

MOSHING CAPITAL INC.

FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

For the three month period ended November 30, 2014

Management's Responsibility for Financial Reporting

To the shareholders of Moshing Capital Inc.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Company's external auditors.

March 2, 2015

"Karnail Mangat"

Director

MOSHING CAPITAL INC.

Statement of Financial Position

As at November 30, 2014

(Expressed in Canadian dollars)

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash	\$ 26,434	\$ 12,494
Unsecured advances (Note 5)	<u>10,500</u>	<u>-</u>
	<u>36,934</u>	<u>12,494</u>
LIABILITIES		
Amounts payable	-	7,500
DEFICIT		
Capital stock (Note 6)	37,000	5,000
Deficit	<u>(66)</u>	<u>(6)</u>
	<u>36,934</u>	<u>4,994</u>
	<u>\$ 36,934</u>	<u>\$ 12,494</u>

They are signed on the Company's behalf by:

“Karnail Mangat”

Director

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

MOSHING CAPITAL INC.

Statement of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

	Three months ended November 30, 2014
EXPENSES	
Bank charges	\$ 60
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ 60
Basic and diluted (loss) per share	\$ 0.00
Weighted average number of shares outstanding - basic and diluted	2,600,002

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

MOSHING CAPITAL INC.

Statement of Cash Flows

(Expressed in Canadian dollars)

	Three months ended November 30, 2014
OPERATING ACTIVITY	
Net loss for the period	<u>\$ (60)</u>
Changes in non-cash working capital	
Amounts payable	(7,500)
Cash flow from (used) by operating activities	<u>(7,560)</u>
FINANCING ACTIVITY	
Proceeds from the issuance of common shares	<u>32,000</u>
Cash flow from financing activity	<u>32,000</u>
INVESTING ACTIVITY	
Unsecured advances	<u>(10,500)</u>
Cash flow from investing activity	<u>(10,500)</u>
INCREASE IN CASH FLOW	13,940
CASH - Beginning of period	<u>12,494</u>
CASH - End of period	<u><u>\$ 26,434</u></u>
Cash paid for:	
Interest paid	<u>\$ -</u>
Income taxes	<u>\$ -</u>

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

MOSHING CAPITAL INC.

Statement of Changes in Equity

As at November 30, 2014

(Expressed in Canadian dollars)

	<u>Number of Shares</u>	<u>Capital Stock</u>	<u>Deficit</u>	<u>Total Equity</u>
Balance at Incorporation August 22, 2014	-	\$ -	\$ -	\$ -
Shares issued for cash at \$0.005	2	-	-	-
Shares issued for cash at \$0.005	1,000,000	5,000	-	5,000
Comprehensive loss for the period	-	-	(6)	(6)
Balance as at August 31, 2014	<u>1,000,002</u>	<u>\$ 5,000</u>	<u>\$ (6)</u>	<u>\$ 4,994</u>
Comprehensive loss for the period	-	-	(60)	(60)
Shares issued for cash at \$0.02	1,600,000	32,000	-	32,000
Balance as at November 30, 2014	<u>2,600,002</u>	<u>37,000</u>	<u>(66)</u>	<u>36,934</u>

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

MOSHING CAPITAL INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

November 30, 2014

1. NATURE AND CONTINUANCE OF OPERATIONS

Moshing Capital Inc. (the "Company") was incorporated on August 22, 2014 under the Business Corporation Act of British Columbia. The head office of the Company is 700-595 Howe Street, Vancouver, B.C. V6C 2T5. The Company is in the business of raising funds for mineral exploration.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at November 30, 2014, the Company has not generated any revenues from operations, has working capital of \$26,434 and an accumulated deficit of \$66.

The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

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

The Company's functional and reporting currency is the Canadian Dollar. The financial statements were prepared and approved for issuance by the Board of Directors on March 2, 2015.

These financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting.

These financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

3. SIGNIFICANT ACCOUNT JUDGMENT, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements in conformity of IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant areas where management's judgement has been applied include:

- Classifying categories of financial assets and financial liabilities in accordance with IAS 39, *Financial instruments: recognition and measurement*; and
- Evaluating if the criteria for recognition of provisions and contingencies are met in accordance with IAS 37, *Provisions, contingent liabilities and contingent assets*.

MOSHING CAPITAL INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

November 30, 2014

3. SIGNIFICANT ACCOUNT JUDGMENT, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Significant areas requiring the use of management estimates and assumptions include:

a) Going concern

The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Foreign Currency Translation

The Company's presentation currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency in which funds from financing activities are generated and receipts from operating activities are usually retained.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined.

All gains and losses on translation of these foreign currency transactions are included in profit or loss.

b) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and subject to an insignificant risk of change value. There were no cash equivalents as at November 30, 2014.

c) Impairment of Non-Financial Assets

At the end of each reporting period, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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 assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

MOSHING CAPITAL INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

November 30, 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Financial Instruments

The Company's financial instruments consist of cash and cash equivalents and amounts payable. Cash and cash equivalents and amounts payable are classified as fair value through profit or loss and recorded at fair value. The fair value of cash and cash equivalents, are equal to their carrying value due to their short-term maturity. The Company's amounts payable is classified as other financial liabilities and is recognized at amortized cost.

Financial assets

Financial assets are classified as into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the income statement.

Loans and receivables – These assets are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments – These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the income statement.

Available-for-sale – Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the income statement.

Impairment on financial assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if and only if there is objective evidence of impairment as a result of one or more events, that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

MOSHING CAPITAL INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

November 30, 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Financial Instruments (Continued)

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets is directly reduced by the impairment loss. For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the income statement.

Other financial liabilities – This category includes amounts payables and accrued liabilities and due to related parties, which is recognized at amortized cost.

f) Interest-Bearing Loans and Other Borrowings

Interest-bearing loans and other borrowings are recognized initially at fair value less related transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of borrowings on an effective interest basis.

MOSHING CAPITAL INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

November 30, 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

h) Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

i) Share Capital

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

j) Share-Based Payment

The Company may grant stock options to buy common shares of the Company to directors, officers, employees and consultants. The board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion.

MOSHING CAPITAL INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

November 30, 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Share-Based Payment (Continued)

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Where the terms of a stock option is modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period. The Company did not grant any stock options during the period ended November 30, 2014.

k) Earnings (Loss) Per Share

The Company presents basic and diluted earnings/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 earnings/loss per share does not adjust the loss attributable to common shareholders or the weight average number of common shares outstanding when the effect is anti-dilutive.

l) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

m) Warrants

Proceeds from issuances by the Company of units consisting of common shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants. As at November 30, 2014, there are no warrants issued.

n) New accounting pronouncements to be adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the period ended November 30, 2014:

IFRS 9 Financial instruments

IFRS 9 was issued in November 2009 and subsequently amended as part of an ongoing project to replace IAS 39 Financial instruments: Recognition and measurement. The standard requires the classification of financial assets into two measurement categories based on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The two categories are those measured at fair value and those measured at amortized cost. The classification and measurement of financial liabilities is primarily unchanged from IAS 39. However, for financial liabilities measured at fair value, changes in the fair value attributable to changes in an entity's "own credit risk" is now recognized in other comprehensive income instead of in profit or loss. This new standard will also impact disclosures provided under IFRS 7 Financial instruments: disclosures.

MOSHING CAPITAL INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

November 30, 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In November 2013, the IASB amended IFRS 9 for the significant changes to hedge accounting. In addition, an entity can now apply the “own credit requirement” in isolation without the need to change any other accounting for financial instruments. The mandatory effective date of January 1, 2015 has been removed to provide sufficient time for preparers of financial statements to make the transition to the new requirements.

IAS 24 Related party disclosures

The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014.

