440	21,924
<b>Balance at December 31, 2013 and 2012</b>	208,440	21,924
Warrants exercised	(186,040)	(19,568)
Warrants expired	(22,400)	(2,356)
<b>Balance at December 31, 2014</b>	-	\$ -

The warrants granted (Note 5 (b)) were estimated to have a fair value of \$21,924. In the absence of a reliable measurement of the agent services provided, the services have been measured at the fair value of the agent warrants issued.

The fair value of the agent warrants was estimated using the Black-Scholes option pricing model using the following assumptions:

Stock price	\$0.20
Strike price	\$0.20
Volatility*	100.0%
Risk-free interest rate	1.13%
Expected life (years)	2
Dividend yield	Nil

\*As historical volatility of the Company's common shares is not available, expected volatility is based on the historical performance of the common shares of other comparable companies.

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**5. CAPITAL STOCK, WARRANTS AND STOCK OPTIONS (Cont'd)**

**Warrants (cont'd)**

The fair value of the warrants exercised during the year was transferred from warrants and credited to share capital. The fair value of the warrants that expired during the year was transferred from warrants and credited to contributed surplus.

**Stock Options**

The Company has an incentive stock option plan (the "Plan") under which it is authorized to grant options to officers, directors, employees and consultants. Under the terms of the Plan, the number of shares subject to an option granted to any one participant shall be determined by the Board, but no one participant shall be granted an option which exceeds the maximum number permitted by the Exchange. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued and outstanding common shares of the Company. Options granted under the Plan will have a term not to exceed 10 years, have an exercise price not less than the discounted market price and may be subject to vesting terms as determined by the Board of Directors.

The Company issued stock options to acquire common shares as follows:

	<b>Number of options</b>	<b>Value</b>
<b>Balance at March 19, 2012</b>	-	\$ -
Options granted	708,440	126,939
<b>Balance at December 31, 2014, 2013 and 2012</b>	<b>708,440</b>	<b>\$ 126,939</b>

The Company had the following stock options outstanding at December 31, 2014:

<b>Issuance Date</b>	<b>Exercise Price</b>	<b>Outstanding Options</b>	<b>Vested Options</b>	<b>Remaining Life (years)</b>	<b>Expiry Date</b>
December 28, 2012	\$ 0.20	708,440	708,440	8.00	December 28, 2022

On December 28, 2012, the Company granted stock options to acquire an aggregate of 708,440 common shares at an exercise price of \$0.20 per option to directors and officers of the Company, which expire 10 years from the date of grant. These stock options vested upon grant and were estimated to have a fair value of \$126,939.

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**5. CAPITAL STOCK, WARRANTS AND STOCK OPTIONS (Cont'd)**

**Stock Options (Cont'd)**

The fair value of all the Company's stock options was estimated using the Black-Scholes option pricing model using the following assumptions:

Stock price	\$0.20
Strike price	\$0.20
Volatility*	100.0%
Risk-free interest rate	1.77%
Expected life (years)	10
Dividend yield	Nil
Forfeiture rate	Nil

\*As historical volatility of the Company's common shares is not available, expected volatility is based on the historical performance of the common shares of other comparable companies.

**6. INCOME TAX**

**Provision for Income Taxes**

The Company's effective income tax rate differs from the amount that would be computed by applying the combined federal and provincial statutory rate of 26.5% (2013 - 26.5%) to the net loss for the period. The reason for the difference is as follows:

	2014	2013
Loss before income taxes	\$ (310,192)	\$ (57,245)
Statutory rate	26.5 %	26.5 %
Expected income tax recovery	(82,200)	(15,171)
Change in deferred tax assets not recognized	82,200	15,171
	\$ -	\$ -



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**6. INCOME TAX (Cont'd)**

**Deferred Income Taxes**

The components of the Company's deferred income tax assets are a result of the origination and reversal of temporary differences and are comprised of the following:

	2014	2013
Non-capital loss carryforwards	\$ 124,782	\$ 36,200
Share issuance costs	12,763	19,145
	<b>137,545</b>	55,345
Less: Deferred tax assets not recognized	<b>(137,545)</b>	(55,345)
	<b>\$ -</b>	<b>\$ -</b>

**Losses Carried Forward**

The Company has available for deduction against future taxable income non-capital losses of \$136,603 expiring as follows:

2032	\$ 55,276
2033	81,327
2033	334,273
	<b>\$ 136,603</b>

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable income will be available against which the Company can utilize these benefits.

