

This Final Prospectus is not related to a public offering. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

NON-OFFERING PROSPECTUS

FINAL PROSPECTUS

March 14, 2016

**TORINO POWER SOLUTIONS INC.
(the “Corporation”)**

This Prospectus is being filed with the British Columbia Securities Commission for the purpose of complying with Notice 2015-003 Regulatory Guidance on Plans of Arrangements and Capital Structure published by the Canadian Securities Exchange.

No securities are being offered pursuant to this Prospectus. This Prospectus is being filed with the British Columbia Securities Commission for the purpose of providing full public disclosure regarding the acquisition by the Corporation of all the securities of Smart Autonomous Solutions Inc., a private British Columbia company, and the plans to seek a listing on the Canadian Securities Exchange. As no securities are being offered pursuant to this Prospectus, no proceeds will be raised in connection with this Prospectus.

There is no market through which the securities of the Company may be sold. This may affect the pricing of the Company’s securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Company’s securities, and the extent of issuer regulation. See “Part IV – Risk Factors”. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange, including without limitation, the distribution of the Corporation’s common shares to a minimum number of public shareholders and the Corporation meeting certain financial and other requirements.

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

TORINO POWER SOLUTIONS INC.

7934 Government Rd.
Burnaby, British Columbia
Canada V5A 2E2

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IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

No person has been authorized to provide any information or to make any representation not contained in this Prospectus, and, if provided or made, such information or representation should not be relied upon. You should assume that the information contained in this Prospectus is accurate only as of the date of this Prospectus. In the event that a material change occurs before the completion of the listing of the Shares on the CSE, the Corporation will file an amendment to this Prospectus as soon as practicable. No securities are being offered pursuant to this Prospectus.

Capitalized terms, except as otherwise defined herein, are defined in the section entitled “Glossary of Terms”.

Except as otherwise indicated or the context otherwise requires in this Prospectus, references to “the Corporation”, “Torino”, “we”, “us” and “our” refer to the Corporation.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results, and therefore are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “seeks”, “projects”, “intends”, “plans”, “may”, “will” or “should”, or their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate. These statements reflect management’s current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors could cause the Corporation’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the “Risk Factors” section of this Prospectus. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this Prospectus. Such risks include, but are not limited to: a renewed downturn in international economic conditions; any adverse occurrence with respect to the development or marketing of our technology; any adverse occurrence with respect to any of our licensing agreements; our ability to successfully bring products to market; product development or other initiatives by our competitors; fluctuations in the availability and cost of materials required to produce our products; any adverse occurrence with respect to distribution of our products; potential negative financial impact from claims, lawsuits and other legal proceedings or challenges; and other factors beyond our control. See “Risk Factors” for a complete list of risks relating to an investment in the Corporation. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Those factors should not be construed as exhaustive and should be read with the other cautionary statements in this Prospectus.

These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although we base our forward-looking statements on assumptions that we believe were reasonable when made, which include, but are not limited to, assumptions with respect to the Corporation’s future growth potential, results of operations, future prospects and opportunities, execution of the Corporation’s business strategy, maintaining a stable workforce, there being no material variations in the current tax and regulatory environments, future levels of indebtedness and current economic conditions remaining unchanged, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are

consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Any forward-looking statements which we make in this Prospectus speak only as of the date of such statement, and we do not undertake, except as required by applicable law, any obligation to update such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data. All of the forward-looking statements made in this Prospectus are qualified by these cautionary statements.

GLOSSARY OF TERMS

In this Prospectus, the following terms have the meanings set forth below, unless otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders.

“\$” means Canadian dollars.

“**Amalgamation**” means the amalgamation of Torino Acquisition Corp., a wholly-owned subsidiary of the Corporation and SAS on November 5, 2015.

“**Amalgamation Agreement**” means the amalgamation agreement dated September 3, 2015 among the Corporation, Torino Acquisition Corp and SAS, whereby the parties agreed to carry out the Amalgamation.

“**Arrangement**” means the plan of arrangement whereby the Corporation, being a subsidiary of Parentco, entered into the Arrangement Agreement. The Arrangement Agreement and the Arrangement were approved by Parentco shareholders on February 17, 2015 and approved by the British Columbia Supreme Court on February 26, 2015. The Arrangement was completed on March 12, 2015 and, upon closing, the Corporation issued 7,999,984 common shares to the Parentco shareholders on a pro-rata basis pursuant to the Arrangement Agreement.

“**Arrangement Agreement**” means the arrangement agreement dated January 5, 2015 between Parentco and the Corporation, whereby the parties thereto agreed to carry out the Arrangement.

“**Audit Committee**” means the Audit Committee of the Corporation.

“**BCBCA**” means the *Business Corporations Act* (British Columbia).

“**Board**” means the board of directors of the Corporation.

“**CEO**” means chief executive officer.

“**CFO**” means chief financial officer.

“**Corporation**” means Torino Power Solutions Inc.

“**CSE**” means the Canadian Securities Exchange.

“**DTCR**” means Dynamic Thermal Circuit Rating technology owned by the Corporation.

“**Final Non-Offering Prospectus**” means this final non-offering prospectus of the Corporation dated March 14, 2016, prepared in accordance with NI 41-101, relating to the Corporation and filed with the Principal Regulator solely for the purpose of complying with Notice 2015-003 Regulatory Guidance on Plans of Arrangement and Capital Structure, published by the CSE.

“**Listing**” means the proposed listing of the Shares on the CSE for trading.

“**MD&A**” means management’s discussion and analysis.

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) the Corporation’s CEO;
- (b) the Corporation’s CFO;
- (c) each of the three most highly compensated executive officers of the Corporation, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity,

other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*, for that financial year; and

- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at that financial year.

“NI 41-101” Means National Instrument 41-101 – *General Prospectus Requirements*, of the Canadian Securities Administrators.

“NI 45-106” Means National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

“NI 51-102” Means National Instrument 51-102 – *Continuous Disclosure Obligations*, of the Canadian Securities Administrators.

“NI 52-110” means National Instrument 52-110 – *Audit Committees*, of the Canadian Securities Administrators.

“NP 46-201” means National Policy 46-201 – *Escrow for Initial Public Offerings*, of the Canadian Securities Administrators.

“Parentco” means Cannabix Technologies Inc., a company incorporated pursuant to the BCBCA.

“Preliminary Non-Offering Prospectus” means the preliminary non-offering prospectus of the Corporation dated January 11, 2016, prepared in accordance with NI 41-101, relating to the Corporation and filed with the Principal Regulator solely for the purpose of complying with Notice 2015-003 Regulatory Guidance on Plans of Arrangement and Capital Structure, published by the CSE.

“Principal Regulator” means the British Columbia Securities Commission.

“Prospectus” means, collectively, the Preliminary Non-Offering Prospectus and the Final Non-Offering Prospectus (including any Supplementary Material thereto).

“Shares” means the common shares of the Corporation, having no par value.

“SAS” means Smart Autonomous Solutions Inc., a company incorporated pursuant to the BCBCA on May 13, 2011 that amalgamated with Torino Acquisition Corp. on November 5, 2015 in accordance with the terms of the Amalgamation Agreement.

“Subscription and Assignment Agreement” means the agreement dated June 4, 2012 between SAS and the University of Manitoba.

“Torino Acquisition Corp” is the wholly-owned subsidiary of the Corporation, amalgamated pursuant to the BCBCA in accordance with the terms of the Amalgamation Agreement.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

Corporation and its Subsidiaries

The Corporation is a company governed by the BCBCA and was incorporated on September 10, 2014 under its former name "Torino Ventures Inc.". The Corporation changed its name to "Torino Power Solutions Inc." on November 12, 2015. The Corporation's head office is located at 7934 Government Rd, Burnaby, British Columbia V5A 2E2. The Corporation has one wholly-owned subsidiary: Torino Acquisition Corp., a company governed by the BCBCA.

The Corporation was incorporated as a wholly-owned subsidiary of Parentco. The Corporation entered into the Arrangement Agreement dated January 5, 2015 with Parentco. The Arrangement Agreement and the associated plan of arrangement were approved by the Parentco shareholders on February 17, 2015, and were approved by the British Columbia Supreme Court on February 26, 2015.

Pursuant to the terms of the Arrangement Agreement, on March 12, 2015, Parentco shareholders of record received one new common share and one reorganization share of Parentco. Immediately thereafter, all of the reorganization shares were automatically transferred by Parentco shareholders to the Corporation in exchange for 7,999,894 Shares which were issued to the Parentco shareholders on a pro rata basis. Lastly, Parentco redeemed all of the reorganization shares by the transfer to the Corporation of \$10,000 cash and the Hazeur Property, and all assets related thereto. The Arrangement effectively resulted in the spin out of the Corporation to Parentco shareholders which was carried out in reliance on the prospectus exemptions set forth in section 2.11 of NI 45-106. As a result of the Arrangement, the Corporation became a reporting issuer in the Provinces of British Columbia, Alberta and Manitoba.

Prior to closing the Amalgamation, the sole asset of the Corporation was the Hazeur Property which was transferred to the Corporation in connection with the closing of the Arrangement. However, due to current challenges in the mining industry, the Corporation decided to postpone any business activities in connection with the mining industry and commenced seeking out alternative business opportunities outside the mining industry. As a result, most of the Corporation's business activities to date are solely based upon the consummation of the Amalgamation with SAS.

The Corporation currently has no plans to spend any funds on the Hazeur Property and is currently investigating options with respect to hold or divest itself of this property. As at the date of this Prospectus, the Corporation does not consider the Hazeur Property to be a material asset to the Corporation. See *"Corporate Structure – Corporate History of the Corporation"*.

The Amalgamation

SAS commenced the development of its business in May 13, 2011.

On July 20, 2015, the Corporation entered into a binding letter agreement with SAS, which set out the essential terms and conditions of the Amalgamation, whereby the Corporation would acquire SAS through the Amalgamation of Torino Acquisition Corp and SAS. This agreement was later replaced and superseded by the Amalgamation Agreement.

The Corporation, Torino Acquisition Corp and SAS entered into the Amalgamation Agreement on September 3, 2015 and closed the Amalgamation Agreement on November 5, 2015. Pursuant to the Amalgamation Agreement, the Corporation issued an aggregate of 12,062,927 Shares to the former shareholders of SAS, along with other securities issued in connection with the Amalgamation. The closing of the Amalgamation Agreement constituted a Reverse Take Over as contemplated in NI 51-102. See *"Part III – Information Concerning the Corporation – Description of Securities – Fully Diluted Share Capital"*. As a result of the

Amalgamation, the former shareholders of SAS held 43.36% of the Shares on a non-diluted basis.

Principal Business of the Corporation The Corporation is commercializing its patented Dynamic Thermal Circuit Rating (DTCR) technology and proprietary system architecture for application in overhead transmission lines to address the growing demand by electric utilities to adequately increase the capacity of congested transmission lines. The Corporation holds five patents and an additional two patent pending applications.

See “*Description of the Business*”.

Listing The Corporation intends to apply for conditional approval to list the Shares on the CSE concurrent with filing the Prospectus with the Principal Regulator.

Funds Available and Use of Available Funds As at February 29, 2016, the Corporation had working capital of approximately \$527,706. The Corporation funds its business using the proceeds from equity financings. The Corporation’s estimated use of funds for the next twelve months is as follows:

Use of Available Funds	Amount (\$)
Estimated cost of Prospectus and CSE Listing	20,000
Completion of Interrogator (active component of DTCR system) ⁽¹⁾	20,000
DTCR Certification ⁽²⁾	50,000
Test Pilot ⁽³⁾	35,000
Operating expenses for 12 months ⁽⁴⁾	310,000
Working capital	92,706
Total	527,706

⁽¹⁾ Consists of internal personnel costs to finalize the DTCR system. See “*Description of Business – Overview of the Business*” and “*Business Objectives and Milestones*”.

⁽²⁾ Certification of the Company’s DTCR system with third party laboratories, consisting of \$45,000 for external laboratory expenses and \$5,000 for internal personnel costs to assist with the certification process. See “*Business Objectives and Milestones*”.

⁽³⁾ Pilot installation of DTCR system. See “*Business Objectives and Milestones*”.

⁽⁴⁾ Estimated operating expenses for the next 12 months include: \$55,000 for office lease and administrative expenses; \$150,000 for salaries, wages and benefits for personnel excluding personnel costs anticipated to be incurred in connection with the DTCR Certification and completion of the Interrogator set out above; \$80,000 for a business development person; and \$25,000 for public company operations (audit, transfer agent, securities commissions fees, annual general meeting).

The Corporation intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amounts set forth above may increase if we are required to carry out due diligence investigations in regards to any prospective investment or business opportunity or if the costs of the Prospectus or Listing, or negotiating an applicable transaction, are greater than anticipated. See “*Use of Available Funds*”.

Risk Factors An investment in the Shares should be considered highly speculative and investors may incur a loss on their investment. The following risk factors should be given special consideration when evaluating an investment in the Shares:

Risks Relating to the Corporation’s Business:

- The Corporation currently does not generate significant revenue from its operations and, as a result, faces a high risk of business failure.

- If the Corporation is not able to effectively protect its intellectual property, its business may suffer a material negative impact and may fail.
- The Corporation has had negative cash flows from operations and if the Corporation is not able to obtain further financing, its business operations may fail.
- The Corporation's limited operating history may not provide an adequate basis to judge the Corporation's future prospects and results of operations.
- If the Corporation fails to manage its growth effectively, it may not be able to take advantage of market opportunities, execute its expansion strategies or meet the demands of its advertising clients.
- Future acquisitions may have an adverse effect on the Corporation's ability to manage its business.
- The Corporation's quarterly and annual operating results are difficult to predict and may fluctuate significantly from period to period in the future.
- The Corporation may be subject to, and may expend significant resources in defending against, government actions and civil suits based on the content it provides through its interactive digital media network.
- The Corporation does not have any business liability, disruption or litigation insurance, and any business disruption or litigation the Corporation experiences might result in it incurring substantial costs and the diversion of resources.

Risks Relating to the Corporation's Management:

- Because certain of the Corporation's officers, directors and principal shareholders control a large percentage of the Shares, such insiders have the ability to influence matters affecting the Corporation's shareholders.
- The Corporation's business depends substantially on the continuing efforts of its senior executives, and its business may be severely disrupted if it loses their services.
- Because executive management is free to devote time to other ventures, shareholders may not agree with their allocation of time.
- The Board may change the Corporation's operating policies and strategies without prior notice to shareholders or shareholder approval and such changes could harm the Corporation's business and results of operations, or the value of the Shares.

Risks Relating to the Shares:

- If the Corporation's business is unsuccessful, shareholders may lose their entire investment.
- The Shares are illiquid and shareholders may be unable to sell their Shares.
- Investors' interests will be diluted and investors may suffer dilution in their net book value per share if the Corporation issues additional Shares or raises funds through the sale of equity securities.
- The Corporation does not intend to pay dividends on the Shares.
- Fluctuations in exchange rates may have a material adverse effect on your investment.

See "Risk Factors".

**Summary of
Financial
Information**

The following selected financial information is subject to the detailed information contained in the financial statements of the Corporation and SAS and related notes included in this Prospectus. The selected financial information is derived from and should be read in conjunction with the Corporation's unaudited financial statements as at and for the 9 months ended September 30, 2015, the Corporation's audited financial statements as at and for the year ended December 31, 2014, SAS's unaudited financial statements as at and for the 9 months ended September 30, 2015, and SAS's audited financial statements as at and for the year ended December 31, 2014. The following financial data is prepared in accordance with International Financial Reporting Standards ("IFRS").

	The Corporation as at and for the 9 month period ended Sept. 30, 2015 (Unaudited) (\$)	The Corporation as at and for the Year ended December 31, 2014 (Audited) (\$)	SAS as at and for the 9 month period ended September 30, 2015 (Unaudited) (\$)	SAS as at and for the Year ended December 31, 2014 (Audited) (\$)
Revenue	Nil	Nil	Nil	Nil
Total Expenses	(107,431)	Nil	(539,564)	(761,065)
Other income	Nil	Nil	38,446	159,239
Net Loss	(107,431)	Nil	(501,118)	(601,826)
Basic and Diluted Loss per Share	(0.02)	Nil	(0.05)	(0.06)
Current Assets	131,803	1	285,610	173,216
Total Assets	154,603	1	2,182,544	2,259,791
Current Liabilities	15,834	Nil	297,864	123,581
Total Liabilities	15,834	Nil	297,864	123,581
Shareholders' Equity (Deficiency)	138,769	1	1,884,680	2,136,210

See "Management's Discussion and Analysis" and "Financial Statements".

Currency

Unless otherwise indicated, all currency amounts in this Prospectus are stated in Canadian dollars.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Corporation was incorporated on September 10, 2014 pursuant to the laws of the BCBCA as “Torino Ventures Inc.” On November 12, 2015, the Corporation changed its name to “Torino Power Solutions Inc.”. The head office of the Corporation is located at 7934 Government Rd, Burnaby, British Columbia V5A 2E2 and the registered and records office of the Corporation is located at 800 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1.

Torino Acquisition Corp. is the Corporation’s only subsidiary and is wholly-owned by the Corporation.

The diagram below describes the inter-corporate relationship between the Corporation and Torino Acquisition Corp.:



Corporate History of the Corporation

The Corporation was incorporated as a wholly-owned subsidiary of Parentco. The Corporation entered into the Arrangement Agreement dated January 5, 2015 with Parentco. The Arrangement Agreement and the Arrangement were approved by Parentco shareholders on February 17, 2015 and was approved by the British Columbia Supreme Court on February 26, 2015.

Pursuant to the terms of the Arrangement Agreement, on March 12, 2015, Parentco shareholders of record received one new common share and one reorganization share of Parentco. Immediately thereafter, all of the reorganization shares were automatically transferred by Parentco shareholders to the Corporation in exchange for 7,999,894 Shares which were issued to the Parentco shareholders on a pro rata basis. Lastly, Parentco redeemed all of the reorganization shares by the transfer to the Corporation of \$10,000 cash and the Hazeur Property, and all assets related thereto. The Arrangement effectively resulted in the spin out of the Corporation to Parentco shareholders which was carried out in reliance on the prospectus exemptions set forth in section 2.11 of NI 45-106. As a result of the Arrangement, the Corporation became a reporting issuer in the Provinces of British Columbia, Alberta and Manitoba.

Prior to closing the Amalgamation, the sole asset of the Corporation was the Hazeur Property which was transferred to the Corporation in connection with the closing of the Arrangement. However, due to current challenges in the mining industry, the Corporation decided to postpone any business activities in connection with the mining industry and commenced seeking out alternative business opportunities outside the mining industry. As a result, most of the Corporation’s business activities to date are solely based upon the consummation of the Amalgamation with SAS.

For a full description of the Hazeur Property please see the Technical Report titled “NI 43-101 Technical Report On the Monster Lake South property” dated March 12, 2015 prepared for the Corporation by Jeannot Theberge P.Geo, Terrax Management Inc., a copy of which has been filed on SEDAR and available for review at www.sedar.com. The Corporation currently has no plans to spend any funds on this property and is currently investigating options with respect to hold or divest itself of this property. As at the date of this Prospectus, the Corporation does not consider the property to be a material asset to the Corporation.

The Amalgamation between the Corporation and SAS

SAS commenced the development of its business in May 13, 2011.

On July 20, 2015, the Corporation and SAS entered into a binding letter agreement to effect the Amalgamation.

On August 25, 2015, the Corporation incorporated a wholly-owned subsidiary Torino Acquisition Corp. under the BCBCA.

On September 1, 2015, the Corporation completed a 5:1 consolidation of its Shares.

On September 3, 2015, the Corporation, SAS and Torino Acquisition Corp. entered into the Amalgamation Agreement that superseded a binding letter agreement dated July 20, 2015 that was entered into by the parties. The closing of the Amalgamation Agreement was subject to the satisfaction of several conditions precedent, including the concurrent closing of a \$200,000 financing by the Corporation and receipt of SAS shareholder approval of the Amalgamation.

On November 2, 2015, the Corporation completed a non-brokered private placement for gross proceeds of \$417,500 through the sale of 4,175,000 units at a price of \$0.10 per unit. Each unit was comprised of one Share and one half of a non-transferable common share purchase warrant exercisable at \$0.20 cents per Share for a period of 18 months from the date of closing.

On November 5, 2015, SAS amalgamated with Torino Acquisition Corp. which constituted a Reverse Take Over as contemplated in NI 51-102. In conjunction with the Amalgamation, the Corporation issued 12,062,927 Shares to the former shareholders of SAS. A copy of the Amalgamation Agreement has been filed on SEDAR and available for review at www.sedar.com

DESCRIPTION OF THE BUSINESS

Summary

The Corporation is commercializing its patented Dynamic Thermal Circuit Rating (DTCR) technology and proprietary system architecture for application in overhead transmission lines to address the growing demand by electric utilities to adequately increase the capacity of congested transmission lines of electric utilities in North America and Europe. The Corporation does not currently generate revenue. The technology is supported by five existing patents and two pending patents.

The Corporation intends to apply for conditional approval to list the Shares on the CSE concurrent with filing the Prospectus with the Principal Regulator.

Overview of the Business


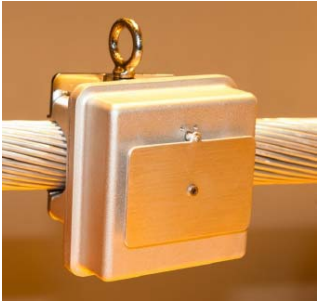
The Corporation is commercializing its patented DTCR technology and proprietary system architecture for application in overhead transmission lines to address the growing demand by electric utilities to adequately increase the capacity of congested transmission lines.

From 2002 to 2012, researchers at the University of Manitoba invested significant time and expense in the development of Microwave Wireless Sensing solutions that resulted in the filing of five patents and two patent applications. The earliest patent (Canadian patent 2,486,551) was granted in 2003 and US patent 7,347,101 was granted in 2004. Subsequently Australian patent 2006241369 and US patent 7,441,463 were granted in 2006 and

the most recent patent granted in 2012 (US 8,829,924). The DTCR technology remotely monitors the temperature and stress on a transmission line conductor as well as meteorological conditions to provide accurate real time data to utility Control Centers and Asset Managers in order to assess and maximize the capacity of congested electrical transmission lines.

In June, 2012, SAS acquired all intellectual property rights regarding the DTCR technology from the University of Manitoba pursuant to the Subscription and Assignment Agreement. In consideration for such acquisition, SAS agreed to pay \$225,000 in cash, issue 2,200,000 common shares deemed at \$1.00 per share and issue 500,000 warrants exercisable at \$0.50 per share to the University of Manitoba.

After over a decade worth of research and development attributed to the technology, the Corporation's DTCR system is advanced stage and nearing commercialization. The major design and engineering work of the DTCR system (made up of two components being the Sensor and Interrogator) was completed in November of 2014. The Sensor component is finalized and ready for commercialization. To finalize the Interrogator component, the Corporation must finalize the software user interface for output data, install a third party Global Positioning System (GPS), and install a third party backup power all of which the Corporation anticipates will be done within two months of the date of this Prospectus. See table below which describes the DTCR system.

Interrogator (Active component)	Status	Remaining tasks prior to commercialization.
<p>Description: Box installed on the pole or tower in a safe zone area. Interrogator sends a microwave signal to the sensor and the sensor radiates at a particular frequency. Interrogator receives the re-radiated signal, calculates a temperature value and transmits the information to a control centre at a utility company. Includes a meteorological station measuring air ambient temperature, wind speed, wind direction and solar radiation.</p>  <p style="text-align: center;">Interrogator</p>	<p>Design and engineering completed in November 2014.</p>	<ul style="list-style-type: none"> • Third party GPS installation completion. • Third party (backup) power installation. • User software interface completion.
<p>Sensor (Passive component) also known as <i>microwave resonant cavity sensor</i></p>	<p>Status</p>	<p>Remaining tasks prior to commercialization.</p>
<p>Description: Hollow aluminum sensor – no electronics in the microwave resonant cavity. Installed on transmission line with a hot stick.</p>  <p style="text-align: center;">Sensor</p>	<p>Design and engineering completed in November 2014.</p>	<p>None.</p>

As a final step to commercializing the DTCR system, the Corporation will be required to certify it with third party laboratories. The Corporation has commenced this process and is in discussions with such laboratories to carry out such testing which consists of basic electronics testing, safety testing and high and low temperature testing of the Corporation's system on transmission lines. The Corporation expects the remaining tasks to finalize the Interrogator to be completed by April 2016, and thereafter intends to commence the certification process for the DTCR system which is anticipated to be completed by June 2016. The Corporation does not anticipate any delay or impediments in achieving commercialization of its DTCR system as the remaining tasks to finalize the Interrogator rely on standard and established third party GPS, power backup systems and software development based on user preferences.

During the last 24 months, the Corporation has initiated contact with a number of existing utility companies including Tri-State G&T Colorado, Manitoba Hydro, Hydro One (Ontario), NYPE (New York Power Authority), PSEG, Bonneville Power Authority, Los Angeles Water and Power LAWP, Pacific Gas and Electric (PG&E), San Diego Electric, Tennessee Valley Power Authority, and the Association of National Rural Co-operatives. The purpose of the outreach has been to introduce the Corporation and its DTCR system, get feedback for its installation and software integration requirements and gauge interest for its solution.

Currently, utilities rely only on collected historical data to make highly conservative estimates of capacity and the condition of transmission lines. This is essential for maintaining safety standards and maximizing the operation of the grid, especially during high and low temperature extremes and in icy conditions.

The Corporation estimates that any electrical utility can increase the capacity of its high voltage transmission conductors by up to 20 per cent utilizing the Corporation's sensors, monitoring, and information systems. The resulting increase in revenue and savings in maintenance and infrastructure costs is expected to have a material impact on the profitability and efficiency for an electrical utility.

The Corporation employs environmentally friendly technology to provide continuous monitoring of power lines and smart grids. The solution and system use proprietary sensors which measure critical parameters including conductor stress/strain and temperature combined with the wireless transmission of the collected data to a remote and nearby data collection platform. This enables operation of the lines utilizing DTCR close to thermal limits and computation of conductor Sag (Catenaries). As a result, the adoption of the solution provides transmission operators (users) with the ability to deliver electricity in a more cost effective fashion by increasing the throughput of the system by up to 20% using the same infrastructure. This allows the customer (power utility) to achieve a higher gross margin on their existing services in addition to reducing the need to develop more costly infrastructure expansion including more power generators and distribution lines.

Additionally, the adoption of our solution into existing and new power distribution networks is anticipated to provide utilities with the ability to conduct preventative maintenance which is intended to result in reduced down time, costly repairs and overall system maintenance costs. The Corporation's system can monitor and record information providing valuable data to Utility Asset Managers to aid in the assessment of conductor conditions in order to plan preventive service and maintenance. As a solution, the Corporation's monitoring system is intended to be part of the Smart Grid initiative.

The short term business objectives of the Corporation are to finalize the Interrogator (active component) of the DTCR system, the certification of its DTCR system with third party laboratories, and thereafter conduct a pilot installation of its DTCR system. Following this, the Corporation intends to commence formal business development and marketing activities to acquire revenue generating installations of its DTCR system. The Corporation plans to sell the products directly to the utility companies and, where required, to provide reports to generate a recurring revenue stream. As an alternative, the Corporation plans to provide electrical utilities with a fully outsourced solution and generate recurring revenue streams from a combination of equipment leasing and the provision of full service monitoring and reporting services.

