HAPUNA VENTURES INC.

FINANCIAL STATEMENTS

PERIOD FROM JANUARY 31, 2017 (DATE OF INCORPORATION) TO SEPTEMBER 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Hapuna Ventures Inc.,

We have audited the accompanying financial statements of Hapuna Ventures Inc., which comprise the statement of financial position as at September 30, 2017 and the statements of operations and comprehensive loss, cash flows and changes in shareholder's deficiency for the period then ended, 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.

Auditor's 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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 Hapuna Ventures Inc. as at September 30, 2017 and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses since inception and is also dependent upon its ability to secure new sources of financing to fund on-going operations. 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 PROFESSIONAL ACCOUNTANTS

De Visser Gray LLP

Vancouver, Canada
February 7, 2018

HAPUNA VENTURES INC.

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2017

(Expressed in Canadian dollars)

	Note		2017
ASSETS	9, 10		
Current			
Cash and cash equivalents		$	59
Due from Bexar	5		25,000
		$	25,059
LIABILITIES	9, 10		
Current			
Due to Kona Bay	5	$	27,539
Due to related party	5		24,000
			51,539
SHAREHOLDER'S DEFICIENCY			
Share capital	4, 10		1
Share subscriptions received	4		25,000
Deficit			(51,481)
			(26,480)
		$	25,059

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON FEBRUARY 7, 2018

"Vincent Wong"	***"Dickson Hall"***
Director	Director

The Accompanying Notes are an Integral Part of the Financial Statements

HAPUNA VENTURES INC.

STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

(Expressed in Canadian dollars)

	Note		2017
EXPENSES	9		
Selling, office and general		$	41
LOSS BEFORE OTHER ITEM			(41)
OTHER ITEM			
Restructuring costs	9, 10		(51,440)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		$	(51,481)
LOSS PER COMMON SHARE		$	(51,481)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING			1

The Accompanying Notes are an Integral Part of the Financial Statements

HAPUNA VENTURES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

(Expressed in Canadian dollars)

		2017
OPERATING ACTIVITIES		
Net loss for the period	$	(51,481)
Changes in non-cash working capital items:		
Due to Kona Bay		27,440
CASH USED IN OPERATING ACTIVITIES		(24,041)
FINANCING ACTIVITIES		
Issuance of common stock		1
Due to related party		24,000
Due to Kona Bay		99
CASH PROVIDED BY FINANCING ACTIVITIES		24,100
CHANGE IN CASH AND CASH EQUIVALENTS		59
CASH AND CASH EQUIVALENTS - BEGINNING OF THE PERIOD		-
CASH AND CASH EQUIVALENTS - END OF THE PERIOD	$	59
SUPPLEMENTARY CASH FLOW INFORMATION:		
Subscriptions received by Bexar on behalf of the Company	$	25,000

HAPUNA VENTURES INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S DEFICIENCY

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

(Expressed in Canadian dollars)

	Share Capital				
	Number of Common Shares	Amount	Share Subscriptions Received	Deficit	Total Shareholder's Deficiency
Balance at January 31, 2017	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Incorporation share issued	1	1	-	-	1
Share subscriptions received	-	-	25,000	-	25,000
Net loss for the period	-	-	-	(51,481)	(51,481)
Balance at September 30, 2017	**1**	**$ 1**	**$ 25,000**	**$ (51,481)**	**$ (26,480)**

The Accompanying Notes are an Integral Part of the Financial Statements

1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

Hapuna Ventures Inc. (the "Company") was incorporated under the provisions of the Company Act of British Columbia on January 31, 2017, is a wholly-owned subsidiary of Kona Bay Technologies Inc. ("Kona Bay") and intends to apply for a listing on a major Canadian stock exchange. The Company's principal business activity consists of digital customer acquisition primarily for higher education institutions that promote campus and online degree programs to consumers through digital media such as websites, mobile apps, social media networks and direct e-mail. The address of the Company's corporate office and its principal place of business is 1116-207 West Hastings Street, Vancouver, BC, V6B 1H7.