5. UNSECURED ADVANCES

On September 4, 2014, the Company advanced \$5,000 to Moshi Mountain Industries Ltd. The advance is non-interest bearing, unsecured, and due on demand if the proposed plan of arrangement is not completed by June 1, 2015 referred to in note 9.

On September 5, 2014, the Company advanced \$500 to Moshi Mountain Industries Ltd. The advance is non-interest bearing, unsecured, and due on demand if the proposed plan of arrangement is not completed by June 1, 2015 referred to in note 9.

On September 10, 2014, the Company advanced \$5,000 to Moshi Mountain Industries Ltd. The advance is non-interest bearing, unsecured and due on demand if the proposed plan of arrangement is not completed by June 1, 2015 referred to in note 9.

6. SHARE CAPITAL

(a) Authorized – unlimited common shares without par value
– unlimited preferred shares without par value

(b) Issued and outstanding:

On August 22, 2014, the Company issued 2 common shares at \$0.005.

On August 28, 2014, the Company issued 1,000,000 common shares at a price of \$0.005 per share for total proceeds of \$5,000.

On September 29, 2014, the Company issued 1,600,000 common shares at a price of \$0.02 per share for total proceeds of \$32,000, of which \$24,500 was received subsequent to year end.

7. MANAGEMENT OF CAPITAL

The Company defines its capital as all components of shareholders’ equity. The Company’s objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company, is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

MOSHING CAPITAL INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

November 30, 2014

The Company is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital.

MOSHING CAPITAL INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

November 30, 2014

8. FINANCIAL INSTRUMENTS AND RISKS

Fair Value

As at November 30, 2014, the Company's financial instruments consist of cash and amounts payable. The fair values of cash and amounts payable approximate its carrying values because of its current nature.

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and

Level 3 – Inputs that are not based on observable market data

As at November 30, 2014, the Company's cash of \$26,434 is considered to be a Level 1 instrument.

The Company's financial instruments are exposed to a number of risks that are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can do so only at excessive cost. The Company has no financial liabilities outstanding.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company's cash is currently held in non-interest bearing bank account, management considers the interest rate risk to be minimal.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the Canadian dollar. All of the Company's financial instruments are denominated in Canadian dollars.

Transaction Costs

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

MOSHING CAPITAL INC.

Notes to the Financial Statements

(Expressed in Canadian Dollars)

November 30, 2014

9. PLAN OF ARRANGEMENT

On October 20, 2014, the Company entered into an arrangement agreement with True Zone Resources Inc. (“True Zone”), the Company’s wholly owning parent that contemplates a plan of arrangement for the spinout of the Company as a separate legal entity – along with its other four wholly owned subsidiaries. On October 20, 2014, the Company executed an amalgamation agreement for the amalgamation of the Company with Moshing Capital Inc. following the completion of such plan of arrangement. The amalgamation of the two foregoing companies shall form an amalgamated company that shall retain the name of the Company as the business name and shall continue as one corporation under the Business Corporations Act of British Columbia. The plan of arrangement and the amalgamation are both subject to the approval of the True Zone shareholders and the plan of arrangement is subject to court approval.

10. SUBSEQUENT EVENTS

On January 12, 2015, the Company’s shareholders approved the plan of arrangement referred to in note 9.

On January 16, 2015, the Supreme Court of British Columbia approved the plan of arrangement referred to in note 9.

January 26, 2015, was declared the share distribution record date for the purposes of the arrangement referred to in note 9. The issued and outstanding shares in the Company will be exchanged on the basis of one Amalco Share for each Company Share held immediately before the Effective Date. The Company’s shares held by True Zone will be cancelled and Amalco Shares will be issued to True Zone shareholders on the basis of One (1) Amalco share for every 100 True Zone Company shares.

On February 18, 2015, the plan of arrangement between the Company and True Zone was amended to allow for separate effective dates of each separate company under the plan of arrangement as amended, subject to court approval. The Company obtained approval of the amended arrangement agreement from the Supreme Court of British Columbia on February 24, 2015.