Patents held by the Corporation

On June 4, 2012, SAS and the University of Manitoba entered into the Subscription and Assignment Agreement for the purchase of Canadian and US patent applications entitled, "A Sensing System Based on Multiple Resonant Electromagnetic Cavities" and International patent application (PCT) entitled, "Measuring Strain in a Structure

using a sensor having electromagnetic resonator". In total, the Corporation's technology is supported by five granted patents and two pending patents, a summary of patents is provided below (all of which are held by Torino Acquisition Corp.):

File Date	Country	App Type	Identification	Status
Measuring strain in a structure using a sensor having an electromagnetic resonator (US title)				
2003-06-26	Canada	Nationalized PCT	2,486,551	Granted Patents
2004-12-27	United States	Nationalized PCT	US 7,347,101	Granted Patents
2003-06-26	Europe	Nationalized PCT	EP1520159	Patent Pending
Sensing system based on multiple resonant electromagnetic cavities (US title)				
2006-09-12	Canada	Substantive	2,559,694	Patent Pending
2006-09-12	United States	Substantive	US 7,441,463	Granted Patents
2006-11-24	Australia	Substantive	2006241369	Granted Patents
Method and apparatus for monitoring physical properties				
2012-08-20	United States	Substantive	US 8,829,924	Granted Patents

In consideration for the Subscription and Assignment Agreement, the Corporation, to date has completed the cash, share and warrant payments to the University of Manitoba, issuing a total of 2,750,000 common shares and paying \$175,000 in cash and issuing 500,000 warrants (exercisable at \$0.50, expiring 12 months after listing on a stock exchange). The cash, share and warrant payments have fulfilled the payment obligation of the Corporation under the agreement. There are 2 milestone payments in relation to the Subscription and Assignment Agreement that are linked to future sales of the product as follows:

Milestone payment 1

Within 30 days of the Corporation achieving cumulative gross sales of ten million dollars (\$10,000,000) with respect to the product, licensing revenues and/or sublicensing revenues relating to the assigned rights and/or the invention, the University shall receive two hundred fifty thousand (\$250,000), plus any applicable taxes, from the Corporation.

Milestone payment 2

Within 30 days of the Corporation achieving cumulative gross sales of twenty million dollars (\$20,000,000) with respect to the product, licensing revenues and/or sublicensing revenues relating to the assigned rights and/or the invention, the University shall receive a further two hundred fifty thousand (\$250,000), plus any applicable taxes, from the Corporation.

Technology

The Corporation's technology monitors the Dynamic Thermal Circuit Rating (DTCR) of transmission lines. In particular, the technology monitors the temperature and stress of transmission line conductors as well as instantaneous meteorological conditions at the site, at time intervals predetermined by the transmission line operator.

The Corporation's system consists of two major subsystems; a passive part which is a microwave resonant cavity Sensor (Sensor) and an Interrogator which is an active component. The Sensor is installed on the conductor; the

Interrogator is installed on the tower in a safe zone area. The major design and engineering of the DTCR system was completed in November 2014. The Sensor is finalized and ready for commercialization and the Interrogator requires the following three advancements prior to commercialization: (a) third party GPS installation; (b) third party backup power installation; and (c) user software interface completion. The Corporation anticipates that these remaining tasks will be completed by April 2016. The Corporation does not anticipate any delay or impediments in achieving commercialization as the remaining tasks to finalize the Interrogator rely on standard and established third party GPS, power backup systems and software development based on user preferences.

An additional completed component is a small meteorological station measuring air ambient temperature, wind speed, wind direction and solar radiation. These measurements are essential for the dynamic thermal rating calculations. It also helps to calculate the temperature of the centre of the conductor and information regarding the life time of the conductor.

The patented Sensors and proprietary systems enable power utility companies to increase their capacity by 5 - 20%. DTCR offers a methodology to increase transmission line capacity under various weather and electric load conditions while reducing the risk of failure under unfavorable conditions. It also offers a means to compute the real time thermal rating of transmission lines.

The traditional approach of transmission line rating is the static rating. Based on conservative assumptions, static (constant) rating (how much power could be transmitted through a line) is specific to each transmission line. This methodology relies on summer and winter static ratings and weather conditions to define allowable temperature or sag of a given line. Weather conditions such as environmental temperatures and wind are not static, and affect the transmission line capacity.

A more recent solution is to carry more energy by converting Alternative Current (AC) three phase lines to Direct Current (DC) lines. This way, the transmitted power capacity of a DC line can be increased to 2 1/2 of the original capacity. This approach does not require new structures or new permitting. It is intended to represent an economical choice for areas of high constrains with limited opportunities to have new lines.

Traditional AC lines are three phase (3 lines) and all three are energized. When converted to DC Lines, only two are energized and one is not. The energized lines run very hot and need DTCR to control the temperature while the non-energized line is cooling off. The conductors are switched in sequence for maximum capacity and efficiency. In short, the DC lines also require Dynamic Thermal Circuit Rating monitoring for Temperature and Stress (Sag).

Building new transmission lines is a capital intensive and difficult proposition due to its high cost, lengthy public hearings, and difficult permit process. DTCR monitors can be installed on existing power lines deterring building of new power lines.

The patented technology enables the monitoring of the dynamic thermal circuit rating of transmission lines. At time intervals predetermined by the requirements of the utility operator, the technology monitors the temperature and stress of the transmission line conductor as well as the meteorological conditions.

The basic sensing principle for the resonant cavity Sensor technology is illustrated in Figure 1 below.

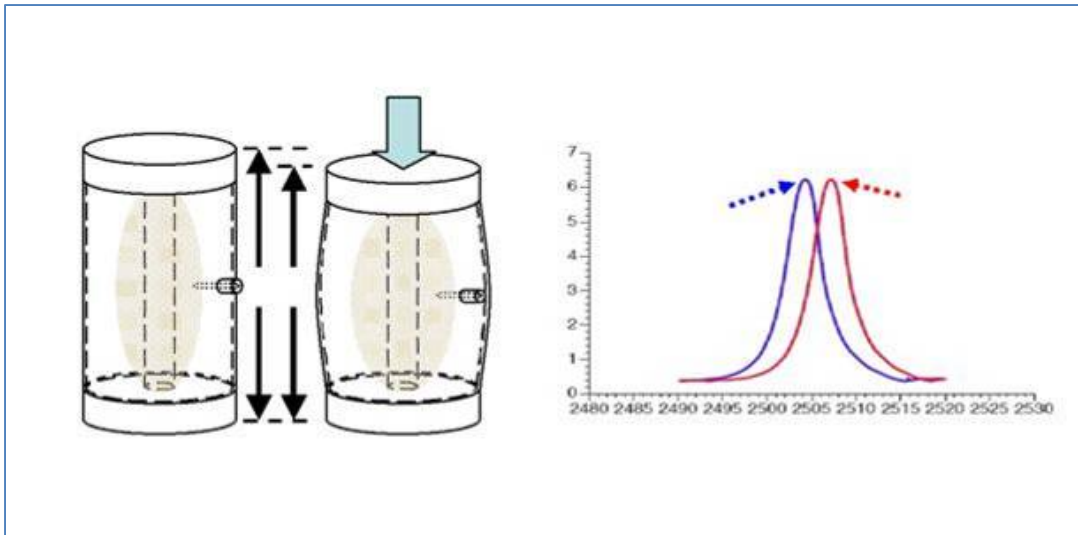


Figure 1: Principle of Resonant Cavity Sensor

The Interrogator sends a wireless signal to the Sensor which is received by the Sensor antenna and subsequently radiated into the Sensor cavity as energy. The energy within the Sensor cavity reaches an equilibrium state after which the energy then radiates back to the interrogator via the Sensor antenna. The signal sent by the Sensor and received by the Interrogator is directly proportional to the resonant frequency of the Sensor which is directly proportional to the length of the Sensor cavity. Using this simple resonant cavity concept, measurements such as temperature, strain, or displacement, all of which directly affect the length of the cavity, are represented and converted into a resonant frequency that can be remotely monitored by the Interrogator. The basic operation of system at site is illustrated in Figure 2 below.

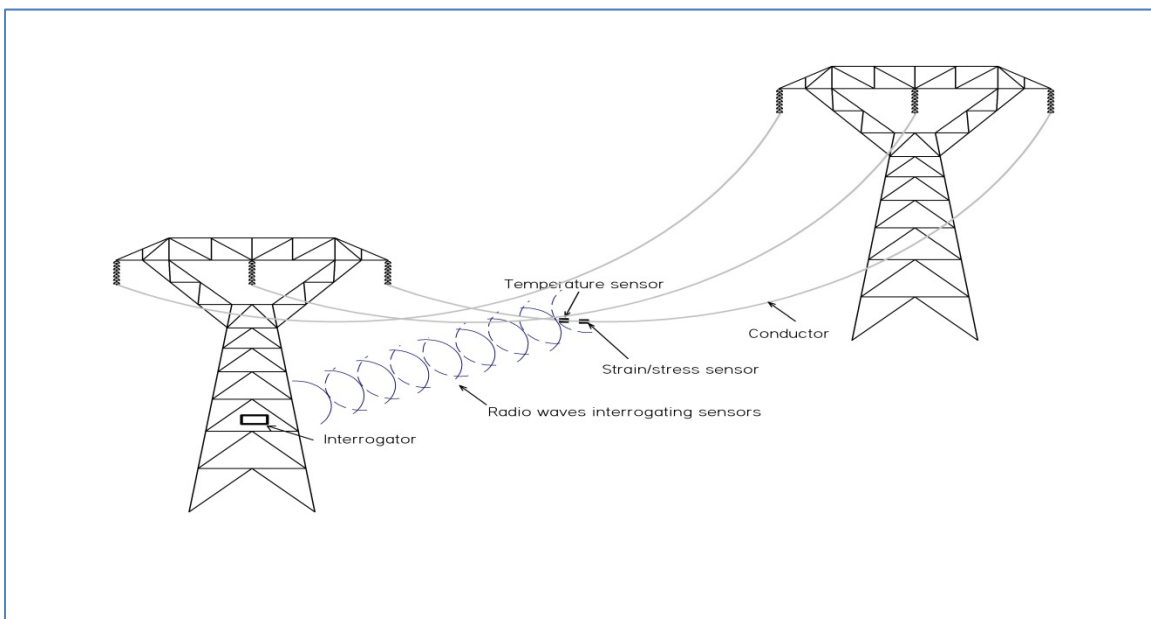


Figure 2: Basic Operation of System at Site

This data collected by the Interrogator will then be transmitted to the Corporation or utility control center by communications such as:

- cellular network;
- satellite network;

- Radio Frequency transmission;
- SCADA (Supervisory Control and Data Acquisition); or
- Fibre Optics.

The data received at the utility company control centre is analyzed to determine the upper limit of the power that can be transmitted over the transmission lines and operation of the transmission line close to its safety limits. Safety limits of a transmission line could be defined by allowable sag, temperature and thermal history of the conductor.

Long term collected temperature and stress data from system is analyzed by transmission line asset managers; allowing them to make decisions regarding the condition of the conductor. Collected meteorological data can help to fine tune dynamic thermal models for each specific location. The Sensor system integration to a utility operation is illustrated in Figure 3 below.

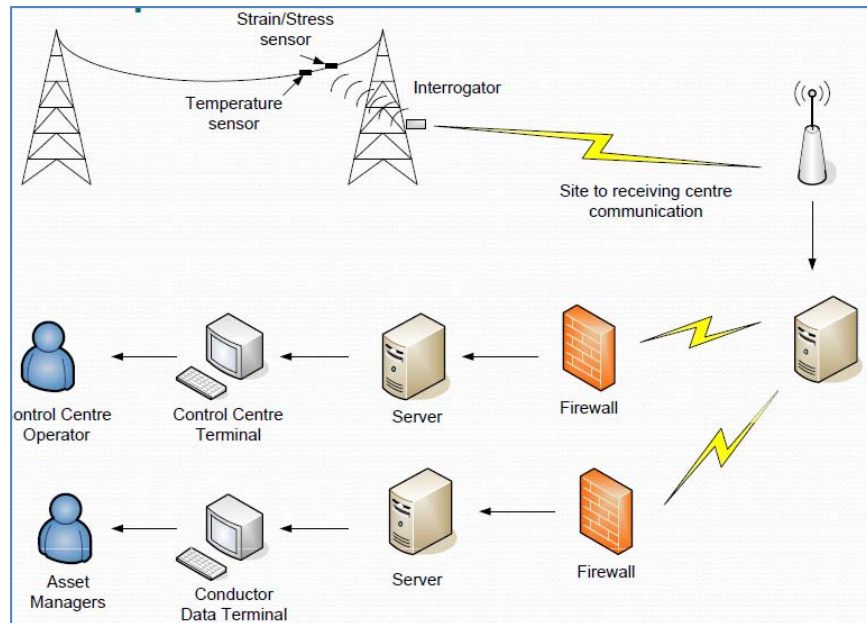


Figure 3: Sensor System Integration to (the Corporation data center into) the Utility Operation

The electrical utility asset manager (Asset Manager) is a professional who, in this capital-intensive industry, makes decisions regarding operation and maintenance of utility assets where each failure is disruptive and costly. At the same time, he/she must also adhere to stringent occupational and environmental safety regulations. The objective of asset management is to strike an optimal balance between maximizing Overall Asset Productivity (OAP) and minimizing Total Cost of Ownership (TCO). The asset manager is responsible for deciding whether it is more cost-effective to continue to maintain, overhaul or replace a failing asset.

The Corporation's technology is intended to provide the customer with the capability to:

1. Monitor current temperature and stress strain conditions;
2. Accumulate data history;
3. Forecast future usage patterns;
4. Monitor and fine tune allowable max/min safety limits (temperature and/or sag limits);
5. Establish maintenance and upgrade schedules where applicable and
6. Improve overall reliability of the electrical grid.

Competition

There are several Dynamic Thermal Circuit Rating devices on the market or in advanced stages of development. None of them have become utility industry standard.

Competing technologies measure either sag or conductor temperature of a single line. A single system of the Corporation directly measures both sag and temperature of all the three phases.

Technical Performance Comparison Table

Compared to present technologies in the marketplace, the Corporation’s technology is the only solution that has all the following key attributes as shown below in the Table.

Table: Technical Performance Comparison

	Torino System	Nexan Cat-1	USI Technology	Therma Rate	GeoDigital EPRi sensors
Wireless sensor	+	#	+		+
Sensor without power source	+				
Sensor without electronics, batteries or moving parts	+				
Sensor needs no calibration after installation	+				
Sensor could be installed on energized line	+		+		+
100% recyclable sensor	+				
Ambient temperature sensor	+	+	+		
Sensor measure conductor temperature	+		+		+
Line stress/strain sensor	+		+		
Wind sensor	+	+	+		
Solar radiation sensor	+				
Three phase DTCR	+				
Maintenance free sensors	+				
Low manufacturing cost	+				+
Works on AC lines	+	+	+	+	+
Works on DC lines	+	+		+	+
No battery in the unit	+				

Load Cells

Competing technologies measure either sag or conductor temperature of a single line. A single system of the Corporation measures both sag and temperature directly of all the three phases. To the Corporation’s knowledge, no competitors are measuring all three phases, temperature and stress/ strain with a single system. The Corporation’s solutions can give valuable information about the condition and remaining life of the conductor and assist the decision process regarding refurbishment, replacement or postponement of maintenance of the conductor. Furthermore, the Corporation’s systems provide information to the control centre regarding ice buildup on the conductor. Torino Sensors are wireless, battery-less Sensors requiring no maintenance. They can be installed on live, energized lines without any alteration of the transmission line hardware.

Employees

As of the date of this Prospectus, the Corporation had two employees and three consultants working on software and engineering development in Vancouver, British Columbia. The Corporation, in addition to its head office at 7934 Government Road, Burnaby, B.C., V5A 2E2, also has a production office under lease located at #275 - 625 West Kent Avenue North, Vancouver, BC V6P 6T7.

The Corporation has entered into standard confidentiality agreements with the employee and consultants that prohibit them from disclosing confidential information obtained during their employment or engagement with the Corporation. The confidentiality agreements include a covenant that prohibits them from engaging in any activities that compete with the business of the Corporation for three years after the end of their employment with the Corporation.

Other Assets - Hazeur Property

On March 12, 2015, by way of plan of arrangement, Parentco transferred 100% ownership of the Hazeur Property (also known as the Monster Lake South property) to the Corporation. As consideration for the acquisition of the Hazeur Property, the Corporation issued 7,999,894 common shares to the shareholders of Parentco at a deemed value of \$0.02 per share.

For a full description of the Hazeur Property please see the Technical Report titled "NI 43-101 Technical Report On the Monster Lake South property" dated March 12, 2015 prepared for the Corporation by Jeannot Theberge P.Geo, Terrax Management Inc., a copy of which has been filed on SEDAR and available for review at www.sedar.com. The Corporation currently has no plans to spend any funds on this property and is currently investigating options with respect to hold or divest itself of this property. As at the date of this Prospectus, the Corporation does not consider the property to be a material asset to the Corporation.

Bankruptcies

No director or executive officer of the Corporation or a shareholder holding a sufficient number of securities of the Corporation to materially affect the control of the Corporation:

- (i) is, as at the date of this Prospectus, or has been within the ten years before the date hereof, a director or executive officer of any company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromises with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (ii) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of Interest

The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests, which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Corporation's knowledge, and other than as disclosed herein, there are no known existing or potential conflicts of interest among the Corporation, its promoters, directors and officers or other members of management of the Corporation or director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies.

The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation. The directors and officers of the Corporation are directors and officers of other companies, some of which are in the same business as the Corporation. In particular, Messrs., Mlait and Loree each expects to spend 35% of their respective time to the affairs of the Corporation and the remaining directors each expects to spend between 2% and 5% of their respective time to the affairs of the Corporation. The directors and officers of the Corporation are required by law to act in the best interests of the Corporation. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Corporation may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Corporation to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Corporation. Such conflicting legal obligations may expose the Corporation to liability to others and impair its ability to achieve its business objectives. See "Risk Factors".

Three-Year History

The Corporation was incorporated pursuant to the BCBCA on September 10, 2014 and SAS was incorporated pursuant to the BCBCA on May 13, 2011. As the Corporation did not carry on active business until the closing of the Arrangement on November 5, 2015, following which its sole business was to identify and consummate a transaction with a prospective business to acquire, this section describing the three-year history of the business is solely related to how SAS's business has developed over the last three completed financial years.

SAS was incorporated pursuant to the BCBCA on May 13, 2011. Its primary focus was the development of proprietary systems to monitor the Dynamic Thermal Circuit Rating (DTCR) and increase the capacity of congested high voltage transmission lines of electric utilities. In early 2012, SAS began discussions with the University of Manitoba due to their expertise, existing patents, and investment in the field of DTCR.

On June 4, 2012, SAS entered into a binding Subscription and Assignment Agreement with the University of Manitoba for the assignment of Canadian and US patent applications entitled, "A Sensing System Based on Multiple Resonant Electromagnetic Cavities" (Patents 2,486,551 and 7,347,101 and 7,441,463 and 2006241369 and 8,829,924; and pending patents EP1520159 and 2,559,694). The Subscription and Assignment Agreement assigns the patent rights, technology rights and improvements to the Corporation. In consideration for the Subscription and Assignment Agreement, the Corporation, to date has completed the cash, share and warrant payments to the University of Manitoba, issuing a total of 2,750,000 common shares and paying \$175,000 in cash and issuing 500,000 warrants (exercisable at \$0.50, expiring 12 months after listing on an Exchange). The cash, share and warrant payments have fulfilled the payment obligation of the Corporation under the agreement. There are 2 milestone payments in relation to the Subscription and Assignment Agreement that are linked to future sales of the product as follows:

Milestone payment 1

Within 30 days of the Corporation achieving cumulative gross sales of ten million dollars (\$10,000,000) with respect to the product, licensing revenues and/or sublicensing revenues relating to the assigned rights and/or the invention, the University shall receive two hundred fifty thousand (\$250,000), plus any applicable taxes, from the Corporation.

Milestone payment 2

Within 30 days of the Corporation achieving cumulative gross sales of twenty million dollars (\$20,000,000) with respect to the product, licensing revenues and/or sublicensing revenues relating to the assigned rights and/or the invention, the University shall receive a further two hundred fifty thousand (\$250,000), plus any applicable taxes, from the Corporation.

Use of Proceeds

This is a non-offering prospectus. The Corporation is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds to the Corporation in connection with the filing of this Prospectus. The Corporation completed a private placement financing of 4,175,000 units in connection with the closing of the

Amalgamation. The gross proceeds of the financing was \$417,500. Each unit was comprised of one Share at \$0.10 cents per Share, and one half non-transferable common share purchase warrant exercisable at \$0.20 cents per Share for a period of 18 months from the date of closing.

Funds Available and Use of Available Funds

As at February 29, 2016, the Corporation had working capital of approximately \$527,706. The Corporation funds its business using the proceeds from equity financings. The Corporation's estimated use of funds for the next twelve months is as follows:

Use of Available Funds	Amount (\$)
Estimated cost of Prospectus and CSE Listing	20,000
Completion of Interrogator (active component of DTCR system) ⁽¹⁾	20,000
DTCR Certification ⁽²⁾	50,000
Test Pilot ⁽³⁾	35,000
Operating expenses for 12 months ⁽⁴⁾	310,000
Working capital	92,706
Total	527,706

⁽¹⁾ Consists of internal personnel costs to finalize the DTCR system. See *"Description of Business – Overview of the Business"* and *"Business Objectives and Milestones"*.

⁽²⁾ Certification of the Company's DTCR system with third party laboratories, consisting of \$45,000 for external laboratory expenses and \$5,000 for internal personnel costs to assist with the certification process. See *"Business Objectives and Milestones"*.

⁽³⁾ Pilot installation of DTCR system. See *"Business Objectives and Milestones"*.

⁽⁴⁾ Estimated operating expenses for the next 12 months include: \$55,000 for office lease and administrative expenses; \$150,000 for salaries, wages and benefits for personnel excluding personnel costs anticipated to be incurred in connection with the DTCR Certification and completion of the Interrogator set out above; \$80,000 for a business development person; and \$25,000 for public company operations (audit, transfer agent, securities commissions fees, annual general meeting).

The Corporation intends to spend the funds available to it as stated in this Prospectus; however, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. See *"Risk Factors"*.

The Corporation funds its business using the proceeds from equity private placements. In the future, the Corporation may pursue additional private placement debt or equity financing based upon its working capital needs from time to time, however, there can be no assurance that such financing will be available, or completed on terms that are favourable to the Corporation.

Business Objectives and Milestones

The Corporation's short term business objectives using the funds available are to complete the Interrogator, or the active component of its DTCR system, the certification of its DTCR system with third party laboratories and installation of a pilot plant for such system.

Extensive financial and technical resources have been expended on the development of the DTCR technology since 2002 to bring the DTCR system into the final stages prior to commercialization. The Company has allocated \$20,000 to complete the Interrogator (active component of the DTCR system), \$50,000 for the certification of its DTCR system with third party laboratories (FCC, UL and Powertech Labs as described below) and \$35,000 for installation of a test pilot. DTCR system testing at third party laboratories will consist of basic electronics testing, safety testing and high and low temperature testing of our system on transmission lines. The Corporation expects the remaining tasks to finalize the Interrogator to be completed by April 2016, and thereafter intends to send the product for DTCR certification. The Corporation sees no delays or impediments in reaching commercialization as the remaining tasks to finalize the Interrogator rely on third party established GPS and power backup systems and software development based on user preferences. In conjunction with certification, the Corporation is seeking a

pilot installation for the DTCR system and has allocated \$35,000 for an installation. After certification is received, the Company intends to commence marketing and sales efforts for the DTCR system.

The following table presents short term and longer term objectives, milestones and projected timelines to commercialization the Corporation's technology.

Objective	Milestone/Notes	Anticipated Cost	Anticipated Completion Date
Completion of Interrogator (active component of DTCR system)	<ul style="list-style-type: none"> • third party GPS installation • third party (backup) power installation • user software interface completion 	\$20,000 ⁽¹⁾	End of April 2016
Certification of its DTCR system with third party laboratories. In particular: <ul style="list-style-type: none"> • Federal Communications Commission (FCC) • Underwriter Laboratory (UL) • Powertech Labs of British Columbia. 	Completion of technical Certification. In particular: <ul style="list-style-type: none"> • FCC Pre-scan • FCC Approval • UL Safety Approval • Powertech High Voltage Testing 	\$50,000 ⁽²⁾	End of June 2016
Pilot installation of DTCR system	3 rd Party installation	\$35,000	End of June 2016
Total		\$105,000	

(1) Consists of internal personnel costs to finalize the DTCR system.

(2) Consisting of \$45,000 for external laboratory expenses and \$5,000 for internal personnel costs to assist with the certification process.

Other Sources of Funding

The Corporation currently does not have any immediate sources of additional funding.

DIVIDENDS OR DISTRIBUTIONS

The payment of dividends, if any, in the future, rests within the sole discretion of the Board. The payment of dividends will depend upon the Corporation's earnings, its capital requirements and its financial condition, as well as other relevant factors. The Corporation has not declared any cash dividends since its inception and the Corporation intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its common shares and other classes of shares in the foreseeable future.

There are no restrictions in the Corporation's constating documents that prevent the Corporation from declaring dividends. The BCBCA, however, does prohibit the Corporation from declaring dividends where, after giving effect to the distribution of the dividend the Corporation would not be able to pay its debts as they become due in the usual course of business; or the Corporation's total assets would be less than the sum of its total liabilities plus the amount that would be needed to satisfy the rights of shareholders who have preferential rights superior to those receiving the distribution.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Corporation

The Corporation's Management's Discussion and Analysis provides an analysis of the Corporation's financial results for the nine month period ended September 30, 2015, and should be read in conjunction with the financial statements of the Corporation for such period, and the notes thereto respectively. The Corporation's Management's Discussion and Analysis is attached to this Prospectus as Appendix 6.

Certain information included in the Corporation's Management's Discussion and Analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Caution Regarding Forward-Looking Statements*" for further detail.

SAS

The SAS Management's Discussion and Analysis provides an analysis of the Corporation's financial results for the nine month period ended September 30, 2015, and should be read in conjunction with the financial statements of SAS for such period, and the notes thereto respectively. SAS's Management's Discussion and Analysis is attached to this Prospectus as Appendix 3.

Certain information included in SAS's Management's Discussion and Analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Caution Regarding Forward-Looking Statements*" for further detail.

DESCRIPTION OF SHARE CAPITAL

No securities are being offered pursuant to this Prospectus.

Authorized Capital

The authorized share capital of the Corporation consists of an unlimited number of Shares without par value and an unlimited number of preferred shares without par value. See "*Consolidated Capitalization*" and "*Disclosure of Outstanding Share Data*". As of the date of this Prospectus, there were 27,820,488 Shares issued and outstanding and no preferred shares issued and outstanding.

Common Shares

Holders of the Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, and each Share confers the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the Board. The holders of the Shares, subject to the prior rights, if any, of any other class of shares of the Corporation, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the Corporation's assets among its shareholders by way of repayment of capital, the net equity of the Corporation shall be distributed among the holders of the Shares, without priority and on a share for share basis. There are no redemption or retraction rights associated with the Shares.

Stock Options

As at the date hereof, the Corporation has not adopted a stock option plan and does not have any stock options outstanding.