On February 28, 2017, the Company entered into an Arrangement Agreement (the "Agreement") with Kona Bay, ACT360 Media Ltd. ("ACT360") and Bexar Ventures Inc. ("Bexar") for the purposes of carrying out a corporate restructuring (the "Arrangement") pursuant to Section 288 of the Business Corporations Act (British Columbia). Under the Agreement, the Arrangement will be effected pursuant to a Plan of Arrangement (the "POA") and the Arrangement provisions. On April 24, 2017, the shareholders of Kona Bay unanimously approved the POA. On April 28, 2017, the Supreme Court of British Columbia granted the final order approving the POA. The POA closed on December 13, 2017. See Notes 9 and 10.

These financial statements have been prepared on a going concern basis, assuming that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has a deficit of $51,481 since inception. The continuing operations of the Company are dependent upon obtaining, in the short term, the necessary financing to meet the Company's operating commitments as they come due and generating profitable operations in the future. These conditions indicate the existence of material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are set out in Note 3. The financial statements are presented in Canadian dollars unless otherwise stated.

c) Presentation and functional currency

These financial statements are presented in Canadian dollars. The Canadian dollar is the functional currency of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and judgements - The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported.

Critical judgments that have the most significant effect on the amounts recognized in the financial statements are revenue recognition under the percentage of completion method and the assessment of the Company's ability to continue as a going concern.

Foreign currency translation - The functional and presentation currency of the Company is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Cash and cash equivalents - The Company considers deposits with banks or highly liquid short-term interest-bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less when acquired to be cash equivalents. The Company did not have any cash equivalents at September 30, 2017.

Share issuance costs - Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issuance costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses.

Income taxes - The Company provides for income taxes using the liability method of tax allocation. Under this method deferred income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities, and are measured using enacted or substantially enacted tax rates expected to apply when these differences reverse. Deferred income tax assets are recognized to the extent that management has determined it is probable to be realized.

Revenue recognition – The Company sells marketing information to higher education institutions. Revenues are recorded when the customer accepts the marketing information and collection is probable.

Share-based payments - The Company records all share-based payments at their fair value. The share-based compensation costs are charged to operations over the stock option vesting period. Agents' options and warrants issued in connection with common share placements are recorded at their fair value on the date of issue as share issuance costs. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options expected to vest. On the exercise of stock options and agents' options and warrants, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based compensation.

Earnings (Loss) per share - The Company uses the treasury stock method in computing earnings (loss) per share. Under this method, basic earnings (loss) per share is computed by dividing earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(loss) per share is calculated by adjusting the weighted average number of common shares outstanding using the treasury stock method, to reflect the potential dilution of securities that could result from the exercise of in-the-money stock options and warrants. For the years presented, the existence of stock options affects the calculation of loss per share on a fully diluted basis.

Development costs – Development costs are expensed as incurred, except in cases where development costs meet certain identifiable criteria for deferral. The Company has not capitalized any product development costs during the period.

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 receivables 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. Financial instruments comprise cash and cash equivalents, due from Bexar, accounts payable and accrued liabilities, due to Kona Bay and due to related parties. At initial recognition management has classified financial assets and liabilities as follows:

a) Financial assets

The Company has classified its cash as FVTPL. A financial instrument is classified as FVTPL if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated as FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Financial instruments classified as FVTPL are measured at fair value and changes therein are recognized in income. The Company has classified due from Bexar as loans and receivables. Loans and receivables are measured at amortized cost using the effective interest method. The Company has not classified any financial assets as held to maturity or as available for sale.

b) Financial liabilities

The Company has classified due to Kona Bay and due to related parties as other financial liabilities. Accounts payable and accrued liabilities are recognized at the amount required to be paid, less, when material, a discount to reduce the payable to fair value. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

