ORCA TOUCHSCREEN TECHNOLOGIES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

ORCA TOUCHSCREEN TECHNOLOGIES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

		June 30, 2015		December 31, 2014
ASSETS				
Current				
Cash	$	132,623	$	26,106
Accounts receivable		6,404		-
Prepaid expenses (Note 9)		646,118		60,179
		785,145		86,285
Non-current portion of prepaid expenses (Note 9)		95,000		-
Investment (Note 5)		112,080		112,080
Intangible assets (Note 4)		50,000		50,000
	$	1,042,225	$	248,365
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	65,382	$	61,853
Due to related parties (Note 8)		2,000		8,000
Short - term loan (Note 7)		-		110,929
		67,382		180,782
Shareholders' equity				
Share capital (Note 6)		1,284,443		368,500
Share subscription (Note 12)		914,664		-
Reserve (Note 6)		465,069		185,479
Deficit		(1,689,333)		(486,396)
		974,843		67,583
	$	1,042,225	$	248,365

Nature of operations and going concern (Note 1)
Subsequent events (Note12)

Approved and authorized by the Board:

/s/ "Seong-Mo Jeong" Director
Seong-Mo Jeong

/s/ "Jong Hyub Choi" Director
Jong Hyub Choi

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

ORCA TOUCHSCREEN TECHNOLOGIES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended June 30, 2015	Three months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
EXPENSES				
Audit and accounting fees	$ 8,170	$ 4,306	$ 24,126	$ 4,306
Business development (Note 9)	255,000	-	425,000	-
Consulting fees (Notes 8 and 9)	440,985	10,250	452,985	11,750
Filing and regulatory	15,823	544	25,499	20,140
General and administrative	33,775	4,003	63,322	4,959
Interest expense (recovery)(Note 7)	-	-	(874)	-
Legal fees	56,275	29,916	116,072	42,270
Management fees (Note 8)	31,500	7,878	43,000	11,128
Royalty payments (Note 4)	-	-	12,000	-
Share-based payment (Notes 6)	(12,462)	-	18,104	-
Travel	16,708	-	23,703	-
Loss and comprehensive loss for the period	$ (845,774)	$ (56,897)	$ (1,202,937)	$ (94,553)
Basic and diluted loss per common share	$ (0.02)	$ (0.01)	$ (0.03)	$ (0.02)
Weighted average number of common shares outstanding	$ 42,505,631	$ 8,554,444	$ 41,340,968	$ 5,448,667

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

ORCA TOUCHSCREEN TECHNOLOGIES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

	Six months ended June 30, 2015	Six months ended June 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (1,202,937)	$ (94,553)
Items not affecting cash:		
Share based payments	18,104	-
Changes in non-cash working capital items:		
Accounts receivable	(6,404)	(2,628)
Prepaid expenses	(680,939)	2,625
Accounts payable and accrued liabilities	3,529	8,928
Due to related parties	(6,000)	-
	(1,874,647)	(35,681)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements, net of share issue costs	1,177,429	200,000
Loan payable	(110,929)	-
Share subscription	914,664	42,000
	1,981,164	242,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Intangible assets	-	(50,000)
Investment in joint venture	-	109,720
	-	59,720
Change in cash during the period	106,517	216,092
Cash, beginning of period	26,106	1
Cash, end of period	$ 132,623	$ 216,093

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

ORCA TOUCHSCREEN TECHNOLOGIES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
Six months ended June 30, 2015 and 2014
(Unaudited)

	Share capital		Reserve			
	Number	Amount	Share-Based Payments	Share Subscription	Deficit	Total
Balance, January 1, 2014	9,200,000	$ 11,500	$ -	$ 8,000	$ (11,999)	$ 7,501
Issuance of common shares (Note 6)	22,800,000	114,000	-	(8,000)	-	106,000
Issuance of common shares (Note 6)	40,000	1,000	-	-	-	1,000
Issuance of common shares (Note 6)	2,000,000	50,000	-	-	-	50,000
Shares returned to treasury (Note 6)	(1,600,000)	(8,000)	-	-	-	(8,000)
Issuance of common shares (Note 6)	8,000,000	200,000	-	-	-	200,000
Loss and comprehensive loss for the period	-	-	-	-	(94,553)	(94,553)
Balance, June 30, 2014	40,440,000	$ 368,500	$ -	$ -	$ (106,552)	$ 261,948