CONSOLIDATED CAPITALIZATION

Since September 30, 2015, the Corporation has effected the following material changes with respect to its share capital:

On November 2, 2015, the Company completed a non-brokered private placement for gross proceeds of \$417,500 through the sale of 4,175,000 units. Each unit was comprised of one Share at \$0.10 cents per Share, and one half non-transferable common share purchase warrant exercisable at \$0.20 cents per Share for a period of 18 months from the date of closing. The closing of this private placement exceeded the minimum \$200,000 financing required by the Corporation to close the Amalgamation. The Amalgamation was subsequently closed on November 5, 2015.

The following table sets out the capitalization of the Corporation as at the dates specified below:

Description	Authorized	Outstanding as at September 30, 2015	Outstanding as at the date of this Prospectus
Common Shares	Unlimited	5,599,978 ^{(1) (2)}	27,820,488 ⁽¹⁾
Preferred Shares	Unlimited	Nil	Nil
Warrants	725,000 ⁽²⁾	3,750,000 ⁽³⁾	6,833,500 ⁽⁴⁾

Notes:

⁽¹⁾ On an undiluted basis. Does not include any Shares issuable upon exercise of the warrants.

⁽²⁾ As of September 30, 2015, the Corporation had 5,599,978 Shares issued and outstanding. Post September 30, 2015, the Corporation issued the following Shares:

On November 2, 2015, the Corporation completed a non-brokered private placement for gross proceeds of \$417,500 through the sale of 4,175,000 units. Each unit was comprised of one Share at \$0.10, and one half non-transferable common share purchase warrant exercisable at \$0.20 per Share for a period of 18 months from the date of closing.

On November 5, 2015, the Corporation issued 12,062,927 Shares to former SAS securityholders in connection with the closing of the Amalgamation Agreement.

On August 15, 2015, SAS completed a convertible financing for proceeds of \$361,115. For the convertible financing, interest accrued at a rate of 10% per annum, had no maturity date and was unsecured. On December 8, 2015, the proceeds of this financing were converted into Shares of the Corporation at a deemed price of \$0.07 per Share, plus interest, for a total of 5,482,583 Shares.

On December 14, 2015, the Corporation paid 500,000 Shares in commissions in relation to convertible loans.

As of the date of this prospectus, the Corporation had 27, 820, 488 Shares issued and outstanding.

⁽³⁾ Each of the 3,750,000 warrants are exercisable at \$0.10 until expiry on September 2, 2017.

⁽⁴⁾ Warrants consist of 500,000 warrants exercisable at \$0.50 until expiry on June 29, 2022, 225,000 warrants exercisable at \$0.50 until expiry on October 10, 2017, 3,750,000 warrants exercisable at \$0.10 until expiry on September 2, 2017, 2,271,500 warrants exercisable at \$0.20 until expiry on April 30, 2017 and 87,000 warrants exercisable at \$0.20 until expiry on May 30, 2017.

Fully Diluted Share Capital

The following table sets out the fully diluted share capital of the Corporation:

	Number of Securities Issued or Reserved	% of total issued and outstanding (fully diluted)
Shares issued at the date of Prospectus	27,820,488	80.28%
Warrants assuming fully exercised	6,833,500	19.72%

Total	34,653,988	100%
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PRIOR SALES

Prior Sales - Corporation

The following table summarizes all sales/issuances of securities of the Corporation for the 12 month period before the date of the Prospectus:

Date of Issue	Price per Security/Exercise Price	Number and Type of Securities	Reason for Issuance
September 1, 2015	\$0.06	1,500,000 Shares	Shares for debt ⁽¹⁾
September 2, 2015	\$0.05	2,500,000 Shares	private placement ⁽²⁾
November 2, 2015	\$0.10	4,175,000 Shares	private placement ⁽³⁾
November 5, 2015	\$0.10	680,000 Shares	Shares for debt ⁽⁴⁾
November 5, 2015	\$0.10	550,000 Shares	Payment to University of Manitoba ⁽⁵⁾
November 5, 2015	\$0.10	515,878 Shares	Commission
December 8, 2015	\$0.07	5,482,583 Shares	Conversion of loan ⁽⁶⁾
December 14, 2015	\$0.10	500,000 Shares	Commission ⁽⁷⁾

Notes:

- ⁽¹⁾ On September 1, 2015, the Corporation converted \$90,000 of consulting fees owed to Bryan Loree and Ravinder Mlait into Shares at a deemed price of \$0.06 per share for a total of 1,500,000 Shares issued via shares for debt.
- ⁽²⁾ On September 2, 2015, the Corporation completed a non-brokered private placement for gross proceeds of \$125,000 through the sale of 2,500,000 units. Each unit was comprised of one Share at \$0.05 cents and one-and one half transferable common share purchase warrant exercisable at \$0.10 cents per Share, expiring on September 2, 2017.
- ⁽³⁾ On November 2, 2015, the Corporation completed a non-brokered private placement for gross proceeds of \$417,500 through the sale of 4,175,000 units. Each unit was comprised of one Share at \$0.10 cents, and one half non-transferable common share purchase warrant exercisable at \$0.20 cents per Share for a period of 18 months from the date of closing.
- ⁽⁴⁾ On August 28, 2015, SAS converted \$68,000 of consulting fees owed to Suresh Singh and John McLeod into common shares of SAS at a deemed price of \$0.10 per share for a total of 680,000 common shares issued via shares for debt.
- ⁽⁵⁾ On November 5, the Corporation converted \$55,000 (the final cash payment owed to the University of Manitoba under the *Subscription and Assignment Agreement*) into Shares at a deemed price of \$0.10 per share for a total of 550,000 Shares.
- ⁽⁶⁾ On August 15, 2015, SAS completed a convertible financing for proceeds of \$361,115. The convertible financing bears interest at a rate of 10% per annum, has no maturity date and is unsecured. On December 8, 2015, the proceeds of this financing were converted into Shares of the Corporation at a deemed price of \$0.07 per share, plus interest, for a total of 5,482,583 Shares. A finder's fee of 515,879 Shares was paid in connection with the financing.
- ⁽⁷⁾ On December 14, 2015, the Corporation paid 500,000 Shares in commissions in relation to convertible loans.

Prior Sales - SAS

SAS did not issue any shares within the 12 months prior to the date of the Amalgamation.

Trading Price and Volume

The Shares do not trade on any stock exchange.

ESCROWED SECURITIES

Current Legacy Escrow

Several arm's length shareholders of the Corporation are subject to escrow pursuant to an escrow agreement dated March 11, 2015. This agreement was entered into pursuant to the Arrangement Agreement on March 12, 2015. The arm's length shareholders were escrowed because of prior transactions involving Parentco in connection with the closing of the Arrangement. The form of escrow agreement is in accordance with National Policy 46-201 – *Escrow for Initial Public Offerings*. A total of 135,431 Shares are subject to escrow and will be released in accordance with the following schedule:

Date of Automatic Timed Release	Amount of Escrowed Securities Released	Number of Escrowed Securities Released
On the Listing Date	10% of the Escrowed Securities	13,547
6 months after the Listing Date	15% remaining Escrowed Securities	20,314
12 months after the Listing Date	15% remaining Escrowed Securities	20,314
18 months after the Listing Date	15% remaining Escrowed Securities	20,314
24 months after the Listing Date	15% remaining Escrowed Securities	20,314
30 months after the Listing Date	15% remaining Escrowed Securities	20,314
36 months after the Listing Date	15% remaining Escrowed Securities	20,314

Escrow Agreement

In connection with the filing of this Prospectus, the Corporation has entered into an additional escrow agreement with a modified escrow release schedule in accordance with National Policy 46-201 – *Escrow for Initial Public Offerings* as follows:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Shares	7,805,907	28% ⁽¹⁾

Notes:

⁽¹⁾ Based on 27,820,488 Shares issued and outstanding as at the date of this Prospectus.

A detailed breakdown of the Shares that are subject to escrow are as follows:

Name	Designation of Security	Quantity	% Common Shares at the date of Prospectus ^{(1) (2)}
Suresh Singh	common shares	2,353,333	8.46%
Ravinder Mlait	common shares	1,256,777	4.52%
Bryan Loree	common shares	1,445,797	5.20%
University of Manitoba	common shares	2,750,000	9.88%
Total		7,805,907	28%

Notes:

⁽¹⁾ Based on 27,820,488 Shares outstanding as at the date of this Prospectus.

Section 3.5 of NP 46-201 provides that all shares of a company owned or controlled by Principals will be escrowed at the time of the Corporation's initial public offering, unless the shares held by the Principal or issuable to the Principal upon conversion of convertible securities held by the Principal collectively represent less than 1% of the total issued and outstanding shares of the Corporation after giving effect to the initial public offering.

Although the Corporation is classified as an "emerging issuer" pursuant to NP 46-201, the Corporation and the persons subject to escrow as set out in the table above have agreed to the following automatic and modified timed releases of the Shares subject to escrow:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the earlier of: (i) 2 years from date of receipt of the Prospectus, or (ii) once the Corporation files financial statements with the Principal Regulator that show \$100,000 in revenues from arm's length parties (in either case, the "First Release")	1/10 of the Escrowed Securities

6 months after the First Release	1/6 of the remaining Escrowed Securities
12 months after the First Release	1/5 of the remaining Escrowed Securities
18 months after the First Release	1/4 of the remaining Escrowed Securities
24 months after the First Release	1/3 of the remaining Escrowed Securities
30 months after the First Release	1/2 of the remaining Escrowed Securities
36 months after the First Release	the remaining Escrowed Securities

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed release escrow applicable to the Corporation will result in a 10% release on the First Release, with the remaining escrowed securities being released every six months thereafter in accordance with the table above.

Pursuant to the terms of the Escrow Agreement, Suresh Singh, Ravinder Mlait, Bryan Loree, the University of Manitoba and the Legacy Escrow Holders have agreed to deposit in escrow their securities of the Corporation with the Equity Financial Trust Company as escrow agent. Pursuant to the Escrow Agreement, 780,590 Shares will be released from escrow on the First Release.

Shares Subject to Resale Restrictions

The 10,157,583 Shares issued in connection with the private placements/issuances, as summarized in the table below are subject to a four month hold period pursuant to NI 45-102.

Date of Issue	Price per Security/Exercise Price	Number and Type of Securities	Hold Period Expiry Date
November 2, 2015	\$0.10	4,175,000	March 5, 2016
December 8, 2015	\$0.07	5,482,583	April 9, 2016
December 14, 2015	\$0.10	500,000	April 15, 2016

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Corporation, as of the date of this Prospectus, no person beneficially owns or exercises control or direction over, directly or indirectly, common shares carrying more than 10% of the votes attached to the Shares.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

The following table provides the names, state or province and country of residence, position, principal occupations during the five preceding years and the number of voting securities of the Corporation that each of its directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date of this Prospectus:

Name and State or Province and Country of Residence and Position with the Corporation	Date of Appointment	Principal Occupation for the Past Five Years	Number and Percentage of Voting Securities Beneficially Owned, Directly or Indirectly ⁽¹⁾
Suresh Singh ⁽²⁾ BC, Canada <i>Director</i>	November 7, 2011	From June 2012 to present Director, President and Chief Executive Officer of ZincNyx Energy Solutions, Inc. From 2009 to 2011 served as President and Chief Executive Officer of Cats Eye Capital Corporation. From 1999 to 2006 served as director, President and Chief Executive Officer of Icron Technologies Inc. From 1993 to 1998 served as a Director and Chief Operating Officer of PCS Wireless Systems Inc.	2,353,333 or 8.46%
Bryan Loree ⁽²⁾ , BC, Canada CFO and Director	September 10, 2014	December 2013 to present, Chief Financial Officer Cannabix Technologies Inc., June 2010 to present, Chief Financial Officer of Rockland Minerals Corp.; June 2007 to May 2011, accountant position with Nechako Minerals Corp., a private mineral exploration company; January 2008 to May 2011, business development officer with Syntaris Power Corp., a private renewable energy company.	1,445,797 or 5.20%
Ravinder Mlait, BC, Canada CEO and Director	February 27, 2015	December 2013 to present, Chief Executive Officer Cannabix Technologies Inc., June 2010 to present, Chief Executive Officer of Rockland Minerals Corp.; January 2004 to May 2010, corporate development positions with Pacific Bay Minerals Ltd.; January 2004 to November 2007, corporate advisory consultant to Cusac Gold Mines Ltd.	1,256,777 or 4.52%
Darren Fast ^{(2) (3)} MB, Canada Director	December 1, 2013	October 2012 to present, Director of Technology Transfer, University of Manitoba; 2005-Dec 2014, President, Solalta Advisors Ltd.; Jul 2009 to Oct 2012, Senior Intellectual Property Advisor, Public Health Agency of Canada.	2,750,000 or 9.8%

⁽¹⁾ Percentage of Shares outstanding is based on 27,820,488 Shares issued and outstanding as of the date of this Prospectus, on an undiluted basis.

⁽²⁾ Audit Committee member

⁽³⁾ The 2,750,000 Shares are registered in the name of the University of Manitoba and are indirectly controlled by Mr. Fast, the Director of Technology Transfer at the University of Manitoba.

As at the date of this Prospectus, the directors and executive officers of the Corporation as a group beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 7,805,907 Shares, which is equal to 28.06% of the Shares issued and outstanding as at the date hereof.

The term of office of the directors expires annually at the time of the Corporation's annual general meeting. The term of office of the executive officers expires at the discretion of the Board. Ravinder Mlait, Chief Executive Officer and a director of the Corporation, and Bryan Loree, Chief Financial Officer, Corporate Secretary and a director of the Corporation, have entered into non-disclosure agreements with the Corporation that include restrictions on such officers regarding the disclosure of confidential information relating to the Corporation. No executive officers of the Corporation have entered into non-competition agreements with the Corporation. See "Executive Compensation".

Background

The following is a brief description of each of the directors and executive officers of the Corporation, including their names, ages, positions and responsibilities with the Corporation, relevant educational background, principal occupations or employment during the five years preceding the date of this Prospectus, experience in the Corporation's industry and the amount of time intended to be devoted to the affairs of the Corporation:

Suresh Singh – Director, 62 years old - Mr. Singh served as a director and President SAS since November, 2011. He provided his services as a consultant to SAS during this period. From June 2012 to present, Mr. Singh has served as Director, President and Chief Executive Officer of ZincNyx Energy Solutions, Inc., an early stage energy storage company in Vancouver. From 2009 to 2011 Mr. Singh was President and Chief Executive Officer of Cats Eye Capital Corporation, listed on TSX Venture Exchange. From 2006 to 2009 Mr. Singh provided consulting services to early stage public Companies. From 1999 to 2006 Mr. Singh was director, President and Chief Executive Officer of Icron Technologies Inc., a technology company listed on TSX Venture Exchange. From 1993 to 1998 Mr. Singh was a Director and the Chief Operating Officer of PCS Wireless Systems Inc., a technology company listed on the TSX Venture Exchange. Mr. Singh expects to devote 20% of his time to the affairs of the Corporation.

Ravinder Mlait, MBA – Director, Chief Executive Officer, 39 years old – Mr. Mlait has served as a director of the Corporation since February 2015 and Chief Executive Officer of the Corporation since December 2015. From December 2013 to present, Mr. Mlait has served as Chief Executive Officer of Cannabix Technologies Inc., an early stage technology company listed on the CSE. From June 2010 to present, Mr. Mlait has served as Chief Executive Officer and President of Rockland Minerals Corp., a mineral exploration company listed on the TSXV. From January 2004 to May 2010, Mr. Mlait performed business development services for Pacific Bay Minerals Ltd., a mineral exploration company listed on the TSXV that carried out exploration activities in Argentina, Quebec and British Columbia. Initially, he was a corporate communications consultant from January 2004 to November 2007 and later was appointed Vice Present Business Development from December 2007 to May 2010. Mr. Mlait also acted as a corporate advisory consultant to Cusac Gold Mines Ltd., a then mining issuer listed on the TSX from January 2004 to November 2007. Mr. Mlait obtained a Bachelor of Arts degree (Economics) from Simon Fraser University in 1999 and obtained his Masters of Business Administration from Royal Roads University in Victoria, British Columbia in 2010. Mr. Mlait expects to devote 35% of his time to the affairs of the Corporation.

Bryan E. Loree, BA, CMA – Director, Chief Financial Officer, and Corporate Secretary, 39 years old – Mr. Loree has served as a director of the Corporation since September 2014. From December 2013 to present, Mr. Loree has served as Chief Financial Officer of Cannabix Technologies Inc., an early stage technology company listed on the CSE. From July 2010 to present, Mr. Loree has served as Chief Financial Officer of Rockland Minerals Corp., a mineral exploration issuer listed on the TSXV. From June 2007 to May 2011, Mr. Loree held an accountant position with Nechako Minerals Corp., a private mineral exploration company. From January 2008 to May 2011, Mr. Loree was a business development officer with Syntaris Power Corp., a private renewable energy company. Mr. Loree obtained a Diploma of Technology – Financial Management from the British Columbia Institute of Technology in 2002 and obtained a Certified Management Accountant designation from the Certified Management Accounts of British Columbia in 2008. Mr. Loree expects to devote 35% of his time to the affairs of the Corporation.

Darren Fast, PhD – Director, 49 years old – Dr. Fast has served as a director of SAS since 2013. From October 2012 to the present, Dr. Fast served as Director of Technology Transfer at the University of Manitoba. From 2005-2014, Dr. Fast was the President of Solalta Advisors Ltd., a consulting firm working primarily with early stage technology-based companies. From 2009-2012, Dr. Fast was the Senior Intellectual Property Advisor for the Public Health Agency of Canada. From 2002-2005 Dr. Fast was the Chief Technology Office of Lombard Life Sciences, managers of the Western Life Sciences Venture Fund, a fund that invested in early stage life sciences companies. From 1996-2002, Dr. Fast was the Manager, Product Planning and Development at Viventia Biotech Inc., a company

developing human monoclonal antibodies for treatment of cancers. Dr. Fast obtained a Bachelor of Sciences (Biochemistry) in 1988 and a Master of Sciences (Chemistry in 1990) from the University of Manitoba and a Doctor of Philosophy (Biochemistry) in 1995 from the University of Alberta. Dr. Fast expects to devote approximately 3% of his time to the affairs of the Corporation.

None of the executive officers of the Corporation have entered into non-competition agreements with the Corporation. Ravinder Mlait, Chief Executive Officer and a director of the Corporation, and Bryan Loree, Chief Financial Officer, Corporate Secretary and a director of the Corporation, have entered into non-disclosure agreements with the Corporation that include restrictions on such officers regarding the disclosure of confidential information relating to the Corporation. See "Executive Compensation".

Cease Trade Orders or Bankruptcies

To the knowledge of the Corporation, no director or executive officer is, or within 10 years before the date hereof has been, a director, CEO or CFO of any company that: (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO, or (b) was subject to an order that was issued after the director or officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

To the knowledge of the Corporation, no director, executive officer or principal shareholder: (a) is at the date hereof, or has been with 10 years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

Other than as set out below, none of our directors, officers or principal shareholders are, or have been within the last 10 years, the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, have entered into a settlement agreement with a Canadian securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body, that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

To the best of the Corporation's knowledge, no existing or proposed director or officer of the Corporation, nor any shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, nor any personal holding company of any such person has, within the ten years before the date of this Prospectus become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Conflicts of Interest

The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests, which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Corporation's knowledge, and other than as disclosed herein, there are no known existing or potential conflicts of interest among the Corporation, its promoters, directors and officers or other members of management of the Corporation or of any proposed promoter, director, officer or other member of management

as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Discussion and Analysis and Compensation Governance

The overall objective of the Corporation's compensation strategy is to offer medium-term and long-term compensation components to ensure that the Corporation has in place programs to attract, retain and develop management of the highest caliber and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the CEO, if any, in this regard. The Corporation currently has short and long-term compensation components in place, and intends to further develop these compensation components. The Corporation does not have consulting or employment agreements in place with any NEOs, and has not granted options to NEOs to date. The objectives of the Corporation's compensation policies and procedures will be to align the interests of the Corporation's employees with the interests of the Corporation's shareholders.

Mr. Loree and Mr. Mlait entered into consulting agreements with the Corporation on January 1, 2015. The consulting agreements provided for monthly compensation for management services at \$5,000 for each until March 31, 2015, and thereafter increased to \$6,000 per month. On September 1, 2015 the consulting agreements for each Mr. Loree and Mr. Mlait terminated, and the parties entered into a debt settlement and subscription agreement under which \$45,000 of accumulated consulting fees were converted into common shares at \$0.06 for a total of 750,000 shares for each Mr. Loree and Mr. Mlait.

The Corporation does not currently have in place a Compensation and Nominating Committee. All tasks related to developing and monitoring the Corporation's approach to the compensation of officers of the Corporation, and to developing and monitoring the Corporation's approach to the nomination of directors to the Board, are performed by the members of the Board. The compensation of the NEOs and the Corporation's employees is reviewed, recommended and approved by Board.

Under the Corporation's compensation policies and practices, NEOs and directors are not prevented from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, the Board does not believe that the Corporation's compensation policies and practices encourage executive officers to take unnecessary or excessive risk.

Option-based Awards

The Corporation has not adopted a stock option plan and has not issued any stock options.

Summary Compensation Table

The following table sets out information regarding compensation paid or accrued to the Corporation's NEOs during the Corporation's three most recently completed financial years ended December 31, 2014, December 31, 2013 and December 31, 2012:

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Suresh Singh <i>President and Director</i> ⁽¹⁾	2014	12,500	Nil	Nil	Nil	Nil	Nil	Nil	12,500
	2013	24,000	Nil	Nil	Nil	Nil	Nil	Nil	24,000
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bryan Loree <i>CFO and Director</i> ⁽²⁾	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ravinder Mlait <i>CEO and Director</i> ⁽³⁾	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

⁽¹⁾ Mr. Singh was appointed as the President of SAS effective May 13, 2011 to November 5, 2015. Following the Amalgamation (November 5, 2015), Mr. Singh was not appointed as an officer of the Corporation. All amounts paid to Mr. Singh set out in the table above were paid by SAS prior to the Amalgamation.

⁽²⁾ Mr. Loree was appointed as the CFO of the Corporation effective December 1, 2015. The Corporation was incorporated on September 10, 2014.

⁽³⁾ Mr. Mlait was appointed as the CEO of the Corporation effective December 1, 2015. The Corporation was incorporated on September 10, 2014.

Narrative Discussion

The Corporation has not entered into a consulting or employment agreement with NEO's as of the date of this Prospectus.

Other than as set forth above, during the financial years ended December 31, 2014, December 31, 2013 and December 31, 2012, no NEO received compensation pursuant to:

- (a) any standard arrangement for the compensation of NEOs for their services in their capacity as NEOs, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of NEOs in their capacity as NEOs; or
- (c) any arrangement for the compensation of NEOs for services as consultants or expert.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The Corporation and SAS have not granted any common share-based awards to date. The following table sets forth the outstanding option-based awards for each of the NEOs as at December 31, 2014:

Name	Number of securities underlying unexercised options (#)	Option-based Awards		
		Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Suresh Singh	Nil	Nil	N/A	Nil
Bryan Loree	Nil	Nil	N/A	Nil
Ravinder Mlait	Nil	Nil	N/A	Nil

Incentive Plan Awards – Value Vested or Earned During the Year

The Corporation and SAS did not grant any options to any NEOs during the most recently completed financial year ended December 31, 2014 or to the date of this Prospectus. The following table sets forth details of the value vested or earned for all incentive plan awards by each NEO during the year ended December 31, 2014 or to the date of this Prospectus.

Name	Option-based Awards – Value vested during the year	Share-based Awards – Value vested during the year	Non-equity Incentive Plan Compensation – Value earned during the year
Bryan Loree	Nil	N/A	N/A
Ravinder Mlait	Nil	N/A	N/A

Narrative Discussion

See “*Compensation Discussion and Analysis – Option-based Awards*” and “*Summary Compensation Table – Narrative Discussion*”, for a description of all plan based awards and their significant terms.

Pension Plan Benefits

The Corporation does not have a pension plan that provides for payments or benefits to NEOs at, following, or in connection with retirement.

Termination and Change of Control Benefits

The Corporation does not have any employment or consulting contracts.

DIRECTOR COMPENSATION

Director Compensation Table

Other than the amounts paid to Suresh Singh as a NEO as disclosed in the Summary Compensation Table, neither the Corporation nor SAS paid any amounts to any person for carrying out services as a director during the financial year ended December 31, 2014. See “*Executive Compensation – Summary Compensation Table*”.

Narrative Discussion

The Corporation does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Corporation for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. The Board intends to compensate directors primarily through the grant of stock options and reimbursement of expenses incurred by such persons acting as directors of the Corporation.

Incentive Plan-Compensation for Directors

There were no option-based awards granted to the Corporation’s directors that were outstanding as of December 31, 2014 and to the date of this Prospectus.

Incentive Plan Awards – Value Vested or Earned During the Year

No stock option-based awards have been granted to NEO's or directors as of the date of this Prospectus.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

No directors, executive officers and employees and no former directors, executive officers and employees of the Corporation are or were indebted to the Corporation in connection with a purchase of securities or for any other reason as at the date of this Prospectus.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

No directors or executive officers of the Corporation, and associates of such directors or executive officers, are or were indebted to the Corporation as at the date of this Prospectus.

AUDIT COMMITTEE

Audit Committee

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. NI 52-110, NI 41-101 and Form 52-110F1 require the Corporation to disclose certain information relating to the Corporation's Audit Committee and its relationship with the Corporation's independent auditors.

Audit Committee Charter

Pursuant to NI 52-110, the Corporation's Audit Committee is required to have a charter. The full text of the Corporation's Audit Committee Charter is attached as Appendix 8 to this Prospectus.

Composition of Audit Committee

The members of the Corporation's Audit Committee are:

Bryan Loree (Chair)	Not Independent ⁽¹⁾	Financially literate ⁽³⁾
Darren Fast	Independent ⁽¹⁾	Financially literate ⁽³⁾
Suresh Singh	Independent ⁽¹⁾	Financially literate ⁽³⁾

Notes:

⁽¹⁾ A member of an audit committee is independent if the member has no direct or indirect material relationship with the Corporation, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

⁽²⁾ An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

The members of the audit committee of the Corporation are Bryan Loree, Darren Fast and Suresh Singh.

Mr. Loree, the Corporation's CFO is not "independent" as defined in NI 52-110 as Mr. Loree is an executive officer of the Corporation. Mr. Fast and Mr. Singh are independent. The Corporation is exempt from the audit committee composition requirements in NI 52-110 which require all audit committee members to be independent.

All of the audit committee members are "financially literate", as defined in NI 52-110, as all of the audit committee members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Relevant Education and Experience

Each audit committee member has had extensive experience reviewing financial statements. Each member has an understanding of the Corporation's business and has an appreciation for the relevant accounting principles for that business.

Bryan Loree – Mr. Loree has held various senior accounting roles for public and private companies in various industries including, renewable energy, exploration, and construction. Mr. Loree holds a Certified Management Accountant designation, a Financial Management Diploma from the British Columbia Institute of Technology, and a BA from Simon Fraser University.

Suresh Singh – Mr. Singh has held roles as a senior executive with several businesses both public and private. He completed executive training courses at the University of British Columbia as well as several Certified General Accounting (CGA) courses from 1984 to 2000. He also completed his Business Administration Certificate from Langara College in 1982. Mr. Singh is familiar with accounting processes, reviewing financial statements, and has served on audit committees in the past.