**7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments, consisting of cash and cash equivalents, interest receivable and accounts payable and accrued liabilities, approximate fair values due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

As at December 31, 2014, the Company has accounts payable and accrued liabilities of \$259,974 (2013 - \$6,500) due within 12 months and has cash and cash equivalents of \$688,334 (2013 - \$706,814) to meet its current obligations. As a result, the Company has minimal liquidity risk.

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**8. CAPITAL MANAGEMENT**

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares, warrants, contributed surplus and deficit, in the definition of capital. At December 31, 2014, the Company has total equity of \$435,049 (2013 - \$708,033).

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company is not subject to externally imposed capital requirements other than the cash restriction disclosed in Note 4.

**9. LOSS PER SHARE**

	<b>2014</b>	<b>2013</b>
Numerator:		
Net loss and comprehensive loss for the period	<b>\$ (310,192)</b>	\$ (57,245)
Denominator:		
Weighted average number of common shares	<b>2,080,516</b>	2,074,400
Basic and diluted loss per share	<b>\$ (0.15)</b>	\$ (0.03)

The diluted loss per share does not include the effect of the stock options and warrants outstanding as they are anti-dilutive.

**10. SUBSEQUENT EVENTS**

On January 2, 2015, the Company entered into a letter agreement dated December 31, 2014, as amended (the "Letter Agreement"), with Inspiring Experiences Ltd. ("IEL"), a private company incorporated under the laws of the Province of Ontario. The Letter Agreement outlines the principal terms and conditions pursuant to which the Company and IEL intend to complete a transaction that will result in a reverse takeover of the Company by shareholders of IEL. The transaction will constitute the Company's Qualifying Transaction under the CPC Policy.

Pursuant to the terms of the Letter Agreement, the Company intends to acquire all of the issued and outstanding securities of IEL by way of a business combination. In consideration, the securityholders of IEL will receive an aggregate of 117,522,702 common shares in the capital of the Company, and all options and warrants of IEL issued and outstanding on the effective date of the Qualifying Transaction (the "Effective Date") will be exchanged for options and warrants, respectively, of the Company on a one-for-one basis.

**10. SUBSEQUENT EVENTS (Cont'd)**

Closing of the Qualifying Transaction is subject to completion and execution of all definitive transaction documents (including accuracy of representations and warranties, compliance of covenants and satisfaction of customary conditions) and receipt of all requisite approvals and consents for the Qualifying Transaction including (i) approval by the Exchange of the Qualifying Transaction and the proposed new insiders of the Company, (ii) approval by the board of directors of each of IEL and the Company, and (iii) approval by the shareholders of IEL.

In connection with the proposed Qualifying Transaction, IEL has agreed with Canaccord Genuity Corp. for Canaccord Genuity Corp. to act as the lead agent in a private placement, subject to the satisfaction of customary conditions including the entering into of an agency agreement (the "Private Placement"). It is anticipated the Private Placement will be completed prior to or concurrently with the Qualifying Transaction and the shareholders of IEL pursuant to the Private Placement will receive common shares of the Company in accordance with the terms of the Qualifying Transaction. IEL intends to use the net proceeds raised from the Private Placement primarily for the retention of new employees to give effect to its business plan.

Prior to completion of the Qualifying Transaction, it is anticipated that IEL shall have completed a loan of not less than \$3 million which will be, directly or indirectly, convertible into or exchangeable for common shares of the Company on the Effective Date on the basis of \$0.12 of principal per share (the "Bridge Loan"). Paul Kelly, the CEO and CFO and a director of the Company, will be advancing a portion of the Bridge Loan.