	Share capital		Reserve			
	Number	Amount	Share-Based Payments	Share Subscription	Deficit	Total
Balance, January 1, 2015	40,440,000	$ 368,500	$ 185,479	$ -	$ (486,396)	$ 67,583
Issuance of common shares (Note 6)	1,037,382	518,691	-	-	-	518,691
Issuance of common shares and share purchase warrants (Note 6)	1,871,413	561,936	261,486	-	-	823,422
Share issue costs (Note 6)	-	(164,684)	-	-	-	(164,684)
Share subscription (Note 12)	-	-	-	914,664	-	914,664
Share-based payments expense (Note 6)	-	-	18,104	-	-	18,104
Loss and comprehensive loss for the period	-	-	-	-	(1,202,937)	(1,202,937)
Balance, June 30, 2015	43,348,795	$ 1,284,443	$ 465,069	$ 914,664	$ (1,689,333)	$ 974,843

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

1. NATURE OF OPERATIONS

Orca Touchscreen Technologies Ltd. (the “Company” or “Orca Touchscreen”) was incorporated on December 31, 2013 under the *Business Corporation Act* of British Columbia. The head office of the Company is 1500 – 701 West Georgia Street, Vancouver, British Columbia, V7Y 1C6.

The Company has one wholly-owned subsidiary, Orca Mobile Solutions Ltd. (“Orca Mobile”), which was incorporated on December 17, 2013 under the *Business Corporations Act* of British Columbia.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At June 30, 2015, the Company has not achieved profitable operations and has accumulated losses of $1,689,333 since inception and expects to incur further losses in the development of its business, all of which cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent on its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 24, 2015.

Basis of Consolidation and Presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis in Canadian dollars, which is the Company’s functional currency. Functional currency is the currency of the primary economic environment in which an entity operates.

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its wholly controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The condensed consolidated interim financial statements include the accounts of the Company and its direct wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

Certain comparative information has been reclassified to conform to the financial statement presentation adopted for the current year.

Basis of Measurement

The condensed consolidated interim financial statements have been prepared on an accrual basis and are based on historical costs.

The condensed consolidated interim financial statements are presented in Canadian dollars which is also the Company’s functional currency.

Use of Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements are the classification of financial instruments and the going concern assumption.

3. PLAN OF ARRANGEMENT

On January 6, 2014, the Company entered into an arrangement agreement which included a statutory plan of arrangement (the "Arrangement") with Gorilla Minerals Corp. ("Gorilla") and Orca Mobile . Gorilla was a reporting issuer in the provinces of Alberta and British Columbia.

Pursuant to the Arrangement, the following principal steps were completed on March 6, 2014:

a) the Company acquired all the issued and outstanding shares of Orca Mobile from all shareholders of Orca Mobile through a 1-for-1 share exchange;

b) Orca Mobile acquired all issued and outstanding shares of the Company from Gorilla for consideration of $10,000 (the "Purchase Shares");

c) Gorilla issued 4 common shares to the Company and, in turn, the Company issued 4,000 common shares to Gorilla (collectively, the "Exchange Shares"); and

d) the Purchase Shares and the Exchange Shares were then cancelled.

Following closing of the Arrangement, the Company became a reporting issuer in Alberta and British Columbia.

As a result of the Arrangement, the former shareholders of Orca Mobile, for accounting purposes, are considered to have acquired control of the Company. Accordingly, the Arrangement has been accounted for as a reverse takeover that was not a business combination and effectively a capital transaction of the Company. As Orca Mobile is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on December 17, 2013 are included in the consolidated condensed consolidated interim financial statements at their historical carrying value. The condensed consolidated interim condensed consolidated interim financial statements are a continuation of Orca Mobile in accordance with IFRS 3, Business Combinations. The Company's results of operations are included from March 6, 2014 onwards. At the time of the execution of the Arrangement, the Company had no net identifiable assets. Accordingly, no reverse acquisition transaction costs were recognized.