Darren Fast – Dr. Fast has held various senior executive roles with private companies and with educational institutions like the University of Manitoba. Dr. Fast was the Chief Technology Office of Lombard Life Sciences, managers of the Western Life Sciences Venture Fund, a fund that invested in early stage life sciences companies. In these roles Dr. Fast had a direct role in the review and preparation of budgets, reviewing financial statements, and overall financial stewardship of the organization. Dr. Fast obtained a Bachelor of Sciences (Biochemistry) in 1988 and a Master of Sciences (Chemistry in 1990) from the University of Manitoba and a Doctor of Philosophy (Biochemistry) in 1995 from the University of Alberta.

Audit Committee Oversight

At no time since the beginning of the fiscal year completed December 31, 2014 was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the beginning of the fiscal year ended December 31, 2014 has the Corporation relied on the exemption provided in section 2.4 of NI 52-110 (De Minimis Non-Audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions). It is not anticipated that the Corporation will rely on any of the above exemptions.

Pre-Approval Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services but all such services will be subject to the prior approval of the audit committee. It is not anticipated that the Corporation will adopt specific policies and procedures.

External Auditor Service Fees

The aggregate fees billed by the external auditors to the Corporation and for SAS for the fiscal year ended December 31, 2014 are:

Fiscal Year Ended	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
Corporation - 2014	\$1,500	Nil	\$75	Nil
SAS - 2014	\$11,710	\$3,500	\$900	Nil

Exemption

The Corporation is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Corporation, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Corporate Governance Practices

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making. The Board is of the view that the Corporation's general approach to corporate governance, summarized below, is appropriate and substantially consistent with objectives reflected in the guidelines for improved corporate governance in Canada adopted by the Canadian Securities Administrators (the "**National Guidelines**").

Board of Directors

The Board is currently composed of 4 directors.

The National Guidelines suggest that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "unrelated" directors. An "unrelated" director is a director who is independent of management and is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the Corporation, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, the National Guidelines suggest that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder.

Dr. Fast and Mr. Singh are considered by the Board to be "unrelated" within the meaning of the Guidelines. In assessing the Guidelines and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

As officers of the Corporation, Mr. Loree and Mr. Mlait are not considered independent pursuant NI 52-110.

Other Directorships

The following table sets out the directors of the Corporation who are presently directors of other issuers that are reporting issuers in any Canadian jurisdiction.

Name	Name and Jurisdiction of Other Reporting Issuers	Name of Exchange or Market	Position	From	To
Ravinder Mlait	Cannabix Technologies Inc.	CSE	CEO	December, 2013	Present
Ravinder Mlait	Rockland Minerals Corp	TSX V	CEO and President	June, 2010	Present
Bryan Loree	Cannabix Technologies Inc.	CSE	CFO	December, 2013	Present
Bryan Loree	Rockland Minerals Corp	TSX V	CFO	June, 2010	Present

Orientation and Continuing Education

The Board has not adopted formal steps to orient new board members. The Board's continuing education is typically derived from correspondence with the legal counsel of the Corporation to remain up to date with developments in relevant corporate and securities law matters. It is not anticipated that the board of the Corporation will adopt formal steps in the 12 months following completion of the Listing.

Ethical Business Conduct

The Board has not adopted formal guidelines to encourage and promote a culture of ethical business conduct but does promote ethical business conduct by nominating board members it considers ethical, by avoiding or minimizing conflicts of interest and by having a sufficient number of its board members independent of corporate matters. It is not anticipated that the board of the Corporation will adopt formal guidelines in the 12 months following completion of the Listing.

RISK FACTORS

The risks and uncertainties described below are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business, financial condition, results of operations and cash flows, and consequently the price of our Shares, could be materially and adversely affected. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See "Note Regarding Forward-Looking Statements" in this Prospectus.

Risks Relating to our Business

The Corporation currently does not generate revenue from its operations, and as a result, we face a high risk of business failure.

The Corporation has a history of operating losses and may never achieve profitability in the future. The Corporation is an early stage technology company; accordingly, it has not generated any business income from its proprietary systems to monitor the Dynamic Thermal Circuit Rating.

The Corporation expects to be involved in research and development of its Dynamic Thermal Circuit Rating (DTCR) monitoring system, working to achieve certification for its technology and then performing pilot tests to determine its commercial viability. This process may take several years and require significant financial resources without income. The Corporation expects these expenses to result in continuing operating losses for the foreseeable future.

The Corporation's ability to generate future revenue or achieve profitable operations is largely dependent on its ability to attract the experienced management and know-how to develop and commercialize its DTCR monitoring

system. Successfully developing a DTCR monitoring system into marketable solution may take several years and significant financial resources and the Corporation cannot assure that it can achieve these objectives.

Patents & IP

The Corporation through its agreements with the University of Manitoba holds certain rights to existing patents and patent pending technology but cannot guarantee their final patent approval or commercial viability.

Industry Risks

The market for DTCR monitoring system is characterized by evolving industry standards, changes in end-user requirements and frequent new product introductions and enhancements. The introduction of products embodying new technologies and the emergence of new industry standards and service offerings could render the Corporation's existing products and products currently under development obsolete. The Corporation's success will largely depend upon its ability to evolve its products and services to sufficiently keep pace with technological developments and respond to the needs of its existing and prospective customers. Failure to anticipate or respond adequately to technological developments or future customer requirements, or any significant delays in product development or introduction, could damage the Corporation's competitive position in the market place and effect commercialization plans. There can be no assurance that the Corporation will be successful in developing and marketing new products or product enhancements or service offerings on a timely basis.

Current and future competitors could have a significant impact on our ability to generate future revenue and profits

The markets for our products are intensely competitive, and are subject to rapid technological change and other pressures created by changes within our industry. We expect competition to increase and intensify in the future as additional companies enter our markets, including competitors who may offer similar solutions but provide them through different means. We may not be able to compete effectively with current competitors and potential entrants into our marketplace. We could experience diminished market share if our current or prospective competitors introduce new competitive products; add new functionality to existing products, acquire competitive products, reduce prices, or form strategic alliances with other companies. If competitors were to engage in aggressive pricing policies with respect to their products, or if the dynamics in our marketplace resulted in increasing bargaining power by the consumers of our products and services, we might need to lower the prices we charge for the products we plan to offer. This could result in lower revenues or reduced margins, either of which may materially and adversely affect our business and operating results.

We may become involved in legal matters that may materially adversely affect us

From time to time in the ordinary course of our business, the Corporation may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Corporation to incur significant expenses. Furthermore, because litigation is inherently unpredictable, and can be highly expensive, the results of any such actions may have a material adverse effect on the Corporation's business, operations or financial condition.

Investment in our current research and development efforts may not provide a sufficient, timely return

The development of new software products and strategies is a costly, complex and time-consuming process, and the investment in technology product development often involves a prolonged time until a return is achieved on such an investment. We have made, and will continue to make, significant investments in technology development and related product opportunities. Investments in new products are inherently speculative and risky. Commercial success depends on many factors including the degree of innovation of the products developed, sufficient support from our strategic partners, and effective distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for new development. These expenditures may adversely affect our operating results if they are not sufficiently offset by revenue increases. We believe that we must continue to dedicate a significant amount of resources to our development efforts in order to maintain our competitive position. However, significant revenue from new product and service investments may not be

achieved for a prolonged period of time, if at all. Moreover, new products and services may not be profitable, and even if they are profitable, operating margins for new products and businesses may not be as lucrative as the margins we previously experienced for our legacy products and services.

Protection of proprietary technology can be unpredictable and costly.

The Corporation's success will depend in part upon successful new patent applications for its technology and protecting existing patents that the Corporation holds. Obtaining such patent protection can be costly and the outcome of any application for such can be unpredictable. In addition, any breach of confidentiality by a third party by premature disclosure may preclude the obtaining of appropriate patent protection, thereby affecting the development and commercial value of the Corporation's technology and products.

Competition

The planned business to be carried out by the Corporation will be highly competitive and involve a high degree of risk. There can be no assurance that the Corporation will be the only DTCR developer in North America or globally. In its efforts to achieve its objectives, the Corporation will compete with other companies that may have greater resources, many of which will not only develop technology but also manufacture and sell similar products on a worldwide basis.

Uninsured or Uninsurable Risk

The Corporation may become subject to risks against which it cannot insure or against which it may elect not to insure. Settling related liabilities would reduce funds available for core business activities. Settlement of uninsured liabilities could have a material adverse effect on our financial position.

Conflicts of Interest

Our executive officers and directors will devote only that portion of their time which, in their judgment and experience, is reasonably required for the management and operation of our business. Management may have conflicts of interest in allocating management time, services and functions among the Corporation and any present and future ventures which are or may be organized by our officers or directors and/or their affiliates. Management are not required to direct the Corporation as their sole and exclusive function, and they may have other business interests and engage in other activities in addition to those relating to the Corporation. This includes rendering advice or services of any kind to other investors and creating or managing other businesses.

It is possible, however, that our directors and officers may owe similar consideration to another organization(s). It is possible that these and other conflicts of interest are resolved in a way that has a material adverse impact on the Corporation.

Dependence on Key Personnel

The Corporation depends on support from existing directors and officers and its ability to attract, and retain, new directors, officers and other personnel with appropriate skill sets. Inability to retain key team members or find new professionals to serve in important roles could have a material adverse effect on the Corporation's business. There can be no assurance that we will be able to attract or retain the quality of personnel required in the future.

Financial Liquidity

The Corporation has not yet generated revenues and will likely operate at a loss as it looks to establish its first commercial DTCR products. The Corporation may require additional financing in order to execute its business plan. Our ability to secure required financing will depend in part upon on investor perception of our ability to create a successful business. Capital market conditions and other factors beyond our control may also play important roles in our ability to raise capital. The Corporation can offer no assurance that it will be able to successfully obtain additional financing, or that future financing occurs on terms satisfactory to our management and/or shareholders. If funds are unavailable in the future, or unavailable in the amounts that we feel the business requires, or

unavailable on acceptable terms, we may be required to cease operating or modify our business plans in a manner that undermines our ability to achieve our business objectives.

Financial Statements Prepared on Going Concern Basis

The Corporation's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Corporation's future operations are dependent upon the successful completion of financing and the creation of operations deemed successful according to the standards of our industry. The Corporation cannot guarantee that it will be successful in obtaining financing in the future or in achieving business objective set forth internally or externally. Our consolidated financial statements may not contain the adjustments relating to carrying values and classification of assets and/or liabilities that would be necessary should the Corporation be unable to continue as a going concern.

We do not have any business liability, disruption or litigation insurance, and any business disruption or litigation we experience might result in our incurring substantial costs and the diversion of resources.

Insurance companies offer limited business insurance products and do not, to our knowledge, offer business liability insurance suitable to management. While business disruption insurance is available, we have determined that the risks of disruption, cost of such insurance and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. As a result, except for directors liability and fire insurance, we do not have any business liability, disruption or litigation insurance coverage for our development operations. Any business disruption or litigation may result in our incurring substantial costs and the diversion of resources.

Our Articles of Association contain provisions indemnifying our officers and directors against all costs, charges and expenses incurred by them.

Our Articles of Association contain provisions with respect to the indemnification of our officers and directors against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred by them in a civil, criminal or administrative action or proceeding to which they are made a party by reason of their being or having been a director or officer of the Corporation.

Costs of Maintaining a Public Listing

As a result of seeking a public listing, the Corporation will incur greater legal, accounting and other expenses related to regulatory compliance than it would have had it remained a private entity. The Corporation may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

No Public Trading Market

Currently there is no public market for the Securities of the Company, and there can be no assurance that an active market for the Offered Securities will develop or be sustained at any time. If an active public market for the Corporation's securities does not develop, the liquidity of an investor's investment may be limited and the share price may decline.

Share Price Volatility and Speculative Nature of Share Ownership

If the Corporation successfully lists on a Canadian exchange, this may result in many legacy shareholders being able to freely trade their shares. Factors both internal and external to the Corporation may significantly influence the price at which our shares trade, and the volatility of our share price. Quarterly operating results and material developments reported by the Corporation can, and likely will, influence the price of shares.

Sentiment toward technology stocks, as well as toward the stock market in general, is among the many external factors that may have a significant impact on the price of the Corporation's shares. The Corporation is a relatively young company that is not generating revenue and does not possess significant cash reserves. As such, it should be

considered a speculative investment. There is no guarantee that a liquid market will be developed or maintained for the Corporation's shares on any potential exchange.

We do not intend to pay dividends.

We have never paid any cash dividends and currently do not intend to pay any dividends for the foreseeable future. To the extent that we require additional funding currently not provided for in our financing plan, our funding sources may prohibit the payment of a dividend. Because we do not intend to declare dividends, any gain on an investment in the Corporation will need to come through an increase in the price of our Shares. This may never happen and investors may lose all of their investment in the Corporation.

PROMOTERS

Mr. Suresh Singh may be considered to be a Promoter of the Corporation in that he took the initiative in founding and organizing the business of the Corporation. See "*Directors and Executive Officers*" for additional information regarding Mr. Singh. As at the date of this Prospectus, Suresh Singh directly and beneficially owns 2,353,333 Shares. Suresh Singh holds 8.64% of the Shares based on 27,820,488 Shares issued and outstanding as of the date of this Prospectus.

LEGAL PROCEEDINGS

Legal Proceedings

Neither the Corporation nor any of its property was previously a party to, or the subject of, any legal proceeding nor is the Corporation currently party to any material legal proceeding or contemplating any legal proceedings which are material to its business. From time to time, however, the Corporation may be subject to various claims and legal actions arising in the ordinary course of business. Management of the Corporation is not currently aware of any legal proceedings contemplated against the Corporation.

Regulatory Actions

From incorporation to the date of this Prospectus, management knows of no:

- (i) penalties or sanctions imposed against the Corporation by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;
- (ii) other penalties or sanctions imposed by a court or regulatory body against the Corporation necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and
- (iii) settlement agreements the Corporation entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth in this Prospectus, the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, any person or company who owns of record, or is known by the Corporation to own beneficially, directly or indirectly, more than 10% of the common shares of the Corporation or any associate or affiliate of the foregoing persons or companies in any transaction since its incorporation or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The auditors of the Corporation are Kanester Johal Chartered Accountants, located at 3993 Henning Dr #208, Burnaby, BC, V5C 6P7 who became such on the closing of the Amalgamation Agreement which was deemed a Reverse Take Over of the Corporation in accordance with NI 51-102. The former auditors of the Corporation prior to the closing of the Amalgamation Agreement were DeVisser Gray LLP Chartered Accountants, located at 401-905 West Pender St., Vancouver, BC, V6C 1L6.

The auditors of SAS are Kanester Johal Chartered Accountants, located at 3993 Henning Dr #208, Burnaby, BC, V5C 6P7.

As of the date of this Prospectus, it is proposed that the Corporation's auditor will continue to be Kanester Johal Chartered Accountants.

Transfer Agent and Registrar

The registrar and transfer agent of the Shares is TMX Equity Transfer Services located at 650 West Georgia Street, Suite 2700, Vancouver, B.C. V6B 4N9.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business and those mentioned above, the following are the only material contracts entered into by the Corporation and SAS within two years prior to the date hereof which are currently in effect and considered to be currently material:

1. The Subscription and Assignment Agreement between SAS and University of Manitoba dated June 4, 2012 can be viewed on SEDAR under the profile of the Corporation.
2. Lease agreement dated May 6, 2014. The Corporation has a monthly lease for an office located at 275-625 West Kent Avenue, Vancouver, BC. The lease was entered into on May 6, 2014 and calls for monthly payments of \$3,072 plus GST. The Lease contract is on a month to month basis and can be terminated by providing 1 month prior written notice by either the Corporation or the lessor. The Lease agreement can be viewed on SEDAR under the profile of the Corporation.
3. Amalgamation Agreement dated September 3, 2015. (See section on the Amalgamation between the Corporation and SAS.) The Amalgamation Agreement dated September 3, 2015 can be viewed on SEDAR under the profile of the Corporation.
4. The Arrangement Agreement, dated January 5, 2015 between Parentco and the Corporation can be viewed on SEDAR under the profile of Cannabix Technologies Inc.
5. The Escrow Agreement dated March 11, 2015 as amended March 11, 2016 between the Corporation, Equity Financial Trust Company and Securityholders of the Corporation.
6. The Escrow Agreement dated March 11, 2016 between the Corporation, Equity Financial Trust Company and Securityholders of the Corporation.

EXPERTS

Names of Experts

The following are persons or companies whose profession or business gives authority to a statement made in this Prospectus as having prepared or certified a part of that document or report described in the Prospectus:

- Kanester Johal Chartered Accountants are the auditors of SAS, who prepared the audit report on the SAS's audited financial statements included in and forming part of this Prospectus.
- DeVisser Gray Chartered Accountants LLP are the auditors of the Corporation, who prepared the audit report on the Corporation's audited financial statements included in and forming part of this Prospectus.

Interests of Experts

No person whose profession or business gives authority to a statement made by such person and who is named in this Prospectus has received or will receive a direct or indirect interest in the Corporation's property or any associate or affiliate of the Corporation.

Kanester Johal Chartered Accountants has confirmed that it is independent of the Corporation in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

DeVisser Gray LLP Chartered Accountants has confirmed that it is independent of the Corporation in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

As at the date hereof, none of the aforementioned persons beneficially owns, directly or indirectly, securities of the Corporation or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as, a director, senior officer or employee of the Corporation or of an associate or affiliate of the Corporation, or as a promoter of the Corporation or an associate or affiliate of the Corporation.

PART VII – OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to the Corporation that are not otherwise disclosed in this Prospectus or are necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the Corporation.

Financial Statement Disclosure

The following financial statements are included herein:

APPENDIX "1"	-	SMART AUTONOMOUS SOLUTIONS INC. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014
APPENDIX "2"	-	SMART AUTONOMOUS SOLUTIONS INC. UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2015
APPENDIX "3"	-	SMART AUTONOMOUS SOLUTIONS INC. MANAGEMENT'S DISCUSSION AND ANALYSIS FOR PERIOD ENDED SEPTEMBER 30, 2015
APPENDIX "4"	-	TORINO POWER SOLUTIONS INC. (FORMERLY TORINO VENTURES INC.) AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014
APPENDIX "5"	-	TORINO POWER SOLUTIONS INC. (FORMERLY TORINO VENTURES INC.) UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2015

APPENDIX "6"	-	TORINO POWER SOLUTIONS INC. (FORMERLY TORINO VENTURES INC.) MANAGEMENT'S DISCUSSION AND ANALYSIS FOR PERIOD ENDED SEPTEMBER 30, 2015

Other Appendices

APPENDIX "7" - AUDIT COMMITTEE CHARTER

APPENDIX 1 – SAS DEC 31, 2014 FINANCIAL STATEMENTS

SMART AUTONOMOUS SOLUTIONS INC.

**Financial Statements
December 31, 2014 and 2013**



Independent Auditor's Report

To the Shareholders of
Smart Autonomous Solutions Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Smart Autonomous Solutions Inc., which comprise the statements of financial position at December 31, 2014, December 31, 2013 and January 1, 2013, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years ended December 31, 2014 and 2013, and the related notes, which comprise 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 controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 the 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 risk 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 auditor 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 Smart Autonomous Solutions Inc. as at December 31, 2014, December 31, 2013 and January 1, 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.



Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements which describes condition and matters that indicate the existence of material uncertainties that may cast a significant doubt upon Company's ability to continue as a going concern.

Burnaby, BC
July 22, 2015



KANESTER JOHAL
Chartered Professional Accountants

SMART AUTONOMOUS SOLUTIONS INC.

Statements of Financial Position

As At (Expressed in Canadian Dollars)	December 31, 2014	December 31, 2013	January 1, 2013
Assets			
Current			
Cash	\$ 103,926	\$ 237,449	\$ 814,953
Accounts receivable (Note 3)	66,491	97,916	21,607
Prepaid expense	2,799	2,248	2,518
Scientific research and development credit receivable	-	124,439	19,136
	173,216	462,052	858,214
Deposits	-	2,522	2,522
Property and Equipment (Note 4)	14,283	31,742	756
Intangibles Assets (Note 5)	2,072,292	2,317,292	2,400,000
Total Assets	\$ 2,259,791	\$ 2,813,608	\$ 3,261,492

Liabilities

Current			
Accounts payable and accrued liabilities	\$ 123,581	\$ 75,572	\$ 66,862

Share Capital And Deficit

Share Capital (Note 6)	3,236,002	3,236,002	3,236,002
Contributed Surplus	225,000	225,000	225,000
Deficit	(1,324,792)	(722,966)	(266,372)
	2,136,210	2,738,036	3,194,630
Total Liabilities and Shareholders' Equity	\$ 2,259,791	\$ 2,813,608	\$ 3,261,492

Going Concern (Note 1)

Commitments and Contingencies (Note 11)

Approved On Behalf Of The Board:

Director "Sursh Singh"

Director "Alex Kanavev"

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

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SMART AUTONOMOUS SOLUTIONS INC.

Statements Of Loss And Comprehensive Loss

For The Years Ended December 31, 2014 And 2013

<u>(Expressed in Canadian Dollars)</u>	<u>2014</u>	<u>2013</u>
Operating Expenses		
Accounting and legal	\$ 30,866	\$ 16,869
Amortization	262,458	145,035
Bank and interest charges	672	257
Consulting	150,038	190,175
Development expense	26,553	44,440
Dues, fees and licenses	-	551
Duty and brokerage	1,447	5,428
Entertainment and promotion	-	959
Foreign Exchange	-	1,624
Insurance	7,258	5,374
Internet	9,389	5,018
Promotion	2,500	4,218
Office and general	7,599	2,377
Rent	39,777	46,348
Placement fees	3,000	-
Telephone	1,074	794
Travel	1,721	3,438
Other	-	2,045
Wages and benefits	216,713	186,052
Loss From Operations	(761,065)	(661,002)
Other Income and Expenses		
Interest Income	(2,130)	(6,941)
Scientific and Research Development Credit	-	(105,303)
Industrial Research Assistance Program Credit	(157,109)	(92,164)
Loss Before Income Tax	(601,826)	(456,594)
Net and Comprehensive Loss for the year	\$ (601,826)	\$ (456,594)
Basic and Fully Diluted Loss Per Share	(0.058)	\$ (0.044)
Weighted Average Number of Common Shares Outstanding	10,317,049	10,317,049

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



SMART AUTONOMOUS SOLUTIONS INC.

**Statements Of Changes in Equity
For The Years Ended December 31, 2014 and 2013**

(Expressed in Canadian Dollars)	Number of Shares	Capital Stock	Contributed Surplus	Deficit	Total Equity
Balance as at December 31, 2012	10,317,049	\$ 3,236,002.00	\$ 225,000	\$(266,372)	\$ 3,194,630
Net and comprehensive loss for the year	-	-	-	(456,594)	(456,594)
Balance as at December 31, 2013	10,317,049	3,236,002	225,000	(722,966)	2,738,036
Net and comprehensive loss for the year	-	-	-	(601,826)	(601,826)
Balance as at December 31, 2014	10,317,049	\$ 3,236,002	\$ 225,000	\$ (1,324,792)	\$ 2,136,210

SMART AUTONOMOUS SOLUTIONS INC.

Statements Of Cash Flows For The Years Ended December 31, 2014 And 2013

(Expressed in Canadian Dollars)	2014	2013
Operating Activities		
Net and comprehensive loss for the year	\$ (601,826)	\$ (456,594)
Items not affecting cash:		
Amortization	262,458	145,035
	(339,368)	(311,559)
Net change in non-cash working capital		
Accounts receivable	31,425	(76,309)
Prepaid expenses	(551)	271
Deposits	2,522	-
Accounts payable and accrued liabilities	48,010	8,709
Scientific research and development credit receivable	124,439	(105,303)
	(133,523)	(484,191)
Investing Activities		
Additions to intangible assets	-	(50,000)
Additions to property and equipment	-	(43,313)
	-	(93,313)
Decrease In Cash	(133,523)	(577,504)
Cash and equivalents, beginning of year	237,449	814,953
Cash and equivalents, end of year	\$ 103,926	\$ 237,449
Cash and equivalents consists of:		
Bank	\$ 103,926	\$ 34,497
Cash equivalents	-	202,952
	\$ 103,926	\$ 237,449

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



SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

1. Nature of Activities and Going Concern

Smart Autonomous Solutions Inc. (the "Company") was incorporated under the Company Act of British Columbia on May 13, 2011. The Company is a technology company involved in developing commercial applications for optimizing the current carrying capacity of grid infrastructure and transmission lines. The Company has not yet generated revenues from operations, accordingly, the Company is considered to be an enterprise in the development stage.

The address of the Company's corporate office and principal place of business is Suite 705 - 625 West Kent Avenue North, Vancouver, B.C., V6P 6T7, Canada.

These financial statements were approved by the Board of Directors on July 22, 2015.

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, and prior operating results. During the year ended December 31, 2014, the Company incurred a net and comprehensive loss of \$601,826 (2013 - \$456,594) and has an accumulated deficit at December 31, 2014 of \$1,324,792 (2013 - \$722,966). The Company's ability to continue its operations will depend upon, but not be limited to, obtaining additional financing and generating revenues sufficient to cover its operating costs. These uncertainties cast significant doubt about the Company's ability to continue as a going concern.

Management is of the opinion that it will be in a position to raise ongoing financing as needed; however, there is no certainty that these and other strategies will be sufficient to permit the Company to continue as a going concern.

If the going concern assumption was not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used and such amounts would be material.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as set forth in Part 1 of the Chartered Professional Accountants of Canada (CPA Canada) Handbook – Accounting, which incorporates International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared under the historical cost convention, except for derivative financial instruments.



SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies (*contd...*)

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are also further disclosed in this note, in the significant management estimation and judgment in applying accounting policies section.

Foreign currency translation

a) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company.

b) Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing exchange rate at the reporting date. Non-monetary assets and liabilities, and revenue and expense items denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in statement of loss and comprehensive loss.

Foreign exchange gains and losses are presented in the statement of loss and comprehensive loss within "exchange expense".

Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

All financial instruments are required to be measured at fair value on initial recognition.

Measurement in subsequent periods depends on the classification of the financial instrument. At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:



SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies (contd...)

a) Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling or repurchasing in the short term. Derivatives are also included in this category unless they are designated as hedges.

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the statement of loss and comprehensive loss. Financial assets at fair value through profit or loss are classified as current assets except for the portion expected to be realized or paid beyond twelve months of the statements of financial position date, which is classified as non-current asset.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are recognized initially at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment. Loans and receivables are included in current assets, except for instruments with maturities greater than twelve months after the end of the reporting period, which are classified as non-current assets.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale financial assets are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive income (loss). When an available-for-sale asset is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive income (loss) to the statement of loss and comprehensive loss.

Available-for-sale financial assets are classified as non-current assets, unless the investment matures within twelve months, or management expects to dispose of them within twelve months.

d) Financial liabilities at amortized cost

Financial liabilities at amortized cost are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, they are measured at amortized cost using the effective interest method.

Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.



SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies (contd...)

The Company has classified its financial instruments as follows:

Category	Financial instrument
Loans and receivables	Cash and cash equivalents Accounts receivable
Financial liabilities at amortized cost	Accounts payable and accrued liabilities

Financial instruments carried at fair value

Financial instruments carried at fair value on the statements of financial position are measured using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

Transaction costs

Transaction costs related to financial instruments that are not classified as assets and liabilities at fair value through profit or loss, are recognized in statement of financial position as an adjustment to the cost of the financial instrument upon initial recognition and amortized using the effective interest rate method. Fees paid on the establishment of loan facilities are recognized as deferred costs under non-current assets and are amortized over the term of the facility.

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition (a "loss event") and that loss event has an impact on the estimated cash flows of the financial assets that can be reliably estimated. If such evidence exists, the Company recognizes an impairment loss, as follows:



SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies (*contd...*)

a) Financial assets carried at amortized cost

The impairment loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Impairment losses as well as reversals are recognized in the statement of loss and comprehensive loss.

b) Available-for-sale financial assets

The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statement of loss and comprehensive loss. This amount represents the cumulative loss in accumulated other comprehensive income that is reclassified to the statement of loss and comprehensive loss. Impairment losses on available-for-sale financial assets may not be reversed.

Cash and cash equivalents

The Company considers amounts held in bank accounts and all highly liquid instruments with original maturities of three months or less on the date of purchase to be cash and cash equivalents.

Property, equipment

Property and equipment are recorded at cost, net of accumulated depreciation, accumulated impairment losses and subsequent reversals, if applicable. Property and equipment are amortized at various rates designed to amortize the assets over their estimated useful lives. The annual amortization rates are as follows:

	Rate
Computers equipment	55% declining balance
Development equipment	55% declining balance

However, "major overhauls and replacements" are capitalized to the statement of financial position as a separate component, with the replaced part or previous overhaul derecognized from the statement. Maintenance and repairs are charged to expense as incurred.



SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies (*contd.*)

Construction in progress is not depreciated until the assets are put into use. Costs are only capitalized if they are directly attributable to the construction or development of the assets.

Residual values, method of depreciation and useful life of the assets are reviewed annually and adjusted if appropriate.

Intangible assets

Intangible assets acquired separately are recorded at cost, net of accumulated amortization, accumulated impairment losses and reversals, if applicable. Intangible assets acquired through a business combination are recognized at fair value at the date of acquisition. Intangible assets are amortized on a straight-line basis over their useful lives according to the following annual terms:

	Period
Intellectual Property	20 years

Impairment of non-financial assets

Non-financial assets with finite lives are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. In addition, non-financial assets that are not amortized are subject to an annual impairment assessment. Any impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). The Company evaluates impairment losses for potential reversals when events or changes in circumstances warrant such consideration.

Income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of loss and comprehensive loss, except to the extent that it relates to items recognized in other comprehensive income (loss) or directly in equity. In which case, the tax is also recognized in other comprehensive income (loss) or directly in equity, respectively.

a) Current tax

The Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.



SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies (*contd...*)

b) Deferred tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that are enacted or substantively enacted at the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be used.

Deferred income tax is provided for on temporary differences arising on investments in subsidiaries and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Provisions and Contingencies

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

The logo consists of the letters 'KJ' in a white, serif font, set against a dark blue square background.

SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies (*contd...*)

Government assistance and investment tax credits

Government assistance and investment tax credits are recorded as either a reduction of the cost of the applicable assets, or credited against the related expense incurred in the statement of comprehensive loss, or grants related to income are presented as part of profit or loss, either separately or under a general heading such as 'Other income', as determined by the terms and conditions of the agreements under which the assistance is provided to the Corporation or the nature of the expenditures which gave rise to the credits. Government assistance and investment tax credit receivables are recorded when their receipt is reasonably assured.

Research and development expenses

Research expenses are charged to the statement of loss and comprehensive loss in the period they are incurred. Development expenses are charged to the statement of loss and comprehensive loss, except for those that meet the following criteria and are capitalized: the feasibility of the product has been established, management intends to manufacture the product and has the capacity to use or sell it, the future economic benefits are likely to occur, the market for the product is defined, and the Company has the resources to complete the project and can reliably measure development costs. Research and development expenses charged to the statement of loss and comprehensive loss and included in the calculation of scientific research and development credit claimed for the year were have not been segregated yet (2013-\$191,063). No research and development expenses have been recorded as intangible assets as at December 31, 2014 and 2013.

Share capital

Share capital is classified as equity. Incremental costs directly attributable to the issue of shares and share options are recognized as a deduction from equity. When share capital is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from equity. When treasury shares are subsequently reissued, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

Share issue costs and warrants

Costs associated with the issuance of shares are charged directly to share capital. Proceeds received on issuance of units, consisting of common shares and warrants, are allocated entirely to common shares.

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SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies (contd...)

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income and deficit.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Earnings per share

Basic earnings per share is calculated by dividing net earnings for the period attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period.

Diluted earnings per share assume the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income per share. The treasury stock method is used to determine the dilutive effect of the warrants and share options and the if-converted method is used for convertible debentures.

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SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies (*contd...*)

Significant management estimation and judgment in applying accounting policies

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The preparation of the financial statements also requires management to exercise judgment in the process of applying the accounting policies.

On an on-going basis, management evaluates its estimates and assumptions in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its estimates and assumptions. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the impairment and useful lives of equipment, allowance for doubtful accounts, fair value measurements for financial instruments, share-based payments, and the recoverability and measurement of deferred tax assets.

The following are the critical judgments that have been made in applying the Company's accounting policies and that have the most significant effect on the amounts in the financial statements:

Income taxes and recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Intangible assets

Judgment is required in determining whether costs incurred relating to the ongoing development of intangible assets meet the criteria for capitalization. In making this determination management assesses whether costs represent improvements to the underlying assets and whether the intangible assets are able to generate probable future economic benefits for the Company.

Going concern

The assessment of the validity of the going concern assumption, given facts and circumstances described, requires significant judgment by management relating to the Company's ability to achieve profitable operations, raise debt and/or equity financing in the future and meet its obligations as they come due.



SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies (*contd...*)

The Company makes estimates and assumptions that affect the carrying amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from estimates. The estimates and assumptions that are critical to determining the amounts reported in the financial statements relate to the following:

Impairment of assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. The recoverable amount is the greater of value-in-use and fair value less costs to sell. Determining the value-in-use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. As at December 31, 2014 and 2013, the Company did not record any impairment of non-financial assets.

Useful life of property and equipment and intangible assets

Property and equipment and intangible assets are amortized over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of amortization recorded during the period.

Share-based compensation

The Company applies the fair value method of accounting for share-based payments granted to employees and other individuals providing similar services. The fair value of the options is determined using an option pricing model that takes into account, as of the grant date, the exercise price, the expected life of the option, the current price of the underlying stock and its expected volatility, expected dividends on the stock, and the risk free interest rate over the expected life of the option. Each tranche of an option that vests over time is considered a separate award and the fair value of each tranche is expensed over its vesting period with the corresponding credit to contributed surplus.

Warrants

The Company is required to make certain estimates when determining the fair value of warrants. The Company uses the Black-sholes pricing model to determine the fair value. The Black-Scholes option pricing model requires the input of subjective assumptions, such as stock price volatility.



SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies (contd...)

Accounting standards issued but not yet effective

The Company has identified new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company:

In May 2014, the IASB issued IFRS 15, "Revenues from Contracts with Customers", to specify how and when to recognize revenue as well as requiring the provision of more information and relevant disclosure. IFRS 15 supersedes IAS 18, "Revenue", IAS 11, "Construction Contracts", and other revenue-related interpretations. The standard will be effective on January 1, 2017 for the Company with earlier adoption permitted. The Company is currently evaluating the impact of this standard on its financial statements.

In July 2014, the IASB amended IFRS 9, "Financial Instruments", to bring together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, "Financial Instruments: Recognition and Measurement". The standard supersedes all previous versions of IFRS 9 and will be effective on January 1, 2018 for the Company with earlier application permitted. The Company is currently evaluating the impact of this standard on its financial statements.

3. Accounts Receivable

	2014	2013
Other receivables	\$ 56,090	\$ 81,153
GST/HST receivable	10,401	16,763
Total accounts receivable	\$ 66,491	\$ 97,916

All of the Company's accounts receivable are short term. The net carrying value of accounts receivable is considered a reasonable approximation of fair value. The Company reviews all amounts periodically for indications of impairment and the amounts impaired have been provided for as an allowance for doubtful accounts.

The Company's exposure to credit risks and impairment losses related to accounts receivable is disclosed in Note 9.

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SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

4. Property and Equipment

	Cost		
	Computer Equipment	Development Equipment	Total
January 1, 2013	\$ 1,907	\$ -	\$ 1,907
Additions:	11,537	31,776	43,313
December 31, 2013	13,444	31,776	45,220
Additions	-	-	-
December 31, 2014	\$ 13,444	\$ 31,776	\$ 45,220

	Accumulated Amortization		
	Computer Equipment	Development Equipment	Total
January 1, 2013	\$ 1,151	\$ -	\$ 1,151
Additions:	3,588	8,739	12,327
December 31, 2013	4,739	8,739	13,478
Additions	4,788	12,671	17,459
December 31, 2014	\$ 9,527	\$ 21,410	\$ 30,937

	Carrying Value		
	Computer Equipment	Development Equipment	Total
January 1, 2013	\$ 756	\$ -	\$ 756
December 31, 2013	\$ 8,705	\$ 23,037	\$ 31,742
December 31, 2014	\$ 3,917	\$ 10,366	\$ 14,283

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SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

5. Intangible Assets

Intellectual Property

On October 8 2011, the Company entered into an option agreement with the University of Manitoba which granted the Company an option to acquire rights to certain intellectual property of the University and as part of the consideration for such grant, the Company paid \$25,000 to the University.

On June 28, 2012 the Company exercised their option to acquire the rights to the intellectual property pursuant to a subscription and assignment agreement entered into between the Company and University of Manitoba. In consideration the Company agreed to pay \$225,000 as upfront fee, issue 2,200,000 shares and a common share purchase warrant which would allow the University to purchase 500,000 common shares of the Company at a price of \$0.50 per share and milestone payments of \$500,000 subject to fulfillment of certain predetermined conditions as outlined in the agreement. During fiscal 2012, the Company issued the 2,200,000 shares and the common share purchase warrant and also paid \$125,000 cash for the upfront fees. The Company paid another \$50,000 cash during the fiscal year 2013. As at December 31, 2014 and 2013, \$50,000 of the upfront fee is still payable to the University of Manitoba and has been included in accounts payable and accrued liabilities.

	Cost	
	Intellectual Property	Total
January 1, 2013	\$ 2,400,000	\$ 2,400,000
Additions:	50,000	50,000
December 31, 2013	2,450,000	2,450,000
Additions	-	-
December 31, 2014	\$ 2,450,000	\$ 2,450,000

	Accumulated Amortization	
	Intellectual Property	Total
January 1, 2013	\$ -	\$ -
Additions:	132,708	132,708
December 31, 2013	132,708	132,708
Additions	245,000	245,000
December 31, 2014	\$ 377,708	\$ 377,708

	Carrying Value	
	Intellectual Property	Total
January 1, 2013	\$ 2,400,000	\$ 2,400,000
December 31, 2013	\$ 2,317,292	\$ 2,317,292
December 31, 2014	\$ 2,072,292	\$ 2,072,292

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SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

6. Share Capital

(a) Authorized:

An unlimited number of common shares, participating, with no par value, entitling the holder to one vote per share;

(b) Changes in issued share capital

During the current and prior year, no new share were issued.

(c) Share purchase warrants

Outstanding share purchase warrants at December 31, 2014 were as follows:

Expiry	Prices (\$)	Outstanding January 1, 2014	Granted	Exercised	Expired	Outstanding December 31, 2014
October 10, 2015	\$1.00	225,000	-	-	-	225,000.00
June 29, 2022	\$0.50	500,000	-	-	-	500,000.00

7. Income Taxes

The following table reconciles the expected income taxes recovery at the Canadian statutory income tax rates to the amounts recognized in the statements of comprehensive loss for the years ended December 31, 2014 and 2013:

	2014	2013
Loss before taxes	\$ (601,826)	\$ (456,594)
Statutory tax rates	0.2600	0.2500
Expected income tax recovery	(156,475)	(114,149)
Non-deductible items	20,280	21,053
Temporary differences	(91,375)	37,379
Share issuance costs	19,521	18,952
Unrecognized tax benefits	208,049	36,765
Income tax expense	\$ -	\$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	2014	2013
Non-capital losses carryforwards	\$ 421,307	\$ 196,849
Book value of asset in excess of tax values	(54,430)	36,590
Share issuance costs	25,812	45,333
Valuation allowance	(392,689)	(278,772)
Deferred tax asset (liability)	\$ -	\$ -

SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

7. Income Taxes (contd...)

As at December 31, 2014, the Company has non-capital loss carryforwards of \$1,637,026 (2013 – \$764,461), which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

Expiry	Amount
2031	\$ 71,729
2032	309,877
2033	304,342
2034	951,078
	<u>\$ 1,637,026</u>

8. Related Party Transactions

Related parties include shareholders with a significant ownership interest in the Corporation. The revenue and costs recognized from transactions with such parties reflect the prices and terms of sales and purchase transactions with related parties, which are in accordance with normal trade practices. Transactions between the Corporation and its subsidiaries, if any, are eliminated on consolidation.

The Company had the following transactions with related parties:

	2014	2013
Consulting fees	\$ 53,500	\$ 49,837

As at December 31, 2014 and December 31, 2013, the balances due to related parties comprise of consulting fees payable in the amount of \$26,000 (2013 - \$Nil).

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SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

9 Financial Instruments

(a) Fair value:

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. The fair values of cash and cash equivalents, trade and other receivables, and trade and other payables approximate their carrying values because of the short-term nature of these instruments.

Fair value measurements recognized in the statement of financial position must be categorized in accordance with the following levels:

- (i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- (iii) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Financial instrument risk exposure and management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages its liquidity risk through budgeting, ongoing management and forecasting of operating cash flows, reviews of trade receivables, management of cash, and use of equity financings when appropriate. The Company believes that it will generate sufficient funds from operations and financing activities to cover the expected short and long term cash requirements.

Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional and reporting currency is the Canadian dollar. The Company's exposure to foreign currency risk is primarily related to fluctuations in the value of the Canadian dollar relative to the United States dollar ("USD") as some of the Company's expenses are in USD. The Company does not use derivative financial instruments to cover the variability of cash flows in foreign currencies.



SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

9 Financial Instruments (contd..)

Credit risk

Credit risk is the risk of a loss if a counterparty to a financial instrument fails to meet its contractual obligations. Trade receivables are the most significant financial instrument that is exposed to credit risk. The Company provides credit to its customers in the normal course of operations. As at year-end, the Company's risk is minimal as its receivables consist of receivables from Industrial Research Assistance Program ("IRAP") and Canada Revenue Agency ("CRA") for GST ITCs. The Company believes that its exposure to credit risk is low. The maximum exposure to loss arising from trade receivables is equal to their total carrying amounts.

Interest rate risk

Interest rate risk is the risk that the fair value of deferred cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk arising primarily from fluctuations in interest rates on its cash, cash equivalents and shortterm investments. The Corporation limits its exposure to interest rate risk by continually monitoring and adjusting portfolio duration to align to forecasted cash requirements and anticipated changes in interest rates. Based on cash and cash equivalents at December 31, 2014, the Company is not exposed to any risk as there are no interest bearing short-term investments or cash equivalents.

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. Management does not believe that the Company is exposed to any material market risk.

10 Capital Management

The Company defines its capital as all components of shareholders' equity and cash. The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to have sufficient capital to be able to fund its development activities for benefit of its shareholders'.

In order to maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through 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 structures as deemed appropriate under specific circumstances.

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. The Company's overall strategy with respect to management of capital remains unchanged from the year ended December 31, 2014

SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

11. Contingencies and Commitments

In connection with the acquisition of intellectual property from University of Manitoba, the Company is required to make the milestone payments as follows:

- (a) A payment of \$250,000 within 30 days of the Company achieving a cumulative gross sales of \$10 Million with respect to the product, licensing revenues and/or sublicensing revenues relating to the assigned rights and/or the invention.
- (b) A payment of \$250,000 within 30 days of the Company achieving a cumulative gross sales of \$20 Million with respect to the product, licensing revenues and/or sublicensing revenues relating to the assigned rights and/or the invention.

12. Operating Segments

The Company operates in a single reportable operating segment, the development of commercial applications for optimizing the current carrying capacity of grid infrastructure and transmission lines. Segmented geographic information is as follows:

The following table allocates total assets by geographic location:

As of December 31, 2014 and 2013

	2014		2013	
Canada	\$	2,259,791	\$	2,813,608



SMART AUTONOMOUS SOLUTIONS INC.

Notes To The Financial Statements

Years Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

13. FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Company's financial statements for the year-ending December 31, 2014 are the first annual financial statements that will be prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was January 1, 2013 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be December 31, 2013. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. Prior to transition to IFRS, the Company did not prepare its financial statements using any Canadian generally accepted accounting principles.

In preparing the Company's opening IFRS financial statements, the Company has adjusted the amounts reported previously in the financial statements

The IFRS 1 applicable exemptions and exceptions applied in adoption of IFRS are as follows:

MANDATORY EXCEPTIONS

Estimates

The estimates previously made by the Company are not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result, the Company has not used hindsight to revise estimates.

Reconciliation's of amounts previously reported in the Statements of Financial Position, Statements of Comprehensive Loss/Income and Statements of Cash Flow to IFRS

IFRS 1 requires an entity to reconcile the statements of financial position, comprehensive loss and cash flows for prior periods prepared under previous accounting framework to IFRS. Adoption of IFRS have resulted in no material adjustments to the statement of financial position, the statements of loss and comprehensive loss and the statements of cash flows. Accordingly, no reconciliation's of cash flows have been provided.



APPENDIX 2 – SAS SEP 30, 2014 FINANCIAL STATEMENTS

SMART AUTONOMOUS SOLUTIONS INC.

Condensed Interim Financial Statements - Unaudited

For the three and nine months ended September 30, 2015 and 2014

(Expressed in Canadian dollars)

SMART AUTONOMOUS SOLUTIONS INC.

Condensed Interim Statements of financial position

(Expressed in Canadian dollars)

(Unaudited)

	September 30, 2015 \$	December 31, 2014 \$
Assets		
Current assets		
Cash and cash equivalents	274,714	103,926
Amounts receivable (Note 3)	10,253	66,491
Prepaid expenses	643	2,799
Total current assets	285,610	173,216
Non-current assets		
Property and equipment (Note 4)	8,392	14,283
Intangible assets (Note 5)	1,888,542	2,072,292
Total assets	2,182,544	2,259,791
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	78,337	123,581
Convertible notes (Note 6)	199,527	–
Deposit	20,000	–
Total liabilities	297,864	123,581
Shareholders' equity		
Share capital (Note 8)	3,485,590	3,236,002
Contributed surplus	225,000	225,000
Deficit	(1,825,910)	(1,324,792)
Total shareholders' equity	1,884,680	2,136,210
Total liabilities and shareholders' equity	2,182,544	2,259,791

Nature of Operations and Continuance of Business (Note 1)

Contingencies and Commitments (Note 13)

Subsequent Events (Note 15)

Approved and authorized for issuance by the Board of Directors on December 21, 2015:

/s/ "Suresh Singh"

/s/ "Alex Kanayev"

Suresh Singh, Director

Alex Kanayev, Director

SMART AUTONOMOUS SOLUTIONS INC.

Condensed Interim Statements of operations and comprehensive loss

(Expressed in Canadian dollars)

(Unaudited)

	Three months ended September 30, 2015 \$	Three months ended September 30, 2014 \$	Nine months ended September 30, 2015 \$	Nine months ended September 30, 2014 \$
Revenue	–	–	–	–
Operating expenses				
Professional fees	39,411	593	39,934	6,605
Bank and interest charges	5,040	–	5,838	32
Consulting fees	78,095	28,940	116,305	120,745
Development expense	–	7,499	3,758	20,092
Duty and brokerage	–	183	616	1,151
Insurance	2,156	–	3,642	1,437
Internet	1,261	1,309	5,671	8,082
Promotion	–	–	–	2,500
Office and general	3,050	2,212	7,104	5,007
Rent	12,185	12,290	33,669	31,110
Amortization expense	63,214	65,615	189,642	196,844
Travel	–	–	1,200	896
Wages and benefits	49,883	57,099	132,185	170,254
Total operating expenses	254,295	175,740	539,564	564,755
Net loss before other income	(254,295)	(175,740)	(539,564)	(564,755)
Other income and expenses				
Interest Income	–	1,459	–	2,130
Industrial Research Assistance Program Credit	38,446	15,785	38,446	60,616
Net loss and comprehensive loss for the period	(215,849)	(158,496)	(501,118)	(502,009)
Loss per share, basic and diluted	(0.02)	(0.02)	(0.05)	(0.05)
Weighted average shares outstanding	10,943,288	10,317,049	10,528,089	10,317,049

SMART AUTONOMOUS SOLUTIONS INC.

Condensed Interim Statements of changes in equity

(Expressed in Canadian dollars)

(Unaudited)

	Share capital		Contributed surplus \$	Deficit \$	Total shareholders' equity \$
	Number of shares	Amount \$			
Balance, December 31, 2013	10,317,049	3,236,002	225,000	(722,966)	2,738,036
Net and comprehensive loss	–	–	–	(305,165)	(305,165)
Balance, September 30, 2014	10,317,049	3,236,002	225,000	(1,028,131)	2,432,871
Net and comprehensive loss	–	–	–	(296,661)	(296,661)
Balance, December 31, 2014	10,317,049	3,236,002	225,000	(1,324,792)	2,136,210
Shares issued pursuant to finders' fee	1,515,878	151,588	–	–	151,588
Shares issued for intellectual property	550,000	55,000	–	–	55,000
Shares returned to treasury	(1,000,000)	(25,000)	–	–	(25,000)
Shares issued pursuant to shares for debt	680,000	68,000	–	–	68,000
Net and comprehensive loss	–	–	–	(501,118)	(501,118)
Balance, September 30, 2015	12,062,927	3,485,590	225,000	(1,825,910)	1,884,680

SMART AUTONOMOUS SOLUTIONS INC.

Condensed Interim Statements of cash flows
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended September 30, 2015 \$	Three months ended September 30, 2014 \$	Nine months ended September 30, 2015 \$	Nine months ended September 30, 2014 \$
Operating activities				
Net loss for the period	(215,849)	(158,496)	(501,118)	(502,009)
Items not involving cash:				
Amortization	63,214	65,615	189,642	196,844
Bank charges and interest charges	5,000		5,000	
Consulting fees	48,000		48,000	
Changes in non-cash operating working capital:				
Amounts receivable	(3,753)	14,370	5,039	8,625
Prepaid expenses	2,156	–	2,156	–
Deposits	–	–	–	–
Accounts payable and accrued liabilities	28,428	(1,359)	24,756	4,931
Scientific research and development credit receivable	–	105,059	–	124,439
Industrial research assistance program credit receivable	–	–	51,198	81,153
Net cash used in operating activities	(72,804)	25,189	(175,327)	(86,017)
Investing activities				
Additions to intangible assets	–	–	–	–
Additions to property and equipment	–	–	–	–
Net cash used in investing activities	–	–	–	–
Financing activities				
Proceeds from issuance of convertible notes	351,115	–	351,115	–
Shares issued for cash	18,750	–	18,750	–
Shares returned to treasury	(43,750)	–	(43,750)	–
Related party advance	20,000	–	20,000	–
Net cash provided by financing activities	346,115	–	346,115	–
Increase (decrease) in cash	273,311	25,189	170,788	(86,017)
Cash, beginning of the period	1,403	126,243	103,926	237,449
Cash, end of period	274,714	151,432	274,714	151,432
Non-cash investing and financing activities:				
Shares issued pursuant to IP purchase agreement	55,000	–	55,000	–
Shares issued as finder's fees	151,588	–	151,588	–
Shares issued pursuant to debt	68,000	–	68,000	–
Supplemental disclosures:				
Interest paid	–	–	–	–
Income taxes paid	–	–	–	–

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

1. Nature of Operations and Continuance of Business

Smart Autonomous Solutions Inc. (the “Company”) was incorporated under the Company Act of British Columbia on May 13, 2011. The Company is a technology company involved in developing commercial applications for optimizing the current carrying capacity of grid infrastructure and transmission lines. The Company has not yet generated revenues from operations, accordingly, the Company is considered to be an enterprise in the development stage.

The address of the Company’s corporate office and principal place of business is Suite 705 – 625 West Kent Avenue North, Vancouver, B.C., V6P 6T7, Canada.

These condensed interim financial statements (“financial statements”) have been prepared on the 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. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, and prior operating results. As at September 30, 2015, the Company has no source of revenue, generates negative cash flows from operating activities, and has an accumulated deficit of \$1,825,910. These factors raise substantial doubt about the Company’s ability to continue as a going concern. 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 factors may cast significant doubt on the Company’s ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Preparation

These interim financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

The accounting policies in these Interim Financial Statements are consistent with the policies the Company adopted in its Annual Financial Statements as at, and for the year ending, December 31, 2014. These accounting policies were disclosed in detail in note 2 of the Company’s December 31, 2014 Annual Financial Statements.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the Company’s functional currency.

(b) Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires the Company’s management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

Significant areas requiring the use of estimates include the recoverability of intellectual property, measurement of share-based payments, and deferred income tax asset valuation allowances.

2. Significant Accounting Policies (continued)

(b) Use of Estimates and Judgments (continued)

The application of the Company's accounting policy for intellectual property acquisition costs requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after the acquisition cost is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Government Assistance and Investment Tax Credits

Government assistance and investment tax credits are recorded as either a reduction of the cost of the applicable assets, or credited against the related expense incurred in the Statement of Comprehensive Loss, or grants related to income are presented as part of profit or loss, either separately or under a general heading such as 'Other Income', as determined by the terms and conditions of the agreements under which the assistance is provided to the Corporation or the nature of the expenditures which gave rise to the credits. Government assistance and investment tax credit receivables are recorded when their receipt is reasonably assured

(e) Research and Development Costs

Research expenses are charged to the Statement of Loss and Comprehensive Loss in the period they are incurred. Development expenses are charged to the Statement of Loss and Comprehensive Loss, except those that meet the following criteria and are capitalized: the feasibility of the product has been established, management intends to manufacture the product and has the capacity to use or sell it, the future economic benefits are likely to occur, the market for the product is defined, and the Company has the resources to complete the project and can reliably measure development costs. Research and development expenses charged to the Statement of Loss and Comprehensive Loss are included in the calculation of scientific research and development credit claimed for the year ended December 31, 2014 have not been segregated yet. No research and development expenses have been recorded as intangible assets as at September 30, 2015 and 2014.

(f) Impairment of Non-Current Assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

2. Significant Accounting Policies (continued)

(f) Impairment on Non-Current Assets (continued)

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit (“CGU”) to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset’s value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the statement of income.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the statement of operations.

(g) Intangible Assets

Intangible assets acquired separately are recorded at cost, net of accumulated amortization, accumulated impairment losses and reversals, if applicable. Intangible assets acquired through a business combination are recognized at fair value at the date of the acquisition. Intangible assets are amortized on a straight-line basis over their useful lives according to the following annual terms:

	<u>Period</u>
<u>Intellectual Property</u>	10 years

(h) Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts.

2. Significant accounting policies (continued)

(h) Financial Instruments (continued)

(i) Non-derivative assets (continued)

and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the statement of operations. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. Cash and cash equivalents are classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the statement of operations. The Company does not have any assets classified as available-for-sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables are comprised of amounts receivable.

2. Significant accounting policies (continued)

(h) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to the statement of operations in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations.

With the exception of available-for-sale equity instruments, 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 was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

2. Significant accounting policies (continued)

(h) Financial instruments (continued)

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital

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

(i) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

(j) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax.

2. Significant accounting policies (continued)

Deferred income tax (Continued)

rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(k) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at September 30, 2015, the Company had 725,000 (2014 – 725,000) share purchase warrants outstanding that were excluded from calculation of diluted loss per share.