4. INTANGIBLE ASSETS

On May 12, 2014, the Company, through its wholly-owned subsidiary Orca Mobile, entered into an asset purchase agreement and a patent and technology license agreement, both with Sollensys Corporation ("Sollensys"), a company based in South Korea.

In accordance with these agreements, the Company acquired:

(a) Sollensys' apparatus for folding and laminating touch sensor panels to produce touchscreens and the related patent for $50,000 (paid);

(b) an exclusive 6-year worldwide license to use all of Sollensys' technology and patents for consideration of a royalty payable as to:

- 10% on gross revenues received from the patents; and
- 80% of the net revenues received by from the sale of Sollensys products sold by the Company.

Royalty payments are due on the last day of December each year during the term and are payable $4,000 per month on the first day of each month beginning July 1, 2014 as a guaranteed advance payment of the royalty.

During the period ended March 31, 2015, the Company incurred $12,000 (as at December 31, 2014 - $24,000) in royalty payments pursuant to the terms of the agreement and advanced another $26,708 towards future royalty payments.

Sollensys is a related party to the Company as its principal shareholder, senior officer and a director is GwanJe (Frank) Woo, CEO and President of the Company, and another of Sollensys' senior officers and directors is Seong-Mo (Kevin) Jeong, a director of the Company (Note 8).

5. LETTER OF INTENT

On September 30, 2014, the Company entered into a non-binding letter of intent with Sollensys and Mr. Carlos Fernando Rivers Sandoval, governing the proposed incorporation of a Guatemala joint venture company called Sollen-Mobile SA for the purpose of developing, manufacturing and marketing computer and telecommunications hardware and software. The initial paid-in capital of Sollen-Mobile is proposed to be US$300,000, of which the Company paid US$100,000 ($112,080 CAD) for its proposed one-third share of the investment. The Company is currently working towards a definitive agreement for the project.

6. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

On July 11, 2014, the Company completed a four-for-one forward stock split. The Company executed the forward split using the push-out method whereby the shareholders on record as of July 11, 2014 kept the share certificates they then held and were issued additional shares. All references herein to numbers of shares and per-share amounts have been retroactively restated unless stated otherwise.

i. On February 28, 2014, the Company issued 22,800,000 common shares at a price of $0.005 per common share for gross proceeds of $114,000.
ii. On March 3, 2014, the Company issued 40,000 common shares at a price of $0.025 per common share for gross proceeds of $1,000.
iii. On April 11, 2014, the Company issued 2,000,000 common shares at a price of 0.025 per common share for a total value of $50,000.
iv. On April 28, 2014, 1,600,000 common shares of the Company were cancelled and returned to treasury, and $8,000 refunded to the investor.
v. On June 10, 2014, the Company issued 8,000,000 common shares were issued for $0.025 per share for gross proceeds of $200,000;
vi. On January 23, 2015, the Company closed a private placement of 1,037,382 common shares at a price of $0.50 for gross proceeds of $518,691. The shares are subject to a hold period of 6 months and 1 day from the closing date.
vii. On May 11, 2015, the Company closed a private placement of 1,871,413 units at a price of $0.44 for gross proceeds of $823,422. Each unit is comprised of one common share and one-half warrant. The Company paid Pacific Asia Capital a finder's fee in the aggregate amount of $164,684 which was recorded as a share issuance cost. In connection with the private placement, the Company issued 1,873,413 shares. The shares are subject to a hold period of 6 months and 1 day from their date of issuance.

c) Escrow Agreement

Pursuant to a stock restriction agreement, the transfer of 2,225,500 common shares of the Company owned by GwanJe Woo, its President and CEO, was restricted. The restricted shares are releasable from such restrictions as at 10% on the CSE listing date (being June 13, 2014) and thereafter as at 1/6 proportions based on the release schedule outlined in the stock restriction agreement, with the final proportion being released on June 13, 2017. As at June 30, 2015, 1,335,300 common shares of the Company are subject to transfer restrictions.