(l) Comprehensive 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 the statement of operations.

(m) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(n) Reclassifications

Certain of the prior year’s figures have been reclassified to conform to the current year’s presentation.

2. Significant accounting policies (continued)

(o) Recent Accounting Pronouncements

The mandatory adoption of the following new and revised accounting standards and interpretations on January 1, 2014 had no significant impact on the Company's financial statements for the years presented:

IAS 32 Financial Instruments: Presentation – In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement.

IAS 36 Impairment of Assets – In May 2013, the IASB issued an amendment to address the disclosure of information about the recoverable amount of impaired assets or a CGU for periods in which an impairment loss has been recognized or reversed. The amendments also address disclosure requirements applicable when an asset's or a CGU's recoverable amount is based on fair value less costs of disposal.

(p) Accounting Standards Issued But Not Yet Effective

The following standards will be effective January 1, 2016:

IAS 1 Presentation of Financial Statements – In December 2014, the IASB issued amendments to IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial statements by clarifying that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply. The amendments also clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

IAS 16 Property, Plant and Equipment and **IAS 38 Intangible Assets** – In May 2014, the IASB issued amendments to IAS 16 and IAS 38. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2015, and have not been applied in preparing these financial statements.

IFRIC 21 – Levies

In May 2013, the IASB issued IFRIC 21, Levies (“IFRIC 21”), an interpretation of IAS 37, Provisions, Contingent Liabilities and Contingent Assets (“IAS 37”), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (“obligating event”). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. Management does not expect that the adoption of this standard will have a significant effect on the financial statements of the Company.

2. Significant accounting policies (continued)

The following standard will be effective January 1, 2017:

IFRS 15 Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers* which supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC 31, *Revenue – Barter Transactions Involving Advertising Services*. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

The following standard will be effective May 1, 2018:

IFRS 9 Financial Instruments - The IASB will replace IAS 39, *Financial Instruments: Recognition and Measurement* in its entirety with IFRS 9 which is intended to reduce the complexity in the classification and measurement of financial instruments.

The Company has not yet completed the process of assessing any impact that the new and amended standards may have on its financial statements and has not early adopted any of these future requirements.

3. Accounts Receivable

	September 30, 2015	September 30, 2014
	\$	\$
Industrial Research Assistance Program receivable	–	15,785
GST/HST receivable	10,253	8,137
Total accounts receivable	10,253	23,922

All of the Company's accounts receivable are short term. The net carrying value of accounts receivable is considered a reasonable approximation of fair value. The Company reviews all amounts periodically for indications of impairment and the amounts impaired have been provided for as an allowance for doubtful accounts.

The Company's exposure to credit risk and impairment losses related to accounts receivable is disclosed in Note 11.

4. Property and Equipment

Nine month period ended September 30, 2015:

	Cost		
	Computer Equipment \$	Development Equipment \$	Total \$
Balance, December 31, 2013	13,444	31,776	45,220
Additions:	-	-	-
Balance, September 30, 2014	13,444	31,776	45,220
Additions:	-	-	-
Balance, December 31, 2014	13,444	31,776	45,220
Additions:	-	-	-
Balance, September 30, 2015	13,444	31,776	45,220

	Accumulated Amortization		
	Computer Equipment \$	Development Equipment \$	Total \$
Balance, December 31, 2013	4,739	8,739	13,478
Additions:	-	-	-
Balance, September 30, 2014	4,739	8,739	13,478
Additions:	4,788	12,671	17,459
Balance, December 31, 2014	9,527	21,410	30,937
Additions:	1,615	4,277	5,892
Balance, September 30, 2015	11,142	25,685	36,829

	Carrying Value		
	Computer Equipment \$	Development Equipment \$	Total \$
December 31, 2013	8,705	23,037	31,742
September 30, 2014	8,705	23,037	31,742
December 31, 2014	3,917	10,366	14,283
September 30, 2015	2,301	6,090	8,391

5. Intangible Assets

Intellectual Property

On October 8, 2011, the Company entered into an option agreement with the University of Manitoba which granted the Company an option to acquire rights to certain intellectual property of the University and as part of the consideration for such grant, the Company paid \$25,000 to the University.

5. Intangible Assets (Continued)

On June 28, 2012 the Company exercised their option to acquire the rights to the intellectual property pursuant to a subscription and assignment agreement entered into between the Company and University of Manitoba. In consideration the Company agreed to pay \$225,000 as upfront fee, issue 2,200,000 common shares and a common share purchase warrant which would allow the University to purchase 500,000 common shares of the Company at a price of \$0.50 per share and milestone payments of \$500,000 subject to fulfillment of certain predetermined conditions as outlined in the agreement. During fiscal 2012, the Company issued the 2,200,000 shares and the common share purchase warrant and also paid \$125,000 cash for the upfront fees. The Company paid another \$50,000 cash during the fiscal year 2013. As at September 30, 2014, \$50,000 of the upfront fee was still payable to the University of Manitoba and was included in accounts payable and accrued liabilities. On August 28, 2015, the Company issued the 550,000 common shares to the University of Manitoba as shares for debt to fulfill the purchase option.

	Cost	
	Intellectual Property \$	Total \$
Balance, December 31, 2013	2,450,000	2,450,000
Additions:	—	—
Balance, September 30, 2014	2,450,000	2,450,000
Additions:	—	—
Balance, December 31, 2014	2,450,000	2,450,000
Additions:	—	—
Balance, September 30, 2015	2,450,000	2,450,000

	Accumulated Amortization	
	Intellectual Property \$	Total \$
Balance, December 31, 2013	132,708	132,708
Additions:	—	—
Balance, September 30, 2014	132,708	132,708
Additions:	245,000	245,000
Balance, December 31, 2014	377,708	377,708
Additions:	183,750	183,750
Balance, September 30, 2015	561,458	561,458

	Carrying Value	
	Intellectual Property \$	Total \$
December 31, 2013	2,317,292	2,317,292
September 30, 2014	2,317,292	2,317,292
December 31, 2014	2,072,292	2,072,292
September 30, 2015	1,888,542	1,888,542

6. Convertible Notes

On August 15, 2015, the Company issued \$361,115 bearing interest at 10% per annum convertible notes with an aggregate principal amount of \$361,115. Each convertible note entitles the holder to convert to ordinary shares at a conversion price equal to 80% of the issue price share of initial public offering or other financing undertaken in conjunction with the Going Public Transaction, subject to approval from any relevant stock exchange. The convertible notes also include an automatic conversion feature whereby any outstanding principal and any unpaid accrued interest will be automatically converted into shares at a conversion price equal to 80% of the value of such shares on the date of conversion. Also see Note 15.

7. Related Party Transactions

Related parties include shareholders with a significant ownership interest in the Corporation. The revenue and costs recognized from transactions with such parties reflect the prices and terms of sales and purchase transactions with related parties, which are in accordance with normal trade practices. Transactions between the Corporation and its subsidiaries, if any, are eliminated on consolidation.

The Company had the following transactions with related parties:

	September 30, 2015	September 30, 2014
	\$	\$
Consulting fees	68,250	29,384

As at September 30, 2015 and September 30, 2014, the balances due to related parties comprise of consulting fees payable in the amount of \$Nil (2014 - \$Nil)

8. Share Capital

Authorized: Unlimited common shares without par value

Unlimited preferred shares without par value

On August 28, 2015, the company issued 550,000 common shares to the University of Manitoba pursuant to the intellectual property purchase agreement to fulfill payable of \$50,000.

On August 28, 2015, the Company issued 680,000 common shares to Suresh Singh a Director of the Company and a John McLeod, a consultant, for consulting fees accrued during 2015.

On August 28, 2015, the Company repurchased 1,000,000 common shares and returned them to treasury.

On August, 28, 2015, the Company issued 1,515,878 common shares as finders' fees pursuant to the convertible debt issued by the Company during the period.

9. Share Purchase Warrants

As at September 30, 2015, the following share purchase warrants were outstanding and exercisable:

Number of warrants outstanding	Exercise price \$	Expiry date
225,000	1.00	October 10, 2017
500,000	0.50	June 29, 2022 (or 12 months after a stock exchange listing)
725,000		

10. Stock Options

As at September 30, 2015, there were no stock options issued and outstanding.

11. Financial Instruments and Risks

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at September 30, 2015 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance, September 30, 2015
	\$	\$	\$	\$
Cash and cash equivalents	274,714	–	–	274,714

The fair values of other financial instruments, which include amounts receivable and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk of a loss if a counterparty to a financial instrument fails to meet its contractual obligations. Trade receivables are the most significant financial instrument that is exposed to credit risk. The Company provides credit to its customers in the normal course of operation. As at September 30, 2015, the Company's risk is minimal as its receivables consist of receivables from Industrial Research Assistance Program ("IRAP") and Canada Revenue Agency ("CRA") for GST ITCs. The Company believes that its exposure to credit risk is low. The maximum exposure to loss arising from trade receivables is equal to their total carrying amounts.

11. Financial Instruments and Risks (continued)

(c) Currency Risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional and reporting currency is the Canadian dollar. The Company's exposure to foreign currency risk is primarily related to fluctuations in the value of the Canadian dollar relative to the United States dollar ("USD") as some of the Company's expenses are in USD. The Company does not use derivative financial instruments to cover the variability of cash flows in foreign currencies.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(e) Market Risk

Market risk is the risk of the loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Management does not believe that the Company is exposed to any material market risk.

(f) Interest rate Risk

Interest rate risk is the risk that the fair value of deferred cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk arising primarily from fluctuation in interest rates on its cash, cash equivalents and short-term investments. The Corporation limits its exposure to interest rate risk by continually monitoring and adjusting portfolio duration to align to forecasted cash requirements and anticipated changes in the interest rates. Based on cash and cash equivalents at September 30, 2015, the Company is not exposed to any risk as there are no interest bearing short-term investments or cash equivalents.

12. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital and share-based payment reserve.

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 balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

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. The Company's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2014.

13. Contingencies and Commitments

In connection with the acquisition of intellectual property from the University of Manitoba, the Company is required to make the milestone payments as follows:

- (a) A payment of \$250,000 within 30 days of the Company achieving a cumulative gross sales of \$10 Million with respect to the product, licensing revenues and/or sublicensing revenues relating to the assigned rights and/or the invention.
- (b) A payment of \$250,000 within 30 days of the Company achieving a cumulative gross sales of \$20 Million with respect to the product, licensing revenues and/or sublicensing revenues relating to the assigned rights and/or the invention.

14. Segmented Information

The Company operates in a single reportable operating segment, the development of commercial applications for the optimizing the current carrying capacity of grid infrastructure and transmission lines. Segmented geographic information is as follows:

The following table allocates total assets by geographic location:

As of September 30, 2015 and 2014

	2015	2014
	\$	\$
Canada	2,374,341	2,505,236

15. Subsequent Events

- (a) On November 6, 2015, the Company completed a three-cornered amalgamation whereby Smart Autonomous Solutions Inc. ("SAS") has amalgamated with a wholly-owned subsidiary of Torino Ventures Inc. (Torino Acquisition Corp). The Amalgamation was filed with British Columbia Registry Services as of November 5, 2015. In conjunction with the Amalgamation, Torino issued 12,062,927 common shares to securityholders of SAS.
- (b) On November 13, 2015, the amalgamated entity changed its name to Torino Power Solutions Inc.
- (c) On December 14, 2015, the Company issued 5,482,583 common shares pursuant to the convertible debt agreements. The Company has now converted all of the debt and accrued interest into common shares and no longer has any long-term term liabilities. In connection with the conversion, the Company issues 500,000 common shares as commission which will be recorded as share issuance costs.

Smart Autonomous Solutions Inc.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2014 AND THE 9 MONTHS ENDED
SEPTEMBER 30, 2015

This Management’s Discussion and Analysis (“MD&A”) should be read in conjunction with the unaudited financial statements and notes thereto for the year ended December 31, 2014 and the nine month period ended September 30, 2015 of Smart Autonomous Solutions Inc. (the “Company”). Such financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements, which reflect our management’s expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to Dynamic Thermal Circuit Rating (DTCR) technology development and future mineral property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management’s current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management’s current expectations, estimates and assumptions about its (DTCR) technology. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) inability to develop an effective DTCR technology (3) delays in technology development (4) industry competition (5) the uncertainty of government regulation (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, (7) inability to finance (8) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled “Risk Factors” below.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the province of British Columbia on May 13, 2011. The Company’s primary business is the development and commercialization of its patented DTCR technology and proprietary system architecture for application in overhead transmission lines. The Company is privately held. On June 4, 2012, Smart Autonomous Solutions Inc. (“SAS”) entered into a binding Intellectual Property and Subscription Agreement with the University of Manitoba for the purchase of Canadian and US patent applications entitled, “A Sensing System Based on Multiple Resonant Electromagnetic Cavities” and International patent application entitled, “Measuring Strain in a Structure using a sensor having electromagnetic resonator”. In consideration for the Intellectual Property and Subscription Agreement, SAS, paid the University of Manitoba a total of 2,500,000 common shares and \$250,000 in cash.

TECHNOLOGY DEVELOPMENT

On June 4, 2012 Smart Autonomous Solutions (“SAS”) and University of Manitoba entered into an Intellectual Property and Subscription agreement for the purchase of Canadian and US patent applications entitled, “A Sensing System Based on Multiple Resonant Electromagnetic Cavities” and International patent application (PCT) entitled, “Measuring Strain in a Structure using a sensor having electromagnetic resonator”. In total, the Company’s

technology is supported by five granted patents and two are in process (patent pending), a summary of patents is provided below:

File Date	Country	App Type	Identification	Status
Measuring strain in a structure using a sensor having an electromagnetic resonator (US title)				
2003-06-26	Canada	Nationalized PCT	2,486,551	Granted Patents
2004-12-27	United States	Nationalized PCT	US 7,347,101	Granted Patents
2003-06-26	Europe	Nationalized PCT	EP1520159	Patent Pending
Sensing system based on multiple resonant electromagnetic cavities (US title)				
2006-09-12	Canada	Substantive	2,559,694	Patent Pending
2006-09-12	United States	Substantive	US 7,441,463	Granted Patents
2006-11-24	Australia	Substantive	2006241369	Granted Patents
Method and apparatus for monitoring physical properties				
2012-08-20	United States	Substantive	US 8,829,924	Granted Patents

The SAS – University of Manitoba agreement also includes a provision for “Technology Rights” which covers all technical information, know-how, processes, procedures, compositions, methods, formulas, protocols, techniques or data developed by the Inventors at the University relating to the Invention, and in the possession of the University, which are not covered by the Patent Rights, but which in the opinion of the University, are necessary for practicing the inventions and discoveries disclosed and validly claimed in the Patent Rights (collectively, the “Technology Rights”); and any future Improvements.

Milestone payments to the University of Manitoba

Milestone payment 1

Within 30 days of the Corporation achieving cumulative gross sales of Ten Million Dollars (\$10,000,000) with respect to the Product, licensing revenues and/or sublicensing revenues relating to the Assigned Rights and/or the Invention, the University shall receive Two Hundred Fifty Thousand (\$250,000), plus any applicable taxes, from the Corporation (“Milestone payment No.1”).

Milestone payment 2

Within 30 days of the Corporation achieving cumulative gross sales of Twenty Million Dollars (\$20,000,000) with respect to the Product, licensing revenues and/or sublicensing revenues relating to the Assigned Rights and/or the Invention, the University shall receive a further Two Hundred Fifty Thousand (\$250,000), plus any applicable taxes, from the Corporation (“Milestone payment No.2”).

REVERSE TAKEOVER TRANSACTION OF TORINO VENTURES INC.

Effective November 5, 2015, the Corporation completed a Reverse Takeover (RTO) of Torino Ventures Inc., a reporting issuer in B.C., Alberta and Manitoba. Pursuant to the RTO, former SAS shareholders received 12,062,927 common shares of the Corporation out of a total 17,662,905 common shares of the Corporation issued and outstanding on the closing date of the RTO.

OVERALL PERFORMANCE

The Company was incorporated on May 13, 2011. As an early stage technology development company, the Company has not generated revenues to date from the development its Dynamic Thermal Circuit Rating (DTCR) technology and anticipates that it will continue to require equity financing to fund operations until such time a commercial product is developed and generates revenues on a profitable basis. The Company is focussed on technology development and management anticipates that expenses will increase during the foreseeable future as the Company carries out development and seeks certifications for its product offering, conducts trial installations of its product and seeks listing on a Canadian exchange. The Company has incurred costs in connection with the DTCR business. Net loss for the year ended December 31, 2014 was \$601,826 and the net loss for the nine month period ending on September 30, 2015 was \$501,118.

SELECTED ANNUAL INFORMATION

The following information sets out the Company's audited annual information for the years ended December 31, 2013 & 2014.

	Year Ended December 31, 2014	Year Ended December 31, 2013
	(\$)	(\$)
Net Income (Loss)	(601,826)	(456,594)
Basic and Diluted Earnings (Loss) Per Share	(0.06)	(0.04)
Total assets	2,259,791	2,813,608
Total non-current financial liabilities	Nil	Nil

As an early stage technology company, the Company has not generated any revenues to date from its technology holdings. The Company incurred a net loss before other income of \$601,826 during the year ended December 31, 2014 compared to a net loss of \$465,594 for the year ended December 31, 2013. The total expenses before other income was \$761,065 for the year ended December 31, 2014 compared to \$661,002 for the year ended December 31, 2013. During the year ended December 31, 2014 technology development costs, consulting, and wages were higher due to the Company ramping up development in preparation for future pilot programs. The Company incurred development costs of \$26,553 in 2014 compared to \$44,440 in 2013. In 2014 the Company incurred consulting fees of \$150,038 (2013 - \$190,175) and wages and benefit expenses of \$216,713 (2013 - \$186,052). Amortization expenses were \$262,458 for the year ended December 31, 2014 compared to \$145,035 for the year ended December 31, 2013. Professional fees (accounting and legal) were \$30,866 in 2014 compared to \$16,869 in 2013. The remainder of the expenses were similar during the company's regular operations from such items as overhead and rent. The Company anticipates that expenses will rise in connection with the Company's focus on developing the technology along with seeking a listing on a Canadian stock exchange. See the discussion under the headings "Liquidity" and "Capital Resources" for more information.

RESULTS OF OPERATIONS

Year ended December 31, 2014

During the year ended December 31, 2014, the Company incurred expenses of \$761,065 (2013 - \$661,002). Changes in expenses over the two periods were primarily incurred as a result of slight fluctuations during the normal course of business. Expenses consisted of consulting fees of \$150,038 compared to \$190,175 in 2013, amortization expenses \$262,458 (2013 - \$145,035), amortization consisted of Computer and Development Equipment expense of \$17,459 in 2014, which was an increase from the 2013 expense of \$12,327, and Intellectual Property amortization of \$132,708 in 2013 compared to \$245,000 in 2014, wages and benefits of \$216,713, which was slightly higher than the 2013 amount of \$186,052, this increase was due to the development completion of the DTCR System, rent of \$39,777 (2013 - \$46,348), professional fees (accounting and legal) of \$30,866 compared to \$16,869 in 2013, the increase in professional fees was largely related to audit and legal fees in preparation for the Company to perform a merger transaction, insurance costs of \$7,258 (2013 - \$5,374), development expenses of \$26,553, down from \$44,440 in 2013, the reduction in development expenses was largely due to the decrease in material purchases by the Company to complete the DTCR System advertising and promotion of \$2,500 (2013 - \$5,177), and other office and administrative expenses of \$15,513 compared to \$21,532 in 2013. Other income consisted of interest income of \$2,130 (2013 - \$6,941), Industrial Research Assistance Program Credit of \$157,109 (2013 - \$92,164), and Scientific

Research and Development Credit of Nil (2013 - \$105,303). Net loss for the year ended December 31, 2014 was \$601,826 compared to \$456,594 in 2013.

The Company anticipates that development and consulting expenses will increase during the upcoming year as the development of the technology continues. The Company will also incur costs relating to listing on a Canadian stock exchange. It is anticipated that other office and administrative costs will remain relatively stable going forward.

Nine months ended September 30, 2015

During the nine months ended September 30, 2015, the Company incurred expenses of \$501,118, primarily of consulting fees of \$116,305, amortization expenses of \$189,642, wages and benefits of \$132,185, professional fees (legal & Accounting) of \$39,934, rent expenses of \$33,669, development expense of \$3,758, office and miscellaneous of \$22,871, and travel related expenses of \$1,200. Net loss for the nine month period ended September 30, 2015 was \$501,118.

The Company is working to commercialize its Dynamic Thermal Circuit Rating (DTCR) technology.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the 3 most recently completed quarters:

	Quarter Ended Sept 30, 2015 \$	Quarter Ended June 30, 2015 \$	Quarter Ended March 31, 2015 \$
	09/30/2015	06/30/2015	03/31/2015
Revenue	Nil	Nil	Nil
Net income (loss)	(215,849)	(147,269)	(138,000)
Loss per share, basic and diluted	(0.02)	(0.02)	(0.01)

On a quarter-by-quarter basis the loss can fluctuate significantly due to research & development activities during the period.

During the period ended September 30, 2015, the Company incurred expenses of \$254,295 compared to \$110,125 for the period ended September 30, 2014. Expenses were comprised of primarily consulting fees of \$78,095 compared to \$28,940 for the period ended September 30, 2014, wages and benefits of \$49,883 compared to \$57,099 in 2014, amortization fees of \$63,214 compared to \$66,615 in 2014. Professional fees (legal & Accounting) for the period ending September 30, 2015, were \$39,411 compared to \$593 for the period ending September 30, 2014, Office and miscellaneous of \$9,351 compared to \$3,704 for the period ended September 30, 2014, rent expenses of \$12,185 compared to \$12,290 in 2014, insurance expense of \$2,156 compared to \$nil for the period ended September 30, 2014, and development expenses of \$nil for the period ended September 30, 2015 compared to \$7,499 for the period ended September 30, 2014. Net loss for the period ended September 30, 2015 was \$215,489 compared to a net loss of \$158,496 for the period ended September 30, 2014.

An analysis of the quarterly results over the last three quarters shows significant changes in financial performance during the quarter ended September 30, 2015, compared to the other two quarters. There is a significant increase in expenditures and net loss for the Company during this quarter due to the Company incurring costs related to its research and development, consulting, wages and benefits, and amortization costs. and stock-based compensation. During the quarter ended September 30, 2015, the Company incurred expenses related to amortization of intellectual property, computer equipment, and development equipment of \$63,214. The Company also incurred professional fees of \$39,411 in preparation for applying for a listing on a Canadian stock exchange. Management anticipates general and administrative expenditures to increase slightly or remain similar to the last three quarters. Research & development costs and consulting fees will increase, and investor communications fees will increase slightly. Additional expenditures are anticipated such as stock-based compensation, exchange and transfer agent fees, additional insurance, investor communications fees, and advertising and promotion.

LIQUIDITY AND CAPITAL RESOURCES

The condensed financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and on a going concern basis. This assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has not begun commercial sales of any of its technology holdings. The Company finances technology development by raising private capital. The Company may encounter difficulty sourcing future financing in light of the recent economic downturn.

The Company had cash of \$274,714 at September 30, 2015 and \$103,926 at September 30, 2014, and the Company had a working capital deficiency of \$12,254 at September 30, 2015 and working capital of \$49,635 at September 30, 2014.

On August 28, 2015 SAS converted \$68,000 of consulting fees owed to Suresh Singh, a Director, and John Mcleod, a consultant, of the Company into common shares of SAS at a fair value of \$0.10 per share for a total of 680,000 common shares issued via shares for debt.

On August 28, 2015 SAS completed a convertible financing for proceeds of \$361,115. The convertible financing bear interest at a rate of 10% per annum and has no maturity date and is unsecured. On December 14, 2015, the proceeds of this financing were converted into common shares of SAS at a deemed price of \$0.07 per share for a total of 5,482,583 common shares. A finder’s fee of 1,515,879 shares was paid in connection with the financing.

On June 28, 2012 SAS completed issued 2,200,000 shares at a deemed price of \$1.00 per share to the University of Manitoba in relation to the Subscription and Assignment Agreement. The University of Manitoba was also granted 500,000 warrants exercisable at \$0.50, expiring 12 months after listing on an Exchange.

On March 28, 2012 SAS completed a Unit private placement for total proceed of \$250,200. A total of 278,000 common shares were issued at \$0.90 per share.

On March 5, 2012 SAS completed a Unit private placement for total proceed of \$812,000. A total of 812,000 common shares were issued at \$1.00 per share.

On November 24, 2011 SAS completed a private placement for total proceed of \$240,409. A total of 1,402,049 common shares were issued at \$0.20 per share.

On May 13, 2011 SAS issued total of 5,625,000 common shares at \$0.005 per share.

On May 13, 2011, the Company issued and returned to treasury, one incorporation share.

If additional funds are required, the Company plans to raise additional capital primarily through the private placement of its equity securities. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company’s continued working capital requirements. Due to the recovery from the global financial crisis, the Company may find it increasingly difficult to raise the funds required to continue the Company’s operations. Share prices have undergone significant decreases and any issuance of the Company’s equity securities in the near future may result in substantial dilution to the Company’s existing shareholders.

Operating Activities

The Company used net cash of \$298,327 in operating activities during the nine month period ended September 30, 2015 (2014 - \$86,017).

Financing Activities

The Company received net cash of \$469,115 from financing activities during the nine month period ended September 30, 2015 (2014 - \$Nil).

Investing Activities

The Company used cash of \$nil in investing activities during the nine month periods ended September 30, 2015 and 2014.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

- (a) During the nine month period ended September 30, 2015, the amount of 68,250 (2014 – \$29,384) was paid in consulting fees to Suresh Singh, a Director of the Company.
- (b) During the year ended December 31, 2014, the amount of \$53,500 (2013 - \$49,837) was paid in consulting fees to Suresh Singh, a Director of the Company.

FOURTH QUARTER

During the three month period ended December 31, 2014, the Company incurred expenses of \$79,462. Expenses were comprised of primarily consulting fees of \$17,440, wages and benefits of \$45,493, professional fees (legal & Accounting) were \$313, insurance costs of \$6,372, office and miscellaneous of \$3,237, rent expenses of \$3,073, and development expenses of \$3,533. The expenses were offset interest income of \$625 and Industrial Research Assistance Program credit of \$29,510. Net loss for the quarter ended December 31, 2014 was \$49,327.

There were no significant adjusting entries made during the quarter for the year ended December 31, 2014 that affected the Statement of Financial Position or the Statement of Operations for the year ended December 31, 2014.

PROPOSED TRANSACTIONS

The Company entered into a binding amalgamation agreement on September 3, 2015 and is in the process of an RTO with Torino Ventures Inc., a British Columbia company incorporated on September 10, 2014. Effective November 5, 2015, the Corporation completed an RTO with Torino. The amalgamated public company entity will be named Torino Power Solutions Inc.

SUBSEQUENT EVENTS

- (d) On November 5, 2015, the Company completed an RTO of Torino Ventures Inc. The RTO was filed with British Columbia Registry Services as of November 5, 2015. In conjunction with the RTO, SAS securityholders received 12,062,927 common shares and Torino shareholders controlled 5,599,978 common shares of the Company.
- (e) On November 13, 2015, the amalgamated entity changed its name to Torino Power Solutions Inc.
- (f) On December 14, 2015, the Company issued 5,482,583 common shares pursuant to the convertible debt agreements. The company has now converted all of the debt and accrued interest into common shares and no longer has any long-term term liabilities. In connection with the conversion, the Company issues 500,000 common shares as commission which will be recorded as share issuance costs.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations, are not yet effective for the nine month period ended September 30, 2015, and have not been applied in preparing these financial statements.

New standards:

IFRS 9, “Financial Instruments”

IFRS 15, “Revenue from Contracts with Customers”

IAS 1, “Presentation of Financial Statements”

IAS 16, “Plant and Equipment”

IAS 38, “Intangible Assets”

IFRIC 21, “Levies”

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, and due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the nine month period ended September 30, 2015 and year end 2014, the Company incurred the following expenses:

	Quarter Ended September 30, 2015	Year End December 31, 2014
Research & Development	3,758	26,553
General and administrative costs	535,806	734,512

An analysis of material components of the Company's general and administrative expenses is disclosed in the unaudited financial statements for the nine month period ended September 30, 2015 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

The Company's common shares are not listed on any exchange. The Company's authorized share capital consists of an unlimited number of common shares without par value. As at September 30, 2015 the Company had 12,062,927 common shares issued and outstanding.

Share Purchase Warrants

As at September 30, 2015, the following share purchase warrants were outstanding and exercisable:

Number of warrants outstanding	Exercise price \$	Expiry date
500,000	0.50	June 29, 2022
225,000	0.50	October 10, 2017
<hr/>		
<u>725,000</u>		

Stock Options

The Company had no stock options outstanding as at September 30, 2015.

RISK FACTORS

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

Risks Related to the Company's Business

Because of the unique difficulties and uncertainties inherent in early stage technology development, the Company faces a high risk of business failure, including the following:

The Corporation currently does not generate revenue from its operations, and as a result, we face a high risk of business failure.

The Company has a history of operating losses and may never achieve profitability in the future. The Company is an early stage technology company; accordingly, it has not generated any business income from its proprietary systems to monitor the Dynamic Thermal Circuit Rating.

The Company expects to be involved in research and development of its Dynamic Thermal Circuit Rating (DTCR) monitoring system, working to achieve certification for its technology and then performing pilot tests to determine its commercial viability. This process may take several years and require significant financial resources without income. The Company expects these expenses to result in continuing operating losses for the foreseeable future.

The Company's ability to generate future revenue or achieve profitable operations is largely dependent on its ability to attract the experienced management and know-how to develop and commercialize its DTCR monitoring system. Successfully developing a DTCR monitoring system into marketable solution may take several years and significant financial resources and the Company cannot assure that it can achieve these objectives.

Industry Risks

The market for DTCR monitoring system is characterized by evolving industry standards, changes in end-user requirements and frequent new product introductions and enhancements. The introduction of products embodying new technologies and the emergence of new industry standards and service offerings could render the Company's existing products and products currently under development obsolete. The Company's success will largely depend upon its ability to evolve its products and services to sufficiently keep pace with technological developments and respond to the needs of its existing and prospective customers. Failure to anticipate or respond adequately to technological developments or future customer requirements, or any significant delays in product development or introduction, could damage the Company's competitive position in the market place and effect commercialization plans. There can be no assurance that the Company will be successful in developing and marketing new products or product enhancements or service offerings on a timely basis.

Current and future competitors could have a significant impact on our ability to generate future revenue and profits

The markets for our products are intensely competitive, and are subject to rapid technological change and other pressures created by changes within our industry. We expect competition to increase and intensify in the future as additional companies enter our markets, including competitors who may offer similar solutions but provide them through different means. We may not be able to compete effectively with current competitors and potential entrants

into our marketplace. We could experience diminished market share if our current or prospective competitors introduce new competitive products; add new functionality to existing products, acquire competitive products, reduce prices, or form strategic alliances with other companies. If competitors were to engage in aggressive pricing policies with respect to their products, or if the dynamics in our marketplace resulted in increasing bargaining power by the consumers of our products and services, we might need to lower the prices we charge for the products we plan to offer. This could result in lower revenues or reduced margins, either of which may materially and adversely affect our business and operating results.

We may become involved in legal matters that may materially adversely affect us

From time to time in the ordinary course of our business, we may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. Furthermore, because litigation is inherently unpredictable, and can be highly expensive, the results of any such actions may have a material adverse effect on our business, operations or financial condition.

Investment in our current research and development efforts may not provide a sufficient, timely return

The development of new software products and strategies is a costly, complex and time-consuming process, and the investment in technology product development often involves a prolonged time until a return is achieved on such an investment. We have made, and will continue to make, significant investments in technology development and related product opportunities. Investments in new products are inherently speculative and risky. Commercial success depends on many factors including the degree of innovation of the products developed, sufficient support from our strategic partners, and effective distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for new development. These expenditures may adversely affect our operating results if they are not sufficiently offset by revenue increases. We believe that we must continue to dedicate a significant amount of resources to our development efforts in order to maintain our competitive position. However, significant revenue from new product and service investments may not be achieved for a prolonged period of time, if at all. Moreover, new products and services may not be profitable, and even if they are profitable, operating margins for new products and businesses may not be as lucrative as the margins we previously experienced for our legacy products and services.

Protection of proprietary technology can be unpredictable and costly.

The Company's success will depend in part upon successful new patent applications for its technology and protecting existing patents that the Company holds. Obtaining such patent protection can be costly and the outcome of any application for such can be unpredictable. In addition, any breach of confidentiality by a third party by premature disclosure may preclude the obtainment of appropriate patent protection, thereby affecting the development and commercial value of the Company's technology and products.

Competition

The planned business to be carried out by the Company will be highly competitive and involve a high degree of risk. There can be no assurance that the Company will be the only DTCR developer in North America or globally. In its efforts to achieve its objectives, the Company will compete with other companies that may have greater resources, many of which will not only develop technology but also manufacture and sell similar products on a worldwide basis.

Uninsured or Uninsurable Risk

The Company may become subject to risks against which it cannot insure or against which it may elect not to insure. Settling related liabilities would reduce funds available for core business activities. Settlement of uninsured liabilities could have a material adverse effect on our financial position.

Conflicts of Interest

Our executive officers and directors will devote only that portion of their time which, in their judgment and experience, is reasonably required for the management and operation of our business. Management may have conflicts of interest in allocating management time, services and functions among the Corporation and any present and future ventures which are or may be organized by our officers or directors and/or their affiliates. Management are not required to direct the Corporation as their sole and exclusive function, and they may have other business interests and engage in other activities in addition to those relating to the Corporation. This includes rendering advice or services of any kind to other investors and creating or managing other businesses.

It is possible, however, that our directors and officers may owe similar consideration to another organization(s). It is possible that these and other conflicts of interest are resolved in a way that has a material adverse impact on the Company.

Dependence on Key Personnel

The Company depends on support from existing directors and officers and its ability to attract, and retain, new directors, officers and other personnel with appropriate skill sets. Inability to retain key team members or find new professionals to serve in important roles could have a material adverse effect on the Company's business. There can be no assurance that we will be able to attract or retain the quality of personnel required in the future.

Financial Liquidity

The Company has not yet generated revenues and will likely operate at a loss as it looks to establish its first commercial DTCR products. The Company may require additional financing in order to execute its business plan. Our ability to secure required financing will depend in part upon investor perception of our ability to create a successful business. Capital market conditions and other factors beyond our control may also play important roles in our ability to raise capital. The Company can offer no assurance that it will be able to successfully obtain additional financing, or that future financing occurs on terms satisfactory to our management and/or shareholders. If funds are unavailable in the future, or unavailable in the amounts that we feel the business requires, or unavailable on acceptable terms, we may be required to cease operating or modify our business plans in a manner that undermines our ability to achieve our business objectives.

Financial Statements Prepared on Going Concern Basis

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the successful completion of financing and the creation of operations deemed successful according to the standards of our industry. The Company cannot guarantee that it will be successful in obtaining financing in the future or in achieving business objective set forth internally or externally. Our consolidated financial statements may not contain the adjustments relating to carrying values and classification of assets and/or liabilities that would be necessary should the Company be unable to continue as a going concern.

We do not have any business liability, disruption or litigation insurance, and any business disruption or litigation we experience might result in our incurring substantial costs and the diversion of resources.

Insurance companies offer limited business insurance products and do not, to our knowledge, offer business liability insurance suitable to management. While business disruption insurance is available, we have determined that the risks of disruption, cost of such insurance and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. As a result, except for directors liability and fire insurance, we do not have any business liability, disruption or litigation insurance coverage for our development operations. Any business disruption or litigation may result in our incurring substantial costs and the diversion of resources.

BOARD APPROVAL

The board of directors of the Company has approved this MD&A.

APPENDIX 4 – TORINO DEC 31, 2014 FINANCIAL STATEMENTS

TORINO VENTURES INC.

Financial Statements

For the period from incorporation on September 10, 2014 to
December 31, 2014

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Directors of Torino Ventures Inc.,

We have audited the accompanying financial statements of Torino Ventures Inc. which comprise the statement of financial position as at December 31, 2014, and the statements of comprehensive loss and changes in equity for the period from incorporation on September 10, 2014 to December 31, 2014, 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 as issued by the International Accounting Standards Board, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 whether the financial statements are free of 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 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 Torino Ventures Inc. at December 31, 2014 and its financial performance for the period from incorporation on September 10, 2014 to December 31, 2014 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has no current sources of revenue and is dependent upon its ability to secure new sources of financing. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.



CHARTERED ACCOUNTANTS
Vancouver, BC
January 8, 2015

TORINO VENTURES INC.

Statement of financial position

(Expressed in Canadian dollars)

	December 31, 2014 \$
<hr/>	
Assets	
Current assets	
Subscription receivable	1
<hr/>	
Total assets	1
<hr/>	
Liabilities	
Current liabilities	
Accounts payable	–
<hr/>	
Total liabilities	–
<hr/>	
Shareholders' Equity	
Share capital (note 3)	1
<hr/>	
Total shareholders' equity	1
<hr/>	
Total liabilities and shareholders' equity	1

Nature of operations and continuance of business (Note 1)

Approved on behalf of the Board on January 8, 2015:

/s/ "Bryan Loree"

Bryan Loree, Director

TORINO VENTURES INC.

Statement of comprehensive loss

(Expressed in Canadian dollars)

	Period from incorporation on September 10, 2014 to December 31, 2014 \$
Revenue	–
Operating expenses	–
Net loss and comprehensive loss	–
Loss per share, basic and diluted	–
Weighted average shares outstanding	1

TORINO VENTURES INC.

Statement of changes in equity

(Expressed in Canadian dollars)

	Share capital		Deficit \$	Total \$
	Number of shares	Amount \$		
Incorporation share	1	1	–	1
Net loss	–	–	–	–
Balance, December 31, 2014	1	1	–	1

1. Nature of Operations

Torino Ventures Inc. (the "Company") was incorporated on September 10, 2014 under the BC Business Corporations Act as a wholly-owned subsidiary of Cannabix Technologies Inc. ("Cannabix"), a public company the common shares of which trade on the TSX Venture Exchange. The head office of the Company is located at 800 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1. The registered and records office of the Company is located at the same address.

The Company's primary business is to be, upon completion of the Plan Arrangement described below, the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired.

These financial statements have been prepared on the 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 December 31, 2014, the Company has no source of revenue, does not generate cash flows from operating activities, and has not accumulated any deficit. These factors raise substantial doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows from operations 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.

The audited financial statements have been prepared for inclusion in a Management Information Circular of Cannabix, which contains the details of a Plan of Arrangement (the "Arrangement"). Pursuant to the Arrangement, Cannabix intends to exchange each of its issued and outstanding common shares for one New Common Share and one Class 1 Reorganization Share. All of the Class 1 Reorganization Shares will be transferred by the shareholders of Cannabix to the Company, in exchange for 8,000,000 common shares of the Company to be issued to the shareholders of Cannabix on a pro-rata basis. Finally Cannabix will then redeem all of the Class 1 Reorganization Shares by transferring to the Company an amount equal to \$162,230, consisting of the value of its Hazeur mineral property interest, located in the Province of Quebec and \$10,000 of cash.

The Hazeur property is expected to be acquired by the Company for \$152,230, representing its carrying amount in the financial statements of Cannabix, inclusive of \$129,430 in exploration costs expensed by Cannabix for accounting purposes, as there will be no substantive change in its ownership upon completion of the Plan of Arrangement.

2. Significant Accounting Policies

(a) Statement of Compliance and Basis of Preparation

These audited 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 International Financial Reporting Interpretations Committee ("IFRIC"). These audited consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. They are presented in Canadian dollars, which is the Company's functional currency.

2. Significant Accounting Policies (continued)

(b) Use of Estimates

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

Significant areas requiring the use of estimates include the useful life and recoverability of impairment of mineral property costs, determination of reclamation provisions, measurement of share-based payments, fair values of financial instruments, and deferred income tax asset valuation allowances.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

(d) Mineral Property Costs

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment in value. These costs will be depleted using the unit-of-production method based on the estimated proven and probable reserves available on the related property following commencement of production.

The amounts shown for mineral properties represent costs, net of write-offs, option proceeds and recoveries, and do not necessarily reflect present or future value. Recoverability of these amounts will depend upon the existence of economically recoverable reserves, the ability of the Company to obtain financing necessary to complete development, and future profitable production. The Company reviews the carrying values of mineral properties when there are any events or change in circumstances that may indicate impairment. Where estimates of future cash flows are available, an impairment charge is recorded if the estimated undiscounted future net cash flows expected to be generated by the property is less than the carrying amount. An impairment charge is recognized by the amount by which the carrying amount of the property exceeds the fair value of the property.

(e) Mineral Exploration and Development Costs

Exploration costs are charged to operations as incurred. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

2. Significant Accounting Policies (continued)

(f) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in profit or loss.

(g) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(h) Financial Instruments

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities.

(i) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented, the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

2. Significant Accounting Policies (continued)

(j) Flow-through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the deferred income tax liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

(k) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

(l) Stock-based payments

The Company grants share-based awards to employees, directors and consultants providing similar services as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and contributed surplus. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management’s best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of income with a corresponding entry within equity, against contributed surplus. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in contributed surplus, are credited to share capital.

Share-based payments arrangements with non-employees in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

(m) Accounting standards and amendments issued but not yet effective

The following standard will be adopted effective January 1, 2019:

IFRS 9 – *Financial Instruments, Classification and Measurement*

3. Share Capital

Authorized: Unlimited common shares without par value

Unlimited preferred shares without par value

Share issuance for the period ended December 31, 2014:

On September 10, 2014, the Company issued 1 share to Cannabix Technologies Inc. pursuant to the incorporation of the Company.

4. Financial Instruments and Risks

(a) Fair Values

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at December 31, 2014 as follows:

Fair Value Measurements Using				
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Balance, December 31, 2014 \$
Cash	–	–	–	–

(b) Credit Risk

The Company does not currently have any financial instruments that are potentially subject to credit risk.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

5. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of all components of shareholders' equity comprised of issued share capital, contributed surplus and deficit.

5. Capital Management (continued)

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 balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

6. Segmented Information

The Company operates in one industry and in only one geographic segment within the mineral resource industry with all current exploration activities conducted in Canada.

TORINO VENTURES INC.

Financial Statements

(Unaudited)

September 30, 2015

(Expressed in Canadian dollars)

TORINO VENTURES INC.

Statement of financial position

(Unaudited - Expressed in Canadian dollars)

	September 30, December 31,	
	2015	2014
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	101,560	–
Amounts receivable	10,243	–
Subscription receivable	–	1
Deposits (note 9)	20,000	–
Total current assets	131,803	1
Non-current assets		
Exploration and evaluation assets (Note 3)	22,800	–
Total assets	154,603	1
Liabilities		
Current liabilities		
Accounts payable	15,834	–
Total liabilities	15,834	–
Shareholders' Equity		
Share capital (note 5)	236,200	1
Subscriptions receivable	10,000	–
Deficit	(107,431)	–
Total shareholders' equity	138,769	1
Total liabilities and shareholders' equity	154,603	1

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance by the Board of Directors on November 26, 2015:

/s/ "Ravinder Mlait"

Ravinder Mlait, Director

/s/ "Bryan Loree"

Bryan Loree, Director

(The accompanying notes are an integral part of these financial statements)

TORINO VENTURES INC.Statement of comprehensive loss
(Unaudited - Expressed in Canadian dollars)

	Nine months ended September 30, 2015 \$	Three months ended September 30, 2015 \$	From period of incorporation on September 10, 2014 to September 30, 2014 \$
Revenue	-	-	-
Consulting fees	102,000	36,000	-
Professional fees	2,613	2,613	-
Transfer agent fees	2,764	1,887	-
Bank charges & interest	54	18	-
Net loss and comprehensive loss	(107,431)	(40,518)	-
Loss per share, basic and diluted	(0.02)	(0.01)	-
Weighted average shares outstanding	5,649,804	7,199,982	1

(The accompanying notes are an integral part of these financial statements)

TORINO VENTURES INC.Statement of changes in equity
(Unaudited - Expressed in Canadian dollars)

	Share capital		Share Subscription Receivable	Deficit	Total
	Number of shares	Amount \$			
Incorporation share	1	1	-	-	1
Net loss	-	-	-	-	-
Balance, September 30, 2014 & December 31, 2014	1	1	-	-	1
Incorporation share cancelled	(1)	(1)	-	-	(1)
Shares issued pursuant to plan of arrangement	7,999,984	32,800	-	-	32,800
Consolidation of plan of arrangement shares (5:1)	(6,400,006)	-	-	-	-
Shares issued for debt	1,500,000	90,000	-	-	90,000
Shares issued pursuant to private placement	2,500,000	115,000	10,000	-	125,000
Share issue costs	-	(1,600)	-	-	(1,600)
Net loss	-	-	-	(107,431)	(107,431)
Balance, September 30, 2015	5,599,978	236,200	10,000	(107,431)	138,769

(The accompanying notes are an integral part of these financial statements)

TORINO VENTURES INC.

Statements of cash flows

(Unaudited - Expressed in Canadian dollars)

	Nine months ended September 30, 2015 \$	Three months ended September 30, 2015 \$	From period of incorporation on September 10, 2014 to September 30, 2014 \$
Operating activities			
Net loss for the period	(107,431)	(40,518)	–
Changes in non-cash operating working capital:			
Amounts receivable	(10,243)	(10,199)	–
Accounts payable and accrued liabilities	15,834	(50,308)	–
Net cash used in operating activities	(101,840)	(101,025)	–
Investing activity			
Amalgamation deposit	(20,000)	(20,000)	–
Net cash used in investing activities	(20,000)	(20,000)	–
Financing activities			
Proceeds from issuance of common shares	223,400	213,400	1
Net cash provided by financing activities	223,400	213,400	1
Increase in cash	101,560	92,375	1
Cash, beginning of the period	–	9,185	–
Cash, end of period	101,560	101,560	1
Non-cash investing and financing activities:			
Shares issued pursuant to mineral property option agreements	22,800	22,800	–

(The accompanying notes are an integral part of these financial statements)

TORINO VENTURES INC.

Notes to the financial statements

September 30, 2015

(Unaudited - Expressed in Canadian dollars)

1. Nature of Operations

Torino Ventures Inc. (the "Company") was incorporated on September 10, 2014 under the BC Business Corporations Act as a wholly-owned subsidiary of Cannabix Technologies Inc. ("Cannabix"), a public company the common shares of which trade on the CSE. The head office of the Company is located at 800 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1. The registered and records office of the Company is located at the same address. On March 12, 2015, the Company completed the Plan Arrangement described below and the Company's primary business is to be the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired.

These financial statements have been prepared on the 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 September 30, 2015, the Company has no source of revenue, does not generate cash flows from operating activities, and has an accumulated deficit of \$107,431. These factors raise substantial doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows from operations 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.

Pursuant to the Arrangement, Cannabix exchanged each of its issued and outstanding common shares for one New Common Share and one Class 1 Reorganization Share. All of the Class 1 Reorganization Shares were transferred by the shareholders of Cannabix to the Company, in exchange for 7,999,984 common shares of the Company, which were then issued to the shareholders of Cannabix on a pro-rata basis. Cannabix then redeemed all of the Class 1 Reorganization Shares by transferring to the Company an amount equal to \$32,800, consisting of the value of its Hazeur mineral property interest, recorded at its carrying amount in the accounts of Cannabix, and \$10,000 of cash.

2. Significant Accounting Policies

(a) Statement of Compliance and Basis of Preparation

These interim financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of Estimates

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

TORINO VENTURES INC.

Notes to the financial statements

September 30, 2015

(Unaudited - Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(b) Use of Estimates (continued)

Significant areas requiring the use of estimates include the useful life and recoverability of impairment of mineral property costs, determination of reclamation provisions, measurement of share-based payments, fair values of financial instruments, and deferred income tax asset valuation allowances.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

(d) Mineral Property Costs

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment in value. These costs will be depleted using the unit-of-production method based on the estimated proven and probable reserves available on the related property following commencement of production.

The amounts shown for mineral properties represent costs, net of write-offs, option proceeds and recoveries, and do not necessarily reflect present or future value. Recoverability of these amounts will depend upon the existence of economically recoverable reserves, the ability of the Company to obtain financing necessary to complete development, and future profitable production. The Company reviews the carrying values of mineral properties when there are any events or change in circumstances that may indicate impairment. Where estimates of future cash flows are available, an impairment charge is recorded if the estimated undiscounted future net cash flows expected to be generated by the property is less than the carrying amount. An impairment charge is recognized by the amount by which the carrying amount of the property exceeds the fair value of the property.

(e) Mineral Exploration and Development Costs

Exploration costs are charged to operations as incurred. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

(f) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in profit or loss.

TORINO VENTURES INC.

Notes to the financial statements

September 30, 2015

(Unaudited - Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(g) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(h) Financial Instruments

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities.

(i) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented, the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

TORINO VENTURES INC.

Notes to the financial statements

September 30, 2015

(Unaudited - Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(j) Flow-through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the deferred income tax liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

(k) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

(l) Stock-based payments

The Company grants share-based awards to employees, directors and consultants providing similar services as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and contributed surplus. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of income with a corresponding entry within equity, against contributed surplus. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in contributed surplus, are credited to share capital.

Share-based payments arrangements with non-employees in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

(m) Accounting standards and amendments issued but not yet effective

The following standard will be adopted effective January 1, 2019:

IFRS 9 – *Financial Instruments, Classification and Measurement*

TORINO VENTURES INC.

Notes to the financial statements

September 30, 2015

(Unaudited - Expressed in Canadian dollars)

3. Mineral Property Costs

Balance, December 31, 2014	–
Additions	22,800
Balance, September 30, 2015	22,800

During the nine month period ended September 30, 2015, the Company acquired a 100% interest in the Hazeur Property, consisting of 6 claims located in the Province of Quebec, from Cannabix upon redemption of the Class 1 Reorganization Shares (Note 1).

4. Related Party Transactions

During the nine month period ended September 30, 2015, the amount of \$102,000 was accrued as consulting fees to Directors of the Company. On August 28, 2015, \$90,000 was settled with the issuance of 1,500,000 common shares to two Directors of the Company.

At September 30, 2015, \$12,000 is payable to Directors of the Company for consulting fees. The amounts are non-interest bearing, unsecured and have no fixed terms of repayment.

5. Share Capital

Authorized: Unlimited common shares without par value
Unlimited preferred shares without par value

Share issuance for the period ended September 30, 2015:

- (a) On September 2, 2015, the Company issued 2,500,000 units at \$0.05 per unit for gross proceeds of \$123,400. Each unit consisted of one common share and one and one-half share purchase warrants. Each whole share purchase warrant entitles the holder to acquire one additional common share at an exercise price of \$0.10 until September 2, 2017. No consideration or value was allocated to the warrants as they had no intrinsic value at the time the units were issued. The Company paid a finders' fee of \$1,600 in connection with the private placement.
- (b) On September 2, 2015, the Company issued 1,500,000 common shares at a deemed value of \$0.06 per share as debt settlement with two Directors of the Company.
- (c) On March 11, 2015, the Company issued 7,999,984 shares pursuant to the plan of arrangement with Cannabix Technologies Inc. On September 1, 2015, the Company completed a consolidation of the outstanding common shares on the basis of one post-consolidation common share for five pre-consolidation common shares resulting in 1,599,978 common shares outstanding.

Share issuance for the period ended December 31, 2014:

On September 10, 2014, the Company issued 1 share to Cannabix Technologies Inc. pursuant to the incorporation of the Company. This incorporation share was cancelled during the period ended September 30, 2015.

TORINO VENTURES INC.

Notes to the financial statements

September 30, 2015

(Unaudited - Expressed in Canadian dollars)

5. Share Capital (continued)

A summary of the changes in the Company's share purchase warrants during the period ended September 30, 2015 is as follows:

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2014	-	-
Issued	3,750,000	0.10
Balance, September 30, 2015	3,750,000	0.10

As at September 30, 2015, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
3,750,000	0.10	September 2, 2017

6. Financial Instruments and Risks**(a) Fair Values**

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at September 30, 2015 as follows:

	Fair Value Measurements Using			Balance, September 30, 2015 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	101,560	-	-	101,560

(b) Credit Risk

The Company does not currently have any financial instruments that are potentially subject to credit risk.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

TORINO VENTURES INC.

Notes to the financial statements

September 30, 2015

(Unaudited - Expressed in Canadian dollars)

6. Financial Instruments and Risks (continued)

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

7. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of all components of shareholders' equity comprised of issued share capital, contributed surplus and deficit.

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 balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

8. Segmented Information

The Company operates in one industry and in only one geographic segment within the mineral resource industry with all current exploration activities conducted in Canada.

9. Subsequent Events

On November 2, 2015, the Company completed a non-brokered private placement for gross proceeds of \$407,500 through the sale of 4,075,500 Units. Each Unit is comprised of one common share ("Common Share") at \$0.10 cents, and one half non-transferable common share purchase warrant ("Warrant") exercisable at \$0.20 cents per common share for a period of 18 months from the date of closing.

On November 6, 2015, the Company completed a three-cornered amalgamation whereby Smart Autonomous Solutions Inc. ("SAS") amalgamated with a wholly-owned subsidiary of the Company (Torino Acquisition Corp). The Amalgamation was filed with British Columbia Registry Services as of November 5, 2015. In conjunction with the Amalgamation, Torino issued 12,062,927 common shares to security holders of SAS. The Company had previously paid a \$20,000 deposit to SAS on August 14, 2015 pursuant to the binding LOI dated July 20, 2015.

On November 12, 2015, the Company completed a name change, and is now known as Torino Power Solutions Inc.

Torino Ventures Inc.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED September 30, 2015**

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited financial statements and notes thereto for the period ended **September 30, 2015** of Torino Ventures Inc. (the "Company"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about current mineral property interests, the global economic environment, the market price and demand for commodities and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price of precious metals (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in the province of Quebec regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the province of British Columbia on September 10, 2014. The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties and is currently focused on gold exploration in the province of Quebec, Canada. The Company completed a plan of arrangement ("Arrangement Agreement") on March 12, 2015 with Cannabix Technologies Inc ("Cannabix") and is a reporting issuer in British Columbia, Alberta and Manitoba. The Company is not listed on any exchange.