(Expressed in Canadian Dollars)

d) Stock options

On July 15, 2014, the Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire, in the aggregate, up to 10% of the issued and outstanding common stock of the Company. The options can be granted for a maximum of five years and vest as determined by the Board of Directors. The exercise price of each option granted may not be less than the greater of the closing market prices of the common shares on (i) the trading day prior to the date of grant and (ii) the date of grant, pursuant to CSE Policy 6 *Distributions*.

On July 15, 2014, the Company granted 600,000 stock options at an exercise price of $0.80 expiring on July 15, 2016 to certain of its director and officers. These stock options vested at 25% every three months following the date of grant, with the first vesting on October 15, 2014. During the period ended June 30, 2015, the Company recorded $18,104 (2014 - $Nil) of share based payments expense on the vested stock options. The fair value of the options was determined using the Black Scholes option pricing model with the following assumptions:

	2015	**2014**
Risk-free interest rate	0.57-0.98%	1.10%
Annualized volatility	100%	100%
Expected dividend yield	Nil	Nil
Expected option life in years	1.04-1.29	1.54-1.75

Details of stock options activity for the six months ended June 30, 2015 is as follows:

	Number of options	**Weighted Average Exercise Price**
Balance outstanding, December 31, 2013	-	-
Granted	600,000	$0.80
Balance outstanding, December 31, 2014	600,000	$0.80
Cancelled	(600,000)	$0.80
Balance outstanding, June 30, 2015	-	-
Balance exercisable, June 30, 2015	-	-

On June 30, 2015, all of the foregoing stock options were cancelled and, as a result, there are no options outstanding.

e) Warrants

On May 11, 2015, the Company closed a private placement of 1,871,413 units at a price of $0.44 for gross proceeds of $823,422. Each unit is comprised of one common share and one-half warrant. Each whole warrant is exercisable to purchase one additional common share of the Company at an exercise price of $0.55 per share for a period of 5 years from issuance date of such warrants. In connection with the private placement, the Company issued 935,706 warrants. The warrants are subject to a hold period of 6 months and 1 day from their date of issuance.

The fair value of the warrants was determined using the Black Scholes option pricing model with the following assumptions:

	2015
Risk-free interest rate	0.79%
Annualized volatility	100%
Expected dividend yield	Nil
Expected warrant life in years	5.0

(Expressed in Canadian Dollars)

Details of warrants activity for the six months ended June 30, 2015 is as follows:

	Number of warrants	Weighted Average Exercise Price
Balance outstanding, December 31, 2014	-	-
Granted	935,706	$0.55
Balance outstanding, June 30, 2015	935,706	$0.55

The weighted average remaining life of outstanding warrants is 4.87 years.

7. SHORT-TERM LOANS

During 2014, a total of $92,000 USD ($106,729 CAD) in short-term loans were received by the Company from its directors and the person related to the officer of the Company to fund the proposed joint venture in Guatemala (Note 5).

During 2014, the Company received $40,000 USD from one of its directors and $10,000 USD from a person related to an officer of the Company. The loans bear interest at 25 percent per annum, are unsecured and are for a term of 2 months. As of December 31, 2014, interest of $2,911 USD ($3,377 CAD) was accrued.

In October 2014, the Company received $42,000 USD from a director of the Company. The loan bears interest of 8 percent per annum, is unsecured and payable on demand. As of December 31, 2014, interest of $709 USD ($822 CAD) was accrued.

During the six months ended June 30, 2015, all outstanding loans and accrued interest was repaid.

8. RELATED PARTY TRANSACTIONS

Related party transactions are comprised of services rendered by directors and/or officers of the Company and a company controlled by a former officer of the Company. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

1. Key management personnel are the Chief Executive Officer, Chief Financial Officer, and Directors of the Company. The remuneration of the key management personnel is as follows:

   - paid or accrued management and consulting fees of $43,000 (2014 - 11,128);
   - share based payments expense of $18,104 was recorded for options granted in 2014 to directors and officers of the Company which vested during the period.

   As at June 30, 2015 $2,000 (December 31, 2014 - $8,000) is due to an officer of the Company for unpaid management fees.