For further details, please see the arrangement agreement of the Company dated January 10, 2015, which is available on SEDAR at www.sedar.com This Management's Discussion and Analysis ("MD&A") should be read in

For further details, please see the arrangement agreement of the Company dated January 10, 2015, which is available on SEDAR at www.sedar.com. This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited financial statements and notes thereto for the period ended September 30, 2015 of Torino Ventures Inc. (the "Company"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company currently has one material exploration property, the Monster Lake South Gold Property (also known as the "Hazeur Property") located in Quebec, Canada, the details of which are set out below. The Company has not yet determined whether its property interests contain reserves that are economically recoverable. The recoverability of amounts shown for resource properties and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of the resource property and upon future profitable production or proceeds from the disposition thereof.

PLAN OF ARRANGEMENT

On January 5, 2015 the Company entered into an Arrangement Agreement with Cannabix Technologies Inc. Pursuant to the arrangement agreement, the Company was transferred 100% of the Monster Lake South Gold Property (also known as the "Hazeur Property") and \$10,000 cash. In consideration for the property and \$10,000 cash the Company issued 7,999,894 common shares of Torino to shareholders of Cannabix on a pro rata basis pursuant to a plan of arrangement under the Business Corporations Act (British Columbia).

Shareholder and final court approval from the Supreme Court of British Columbia for the Arrangement were obtained on February 17, 2015 and February 26, 2015, respectively, and the closing date of the Arrangement was March 12, 2015. Readers may refer to the arrangement agreement of the Company dated January 10, 2015, which is available on SEDAR at www.sedar.com and may also refer to the Cannabix Information Circular dated January 14, 2015, for additional information concerning the Arrangement, available on SEDAR at www.sedar.com.

AMALGAMATION WITH SMART AUTONOMOUS SOLUTIONS

On July 20, 2015 the Company entered into a binding Letter of Intent ("LOI") with Smart Autonomous Solutions Inc. ("SAS") which outlined the general terms to which Torino would amalgamate and complete a share exchange for the issued and outstanding securities of SAS in exchange for securities of Torino by way of a three-cornered amalgamation whereby SAS would amalgamate with a wholly-owned subsidiary of Torino, with the resulting amalgamated entity becoming a wholly-owned subsidiary of Torino. On August 25, 2015, the Company registered wholly owned subsidiary in British Columbia, Torino Acquisition Corp. to facilitate the amalgamation with SAS. On September 3, 2015, the LOI was superseded by a binding Amalgamation Agreement which among other things called for SAS shareholder approval for the transaction, 5:1 consolidation of Torino and completion of a minimum \$200,000 equity financing by Torino. Subsequent to the period, on November 5, 2015, Torino Acquisition Corp. closed the amalgamation with SAS. In conjunction with the amalgamation, the Company issued 12,062,927 common shares to securityholders of SAS.

EXPLORATION PROPERTY

MONSTER LAKE SOUTH GOLD PROPERTY – QUEBEC, CANADA

On March 12, 2015, by way of plan of arrangement the Company was transferred 100% ownership of the Hazeur Property (also known as the Monster Lake South property). As consideration for the acquisition of the Hazeur Property, the Company issued 7,999,894 Common Shares to Cannabix shareholders at a deemed value of \$0.02 per share.

For a full description of the Hazeur Property, in addition to the proposed two-stage work program thereon, please see the Technical Report titled NI 43-101 Technical Report On the Monster Lake South property dated March 12, 2015 prepared for the Company by Jeannot Theberge P.Geo, Terrax Management Inc., a copy of which has been filed on SEDAR and available for review at www.sedar.com. The Company will be required to raise additional funds in order to keep all the Monster Lake South claims in good standing in relation to claim renewal costs required

by the MERN. The Company will add and or drop claims based on geological merit and as financial resources allow.

OVERALL PERFORMANCE

The Company was incorporated on September 10, 2014 and completed its plan of arrangement on March 12, 2015 and became a reporting issuer in British Columbia, Alberta and Manitoba. The Company is not listed on any exchange. As an exploration stage company, the Company has not generated revenues to date from its properties and anticipates that it will continue to require equity financing to fund operations until such time as its properties are put into commercial production on a profitable basis. The Company is involved in mineral exploration activities. As a result, the Company incurred costs in connection with the acquisition of the Hazeur gold property. Net loss for the year ended December 31, 2014 was \$nil. During the six month period ended September 30, 2015 the Company had an operating loss of \$107,431. Managements intends to concentrate its activities on the gold sector and review other business opportunities and anticipates that expenses will likely increase during the foreseeable future as it carries out its business.

RESULTS OF OPERATIONS

Quarter ended September 30, 2015

During the quarter ended September 30, 2015, the Company incurred expenses of \$40,518, primarily accrued consulting fees of \$36,000, transfer agent and filing fees of \$1,887, professional fees (accounting and legal) of \$2,613, and bank fees of \$18. Net loss for the period ended September 30, 2015 was \$40,518.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the four most recently completed quarters:

	Quarter Ended September 30, 2015 \$	Quarter Ended June 30, 2015 \$	Quarter Ended March 31, 2015 \$	Quarter Ended December 31, 2014 \$
	09/30/2015	06/30/2015	03/31/2015	12/31/2014
Revenue	Nil	Nil	Nil	Nil
Net income (loss)	(40,518)	(36,738)	(30,175)	Nil
Loss per share, basic and diluted	(0.01)	(0.00)	(0.00)	0.00

As a mineral exploration company, the Company has not generated any revenues to date from its properties. On a quarter-by-quarter basis the loss can fluctuate significantly due to exploration activities during the period.

During the quarter ended September 30, 2015, the Company incurred expenses of \$40,518, primarily accrued consulting fees of \$36,000, transfer agent and filing fees of \$1,887, professional fees (accounting and legal) of \$2,613, and bank fees of \$18. Net loss for the period ended September 30, 2015 was \$40,518.

An analysis of the quarterly results over the last two quarters shows little variation in financial performance quarter by quarter. Since the Company was incorporated on September 10, 2014 there are no financial statements available prior to the year-end December 31, 2014. Management anticipates expenditures to increase as the Company initiates exploration. Other expenditures should increase going forward as management anticipate additional costs related to the Company's activities.

USE OF PROCEEDS

The Company has completed a plan of arrangement as of March 12, 2015, and a subsequent financing on September 2, 2015 for gross proceeds of \$123,400. The Company has raised this money for working capital and to complete the amalgamation with Smart Autonomous Solutions Inc.

LIQUIDITY

The Company has not begun commercial production on any of its resource properties and accordingly, the Company does not generate cash from operations. The Company finances exploration activities by raising capital from equity markets. The Company may encounter difficulty sourcing future financing in light of the recent economic downturn.

The Company had cash of \$101,560 at September 30, 2015 (2014 - \$Nil) and working capital of \$115,969 at September 30, 2015 (2014 - \$1).

On September 2, 2015, the Company completed a non-brokered private placement for gross proceeds of \$123,400 through the sale of 2,500,000 Units. Each Unit is comprised of one common share ("Common Share") at \$0.05 cents, and one-and one half transferable common share purchase warrant ("Warrant") exercisable at \$0.10 cents per common share, expiring on September 2, 2017.

On September 1, 2015, the Company consolidated its common shares on a 5:1 basis.

On March 12, 2015, the Company issued 7,999,894 common shares in accordance with the Arrangement Agreement with Cannabix Technologies Inc.

If additional funds are required, the Company plans to raise additional capital primarily through the private placement of its equity securities. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company's continued working capital requirements. Due to the recovery from the global financial crisis, and overall malaise in the junior exploration/mining sector, the Company may find it increasingly difficult to raise the funds required to continue the Company's operations. Share prices have undergone significant decreases and any issuance of the Company's equity securities in the near future may result in substantial dilution to the Company's existing shareholders.

CAPITAL RESOURCES

The Company holds a 100% interest in the Monster Lake South property and is not required to make any further expenditure commitments on this property. All share and cash payments related to the Monster Lake South property have been paid in full.

The Company will be required to raise additional funds in order to keep all the claims on the Monster Lake South property in good standing in relation to claim renewal costs required by the MERN. The Company will add and or drop claims based on geological merit and as financial resources allow.

Operating Activities

The Company used net cash of \$101,025 in operating activities during the period ended September 30, 2015 (2014 - \$Nil).

Financing Activities

The Company received net cash of \$223,400 in financing activities during the period ended September 30, 2015 (2014 - \$Nil).

Investing Activities

The Company used cash of \$20,000 in investing activities during the period ended September 30, 2015 (2014 - \$Nil).

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

During the period ended September 30, 2015, the Company accrued \$36,000 in consulting fees to Directors of the Company.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

SUBSEQUENT EVENTS

On November 2, 2015, the Company completed a non-brokered private placement for gross proceeds of \$407,500 through the sale of 4,075,500 Units. Each Unit is comprised of one common share ("Common Share") at \$0.10 cents, and one half non-transferable common share purchase warrant ("Warrant") exercisable at \$0.20 cents per common share for a period of 18 months from the date of closing.

On November 6, 2015, the Company completed a three-cornered amalgamation whereby Smart Autonomous Solutions Inc. ("SAS") amalgamated with a wholly-owned subsidiary of the Company (Torino Acquisition Corp). The Amalgamation was filed with British Columbia Registry Services as of November 5, 2015. In conjunction with the Amalgamation, Torino issued 12,062,927 common shares to securityholders of SAS. The Company had previously paid a \$20,000 deposit to SAS on August 14, 2015 pursuant to the binding LOI dated July 20, 2015.

On November 12, 2015, the Company completed a name change, and is now known as Torino Power Solutions Inc.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2015, and have not been applied in preparing these financial statements.

New standard IFRS 9, "Financial Instruments"

Amendments to IAS 32, "Financial Instruments: Presentation"

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, and due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the three month period ended September 30, 2015, the Company incurred the following expenses:

	Quarter Ended September 30, 2015
Exploration costs	\$nil
General and administrative costs	\$40,518

An analysis of material components of the Company's general and administrative expenses is disclosed in the unaudited financial statements for the period ended September 30, 2015 to which this MD&A relates. An analysis of the material components of the mineral property acquisition costs is disclosed in the notes to the unaudited financial statements for the period ended September 30, 2015 to which this MD&A relates.

The Company had one exploration property during the period ended September 30, 2015 and controls 100% of the Monster Lake South property and has no existing work commitments.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

The Company's common shares are not listed on any exchange. As at November 26, 2015, the Company had 21,637,905 common shares issued and outstanding.

Share Purchase Warrants

As at September 30, 2015, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
3,750,000	0.10	September 2, 2017
<u>3,750,000</u>		

Stock Options

The Company has not granted stock options.

RISK FACTORS

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

Risks Related to the Company's Business

Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, the Company faces a high risk of business failure.

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that the Company intends to undertake on its properties and any additional properties that the Company may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration of its properties may not result in the discovery of mineral deposits. Any expenditures that the Company may make in the exploration of any other mineral property that it may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful exploration efforts. If the results of the Company's exploration do not reveal viable commercial mineralization, the Company may decide to abandon some or all of its property interests.

Loss of Interest In Properties

The Company's ability to maintain an interest in the properties optioned by the Company will be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Company being unable to make the periodic payments required to keep the property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the properties optioned by the Company, including the Qualifying Property.

Because of the speculative nature of the exploration of mineral properties, there is no assurance that the Company's exploration activities will result in the discovery of any quantities of mineral deposits on its current properties or any other additional properties the Company may acquire.

The Company intends to continue exploration on its current properties and the Company may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. The Company can provide investors with no assurance that exploration on its current properties, or any other property that the Company may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent the Company from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If the Company is unable to establish the presence of mineral deposits on its properties, its ability to fund future exploration activities will be impeded, the Company will not be able to operate profitably and investors may lose all of their investment in the Company.

The potential profitability of mineral ventures depends in part upon factors beyond the control of the Company and even if the Company discovers and exploits mineral deposits, the Company may never become commercially viable and the Company may be forced to cease operations.

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond the Company's control, including the existence and size of mineral deposits in the properties the Company explores, the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in the Company not receiving an adequate return on invested capital. These factors may have material and negative effects on the Company's financial performance and its ability to continue operations.

Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on the Company.

Exploration and exploitation activities are subject to federal, provincial, state and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to federal, provincial, state and local

laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment.

Environmental and other legal standards imposed by federal, provincial, state or local authorities may be changed and any such changes may prevent the Company from conducting planned activities or may increase its costs of doing so, which would have material adverse effects on its business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Company. Additionally, the Company may be subject to liability for pollution or other environmental damages that the Company may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect the Company's ability to carry on its business.

Title to mineral properties is a complex process and the Company may suffer a material adverse effect in the event one or more of its property interests are determined to have title deficiencies.

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has obtained a title opinion (in 2010) with respect to its Monster Lake South property interests, the Company cannot give an assurance that title to such property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have title to one or more of its properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

The properties optioned by the Company may now or in the future be the subject of first nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with first nations in order to facilitate exploration and development work on the properties optioned by the Company.

Because the Company's property interests may not contain mineral deposits and because it has never made a profit from its operations, the Company's securities are highly speculative and investors may lose all of their investment in the Company.

The Company's securities must be considered highly speculative, generally because of the nature of its business and its stage of operations. The Company currently has exploration stage property interests which may not contain mineral deposits. The Company may or may not acquire additional interests in other mineral properties but the Company does not have plans to acquire rights in any specific mineral properties as of the date of this report. Accordingly, the Company has not generated significant revenues nor has it realized a profit from its operations to date and there is little likelihood that the Company will generate any revenues or realize any profits in the short term. Any profitability in the future from the Company's business will be dependent upon locating and exploiting mineral deposits on the Company's current properties or mineral deposits on any additional properties that the Company may acquire. The likelihood that any mineral properties that the Company may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. The Company may never discover mineral deposits in respect to its current properties or any other area, or the Company may do so and still not be commercially successful if the Company is unable to exploit those mineral deposits profitably. The Company may not be able to operate profitably and may have to cease operations, the price of its securities may decline and investors may lose all of their investment in the Company.

As the Company faces intense competition in the mineral exploration and exploitation industry, the Company will have to compete with the Company's competitors for financing and for qualified managerial and technical employees.

The Company's competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than the Company. As a result of this competition, the Company may have

to compete for financing and be unable to acquire financing on terms it considers acceptable. The Company may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for financing or for qualified employees, the Company's exploration programs may be slowed down or suspended, which may cause the Company to cease operations as a company.

The Company's future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its exploration activities and investors could lose their entire investment.

There is no assurance that the Company will operate profitably or will generate positive cash flow in the future. The Company requires additional financing in order to proceed with the exploration and development of its properties. The Company will also require additional financing for the fees it must pay to maintain its status in relation to the rights to the Company's properties and to pay the fees and expenses necessary to operate as a public company. The Company will also need more funds if the costs of the exploration of its mineral claims are greater than the Company has anticipated. The Company will require additional financing to sustain its business operations if it is not successful in earning revenues. The Company will also need further financing if it decides to obtain additional mineral properties. The Company currently does not have any arrangements for further financing and it may not be able to obtain financing when required. The Company's future is dependent upon its ability to obtain financing. If the Company does not obtain such financing, its business could fail and investors could lose their entire investment.

The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the directors and officers may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its ability to conduct its ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of its officers' other business interests.

Risks Relating to the Company's Common Stock

A decline in the price of the Company's common stock could affect its ability to raise further working capital and adversely impact its ability to continue operations.

A prolonged decline in the price of the Company's common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of the Company's operations have been and will be financed through the sale of equity securities, a decline in the price of its common stock could be especially detrimental to the Company's liquidity and its operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on the Company's business plan and operations, including its ability to develop new products and continue its current operations. If the Company's stock price declines, it can offer no assurance that the Company will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue its normal operations.

ADDITIONAL INFORMATION

Additional information about the Company is available on SEDAR at <http://www.sedar.com>.

BOARD APPROVAL

The board of directors of the Company has approved this MD&A.

APPENDIX 7 – AUDIT COMMITTEE CHARTER

TORINO POWER SOLUTIONS INC. (the "Company")

(Adopted as of December 14, 2015)

PURPOSE OF THE AUDIT COMMITTEE

The Audit Committee (the "**Committee**") is a standing committee of the Board of Directors (the "**Board**") of the Company. The role of the Committee is to:

- a) assist the Board in its oversight responsibilities by reviewing: (i) the Company's financial statements, the financial and internal controls and the accounting, audit and reporting activities, (ii) the Company's compliance with legal and regulatory requirements, (iii) the external auditors' qualifications and independence, and (iv) the scope, results and findings of the Company's external auditors' audit and non-audit services;
- b) prepare any report of the Committee required to be included in the Company's annual report or proxy material;
- c) report to the Board in respect of the Company's financial statements prior to the Board approving such statements; and
- d) take such other actions within the scope of this Charter as the Board may assign to the Committee from time to time or as the Committee deems necessary or appropriate.

2. COMPOSITION, OPERATIONS AND AUTHORITY

Composition

The Committee shall be composed of a minimum of three members of the Board. Unless exempted by applicable securities laws and applicable stock exchange policies, all members of the Committee shall be independent as determined by the Board in accordance with the applicable requirements of the laws governing the Company, the applicable stock exchanges on which the Company's securities are listed and applicable securities regulatory authorities (collectively, the "**Applicable Law**"). Each member of the Committee shall be "financially literate" as such term is defined by the Applicable Law.

Members of the Committee shall be appointed by the Board and continue to be members until their successors are elected and qualified or until their earlier death, retirement, resignation or removal. Any member of the Committee may be removed by the Board in its discretion. However, a member of the Committee shall automatically cease to be a member of the Committee upon either ceasing to be a director of the Board or, if

applicable, ceasing to be independent as required in this Section 2 of this Charter. Vacancies on the Committee will be filled by the Board.

Authority

The authority of the Committee is subject to the provisions of this Charter, the constating documents of the Company, such limitations as may be imposed by the Board from time to time and Applicable Law.

The Committee shall have the authority to: (i) retain (at the Company's expense) its own legal counsel and other advisors and experts that the Committee believes, in its sole discretion, are needed to carry out its duties and responsibilities; (ii) conduct investigations that it believes, in its sole discretion, are necessary to carry out its responsibilities; and (iii) take whatever actions that it deems appropriate to foster an internal culture that is committed to maintaining quality financial reporting, sound business risk practices and ethical behavior within the Company. In addition, the Committee shall have the authority to request any officer, director or employee of the Company, or any other persons whose advice and counsel are sought by the Committee, such as members of the Company's management or the Company's outside legal counsel and external auditors, to meet with the Committee or any of its advisors and to respond to their inquiries. The Committee shall have full access to the books, records and facilities of the Company in carrying out its responsibilities.

The Committee shall have the authority to delegate to one or more of its members, responsibility for developing recommendations for consideration by the Committee with respect to any of the matters referred to in this Charter.

Operations

The Board may appoint one member of the Committee to serve as chair of the Committee (the "**Chair**"), but if it fails to do so, the members of the Committee shall designate a Chair by majority vote of the full Committee to serve at the pleasure of the majority of the full Committee. If the Chair of the Committee is not present at any meeting of the Committee, an acting Chair for the meeting shall be chosen by majority vote of the Committee from among the members present. In the case of a deadlock on any matter or vote, the Chair shall refer the matter to the Board. The Committee may appoint a secretary who need not be a member of the Board or Committee. A secretary who is not a member of the Committee shall not have the rights of a member of the Committee.

The Chair shall preside at each meeting of the Committee and set the agendas for the Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings as long as they are not inconsistent with any provisions of the Company's constating documents or this Charter.

The Committee shall meet (in person or by telephonic meeting) at least quarterly or more frequently as circumstances dictate. As a part of each meeting of the Committee at which the Committee recommends that the Board approve the annual audited financial statements, the Committee shall meet in a separate session with the external auditors and, if desired, with management and/or the internal auditor. In addition, the Committee or the Chair shall meet with management quarterly to review the Company's financial statements and the Committee or a designated member of the Committee shall meet with the external auditors to review the Company's financial statements on a regular basis as the Committee may deem appropriate. The Committee shall maintain written minutes or other records of its meetings and activities, which shall be duly filed in the Company's records.

Except as otherwise required by the Company's constating documents, a majority of the members of the Committee shall constitute a quorum for the transaction of business and the act of a majority of the members present at any meeting at which there is a quorum shall be the act of the Committee. The Committee may also act by unanimous written consent in lieu of a meeting.

The Chair of the Committee shall report to the Board following meetings of the Committee and as otherwise requested by the Board.

3. RESPONSIBILITIES AND DUTIES

The Committee's primary responsibilities are to:

General

- a) review and assess the adequacy of this Charter on an annual basis and, where necessary or desirable, recommend changes to the Board;
- b) report to the Board regularly at such times as the Chair may determine to be appropriate but not less frequently than four times per year;
- c) follow the process established for all committees of the Board for assessing the Committee's performance;

Review of Financial Statements, MD&A and other Documents

- d) review the Company's financial statements and related management's discussion and analysis and any other annual reports or other financial information to be submitted to any governmental body or the public, including any certification, report, opinion or review rendered by the external auditors before they are approved by the Board and publicly disclosed;
- e) report to the Board in respect of the Company's financial statements prior to the Board approving such statements;
- f) review with the Company's management and, if applicable, the external auditors, the Company's quarterly financial statements and related management's discussion and analysis, before they are released;
- g) ensure that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements other than the disclosure referred to in the two immediately preceding paragraphs and periodically assess the adequacy of such procedures;
- h) review the effects of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;
- i) review with the Company's management any press release of the Company which contains financial information;
- j) review analyses prepared by management and/or the external auditors setting forth significant reporting issues and judgments made in connection with the preparation of the Company's financial statements;

External Auditors

- k) recommend external auditors' nominations to the Board to be put before the shareholders for appointment and, as necessary, the removal of any external auditors in office from time to time;
- l) approve the fees and other compensation to be paid to the external auditors;
- m) pre-approve all significant non-audit engagements to be provided to the Company with the external auditors;
- n) require the external auditors to submit to the Committee, on a regular basis (at least annually), a formal written statement delineating all relationships between the external auditors and the Company and discuss with the external auditors any relationships that might affect the external auditors' objectivity and independence;
- o) recommend to the Board any action required to ensure the independence of the external auditors;
- p) advise the external auditors of their ultimate accountability to the Board and the Committee;
- q) oversee the work of the external auditors engaged for the purpose of preparing an audit report or performing other audit, review and attest services for the Company;

- r) evaluate the qualifications, performance and independence of the external auditors which are to report directly to the Committee, including (i) reviewing and evaluating the lead partner on the external auditors' engagement with the Company, (ii) considering whether the auditors' quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditors' independence, (iii) determine the rotation of the lead audit partner and the audit firm, and (iv) take into account the opinions of management and the internal audit function in assessing the external auditors' qualifications, independence and performance;
- s) present the Committee's conclusions with respect to its evaluation of external auditors to the Board and take such additional action to satisfy itself of the qualifications, performance and independence of external auditors and make further recommendations to the Board as it considers necessary;
- t) obtain and review a report from the external auditors at least annually regarding the external auditors' internal quality-control procedures; material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more external audits carried out by the firm; any steps taken to deal with any such issues; and all relationships between the external auditors and the Company;
- u) establish policies for the Company's hiring of employees or former employees of the external auditors;
- v) monitor the relationship between management and the external auditors including reviewing any management letters or other reports of the external auditors and discussing any material differences of opinion between management and the external auditors;

Financial Reporting Process

- w) periodically discuss the integrity, completeness and accuracy of the Company's internal controls and the financial statements with the external auditors in the absence of the Company's management;
- x) in consultation with the external auditors, review the integrity of the Company's financial internal and external reporting processes;
- y) consider the external auditors' assessment of the appropriateness of the Company's auditing and accounting principles as applied in its financial reporting;
- z) review and discuss with management and the external auditors at least annually and approve, if appropriate, any material changes to the Company's auditing and accounting principles and practices suggested by the external auditors, internal audit personnel or management;
- aa) review and discuss with the Chief Executive Officer ("CEO") and the Chief Financial Officer (the "CFO") the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the interim and annual filings with applicable securities regulatory authorities;
- bb) review disclosures made by the CEO and CFO during their certification process for the annual and interim filings with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving management or other employees who have a significant role in the Company's internal controls;
- cc) establish regular and separate systems of reporting to the Committee by management and the external auditors of any significant decision made in management's preparation of the financial statements, including the reporting of the view of management and the external auditors as to the appropriateness of such decisions;
- dd) discuss during the annual audit, and review separately with each of management and the external auditors, any significant matters arising from the course of any audit, including any restrictions on the scope of work or access to required information; whether raised by management, the head of internal audit or the external auditors;
- ee) resolve any disagreements between management and the external auditors regarding financial reporting;
- ff) review with the external auditors and management the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented at an appropriate time subsequent to the implementation of such changes or improvements;
- gg) retain and determine the compensation of any independent counsel, accountants or other advisors to assist in its oversight responsibilities (the Committee shall not be required to obtain the approval of the Board for such purposes);

- hh) discuss any management or internal control letters or proposals to be issued by the external auditors of the Company;

Corporate Controls and Procedures

- ii) receive confirmation from the CEO and CFO that reports to be filed with Canadian Securities commissions and any other applicable regulatory agency: (a) have been prepared in accordance with the Company's disclosure controls and procedures; and (b) contain no material misrepresentations or omissions and fairly presents, in all material respects, the financial condition, results of operations and cash flow as of and for the period covered by such reports;
- jj) receive confirmation from the CEO and CFO that they have concluded that the disclosure controls and procedures are effective as of the end of the period covered by such reports;
- kk) discuss with the CEO and CFO any reasons for which any of the confirmations referred to in the two preceding paragraphs cannot be given by the CEO and CFO;

Code of Conduct and Ethics

- ll) review and discuss the Company's Code of Business Conduct and Ethics and the actions taken to monitor and enforce compliance with the Code;
- mm) establish procedures for: i) the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters; and ii) the confidential, anonymous submission of concerns regarding questionable accounting, internal control and auditing matters;

Legal Compliance

- nn) confirm that the Company's management has the proper review system in place to ensure that the Company's financial statements, reports, press releases and other financial information satisfy Applicable Law;
- oo) review legal compliance matters with the Company's legal counsel;
- pp) review with the Company's legal counsel any legal matter that the Committee understands could have a significant impact on the Company's financial statements;
- qq) conduct or authorize investigations into matters within the Committee's scope of responsibilities;
- rr) perform any other activities in accordance with the Charter, the Company's constituting documents and Applicable Law the Committee or the Board deems necessary or appropriate;
- ss) maintain minutes and other records of meetings and activities of the Committee;

Related Party Transactions

- tt) review the financial reporting of any transaction between the Company and any officer, director or other "related party" (including any shareholder holding an interest greater than 5% in the Company) or any entity in which any such person has a financial interest;
- uu) review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures;

Reporting and Powers

- vv) report to the Board following each meeting of the Committee and at such other times as the Board may consider appropriate; and
- ww) exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board.

7. LIMITATION OF RESPONSIBILITY

While the Committee has the responsibilities and powers provided by this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management (with respect to whom the Committee performs an oversight function) and the external auditors.

CERTIFICATE OF THE CORPORATION AND PROMOTER

Dated: March 14, 2016

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of the Province of British Columbia.

"Ravinder Mlait"

RAVINDER MLAIT
CEO and Director

"Bryan Loree"

BRYAN LOREE
CFO and Director

ON BEHALF OF THE BOARD OF DIRECTORS

"Suresh Singh"

SURESH SINGH
Director

"Bryan Loree"

BRYAN LOREE
CFO and Director

"Darren Fast"

DARREN FAST
Director

"Ravinder Mlait"

RAVINDER MLAIT
CEO and Director

PROMOTER

"Suresh Singh"

SURESH SINGH
Director