2. On May 12, 2014, the Company, through its wholly-owned subsidiary Orca Mobile, entered into an asset purchase agreement and a patent and technology license agreement, both with Sollensys Corporation (“Sollensys”), a company incorporated in South Korea. Sollensys is a related party to the Company as its principal shareholder, senior officer and a director is GwanJe (Frank) Woo, CEO and President of the Company, and another of Sollensys’ senior officers and directors is Seong-Mo (Kevin) Jeong, a director of the Company (Note 4).

3. During 2014, the Company paid Sollensys $50,000 for an apparatus for folding and laminating touch sensor panels to produce touchscreens and its related patent, and advanced Sollensys a total of $62,708 in royalty payments.

   During 2014, a total of $92,000 USD in short-term loans were received by the Company from certain of its directors and a person related to an officer of the Company to fund the proposed joint venture in Guatemala

(Notes 5 and 7). As of December 31, 2014, interest of $4,199 was accrued. During the six months ended June 30, 3015, $92,000 USD of short-term loans and applicable interest were repaid.

9. COMMITMENTS

On March 18, 2015, the Company entered into a service agreement with a private equity and venture capital firm based in Singapore (the "Firm") pursuant to which the Firm will provide business development services at a rate of CAD$85,000 per month for the first nine months starting February 2015 and CAD$5,000 per month for each month thereafter. The initial term of the agreement is three years, unless terminated by either party on thirty days' written notice. The Company has advanced CAD$900,000 to the Firm as payment for services.

On January 30, 2015, the Company entered into a consulting agreement with Primoris Group Inc., of Toronto, Ontario, by which Primoris will provide investor relations services at a rate of $6,000 per month. The initial term of the agreement is for 1 year, beginning January 16, 2015, and the term renews automatically on a month-to-month basis until terminated by either party on 30 days' written notice.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables, accounts payable and accrued liabilities and loans payable approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2015, the Company had a cash balance of $132,623 to settle current liabilities of $65,382.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipated it will need additional capital in the future to finance on-going developments of its technology, such capital to be derived from the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future development of its technology, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and the success of its technology. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents and short-term investments. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables consist mainly of GST receivable from the Government of Canada. The Company has been successful in recovering input tax credits and believes credit risk with respect to receivables to be insignificant.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash and restricted cash. The Company's current policy will be to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at June 30, 2015, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Foreign currency risk

The majority of the Company's planned business is conducted in South Korea in United States dollars. As such, the Company is exposed to foreign currency risk in fluctuations among the Canadian dollar and the US dollar. Fluctuations in the exchange rate among the Canadian dollar and the US dollar may have a material adverse effect on the Company's business and financial condition. Fluctuations do not have a significant impact on operating results.

c) Price risk

The markets for touchscreens are fragmented, highly competitive and rapidly changing. With the introduction of technological advances and new entrants into these markets at a rapid pace, we expect competition to intensify in the future, which could harm our ability to develop a customer base for the Products and begin generating revenue.

11. CAPITAL MANAGEMENT

The Company considers capital to be an element of shareholders' equity. The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the sale and distribution of its products. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

12. SUBSEQUENT EVENTS

On July 27, 2015, the Company closed a private placement of 1,557,716 units of the Company at a price $0.30 per unit for proceeds of $467,314. On July 28, 2015, the Company closed the second tranche of that non-brokered private placement in the amount of 897,594 at a price of $0.30 per unit for gross proceeds of $269,278. Each unit is comprised of one common share and one-half warrant. Each whole warrant will be exercisable into one common share of the Company at an exercise price of $0.40 for 5 years. The common shares and the warrants comprising the units shall be subject to a hold period of 6 months and 1 day. In connection with the private placement, the Company intends to pay compensation to finders of up to 20% of the units purchased by subscribers introduced by such finders.

On August 11, 2015, the Company announced a private placement of up to 33,333,333 units of the Company at a purchase price of $0.30 per unit for gross proceeds of up to $10,000,000. Each unit will be comprised of one common share and one-half warrant. Each whole warrant will be exercisable into one common share of the Company at an exercise price of $0.40 per share for a period of 5 years. The common shares and warrants comprising the units shall be subject to a hold period of 6 months and 1 day from their date of issuance. In connection with the private placement, the Company intends to pay finders a cash fee equal to up to 20% of the value of the units purchased by subscribers introduced by such finders.