Recent Accounting Pronouncements

Numerous new standards, amendments and interpretations to existing standards have been issued but are not yet effective. Below is the list of new standards that are likely to be relevant to the Company:

Standard	Title	Applicable for financial years beginning on/after
IFRS 9	Financial instruments	January 1, 2018
IFRS 15	Revenue from contracts with customers	January 1, 2018
IFRS 16	Leases	January 1, 2019
IAS 7	Statement of cash flows (amendments)	January 1, 2017
IFRIC 22	Foreign currency transactions and advance consideration	January 1, 2018

The Company has not early adopted the new standards and does not expect their impact on the Company's financial statements to be material.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Under IFRS 15, there is a requirement to apply a five-step model to determine when and what amount of revenue to recognize. Revenue will either be recognized over time or at a point in time, when control transfers to the customer.

Under IFRS 16, virtually all leases are required to be accounted for as finance leases rather than operating leases, where the required lease payments are disclosed as a commitment in the notes to the financial statements. As a result, leased assets ("right-of-use" assets) and the related lease liability will be required to be recognized on the statement of financial position.

4. SHARE CAPITAL

The Company has authorized share capital of an unlimited number of common shares and preferred shares without par value. Common and/or preferred shares are entitled to receive dividends if and when they are declared by the Board of Directors.

Share Subscriptions Received

During the period ended September 30, 2017, a $25,000 stock subscription was received pursuant to a private placement. This subscription is for:

- 250,000 units of the Company at a price of $0.10 per unit for gross proceeds of $25,000. Each unit consists of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share of the Company at a price of $0.10 per share for a period of 60 months from the date of issue.

5. RELATED PARTY TRANSACTIONS

The balance due from Bexar, a company under common control, is a result of the allocation of share subscriptions received by Bexar to the Company.

The balance due to parent company Kona Bay is the result of issuing incorporation shares owned by Kona Bay and restructuring costs incurred by Kona Bay on the Company's behalf. During the period, the Company paid $24,000 to Kona Bay in respect of restructuring costs. See Notes 9 and 10.

The balance due to a related party is the result of an advance from a Company director.

These balances are unsecured, non-interest bearing and have no specific terms of repayment.

(Expressed in Canadian dollars)

6. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of combined statutory Canadian federal and provincial income tax rates:

		2017
Statutory income tax rate		26.00%
Expected income tax recovery	$	(13,385)
Non-deductible expenses and others		-
Change in unrecognized deferred income tax assets		(13,385)
Valuation allowance		13,385
Income tax expense	$	-

Deferred income tax assets:

		2017
Non-capital losses	$	13,385
Unrecognized deferred income tax assets		(13,385)
Net deferred income tax assets	$	-

Deductible temporary differences:

		2017
Non-capital loss carry-forwards	$	51,481

As this is the Company's first year of operations, management is not currently able to project future taxable income over the years in which the potential deferred tax assets are deductible. Accordingly, management has not recognized any deferred income tax assets.

Subject to certain restrictions, the Company has non-capital losses of approximately $51,000 available to reduce future Canadian taxable income. The non-capital losses expire as follows:

Year		Amount
2037	$	51,000

The application of non-capital losses against future taxable income is subject to final determination of the respective amounts by the Canada Revenue Agency.

7. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares of $1. The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, meet financial obligations, have sufficient capital to achieve and maintain profitable operations and to provide returns for shareholders and benefits for other stakeholders. As at September 30, 2017, the Company had a working capital deficiency of $26,480 and requires additional capital. Management expects to raise such additional capital and intends to apply for a listing on a major Canadian stock exchange.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies, and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar or other foreign currencies will affect the Company's operations and financial results. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents and due from Bexar. Cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company considers this risk to be minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage

(Expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

to the Company's reputation. They key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company's objective is to ensure that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company will prepare annual capital expenditure budgets which will be regularly monitored and updated as necessary.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Up to 3 months	Between 3 & 12 months	Between 1 & 3 years	Total
September 30, 2017				
Due to Kona Bay	$ -	$ 27,539	$ -	$ 27,539
Due to related party	-	24,000	-	24,000
	$ -	$ 51,539	$ -	$ 51,539

9. CORPORATE RESTRUCTURING – KONA BAY

On January 31, 2017, Kona Bay incorporated two wholly-owned subsidiaries, the Company and Bexar. Following completion of the Arrangement, ACT360 will remain as an Internet applications technology company focused on the e-learning sector, selling language learning courses directly to international students through its e-learning website. The custom software development and student marketing services businesses will be spun into Bexar and the Company, respectively. Custom software development focuses on the development of custom test software applications. Other services include software upgrades, enhancements, hosting and service contracts supporting higher education clients. Student marketing services provides student recruitment services to post-secondary education institutions, derived from the Company's proprietary international student marketing platform. This service helps colleges and universities qualify and recruit international students and assists students in achieving their study abroad goals.

The Company is a technology company specializing in digital customer acquisition. Its customers are primarily higher education institutions that promote campus and online degree programs to consumers through digital media such as websites, mobile apps, social media networks and direct e-mail.

Bexar is a software development company that specializes in online testing platforms for training and high-stakes applications. Bexar designs, develops and manages the platform for higher education clients with multiple campus locations and complex requirements.

On April 28, 2017, Kona Bay received approval from the Supreme Court of British Columbia to proceed with the POA. Pursuant to the Arrangement:

- all of the issued and unissued common shares of Kona Bay will become Class A common shares and a new class of common shares will be created;

9. CORPORATE RESTRUCTURING – KONA BAY (continued)

- the assets and intellectual property relating to the software as a service business will be transferred to Bexar in exchange for $55,000 and a $200,000 promissory note payable to Act360 bearing interest at 6% per annum and due on the third anniversary of the promissory note;
- the online advertising assets will be transferred to the Company in exchange for $55,000 and a $325,000 promissory note payable to Act360 bearing interest at 6% per annum and due on the third anniversary of the promissory note;
- each outstanding Class A common share will be exchanged for one new common share, one Bexar common share and one Company common share and Kona Bay's shareholders will cease to be the holders of the Class A shares exchanged;
- each option to acquire one common share of Kona Bay will be deemed to be exchanged for a new option to acquire one new common share at the existing exercise price;
- each warrant of Kona Bay will be deemed to be amended to entitle the warrant holder to receive one new common share for each common share that was issuable upon exercise of the warrant at the original exercise price;
- each debenture of Kona Bay will be deemed to be amended to entitle the debenture holder to receive one new common share for each common share that was issuable upon conversion of the warrant at the original conversion price and
- the Class A shares will be cancelled and, at the discretion of the directors, Class A shares may be eliminated from Kona Bay's authorized share structure.

All expenses incurred in connection with the Agreement, the POA and related transactions are borne by the company incurring the expenses unless otherwise mutually agreed. Management of Kona Bay estimates that total expenses to be incurred by Kona Bay in respect of the Arrangement will be approximately $95,000 for each of the Company and Bexar, with the Company and Bexar reimbursing Kona Bay for all costs incurred. Accordingly, these costs are not accounted for as disposal costs. As at September 30, 2017, Kona Bay had incurred costs totaling approximately $103,000. These costs have been expensed as "Restructuring costs" by the Company and Bexar. Subsequent to year end, Kona Bay issued interim billings to the Company and Bexar in respect of these costs. See Note 10.

IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* requires that assets meeting the criteria to be classified as held for sale be presented separately in the statement of financial position and the results of discontinued operations be presented separately in the statements of operations and comprehensive loss. Accordingly, the assets and directly associated liabilities relating to the business units being spun out to the Company and Bexar have been presented as "Assets held for sale" and "Liabilities of discontinued operations" in Kona Bay's consolidated statement of financial position and the net income relating to these business units has been presented as "Net income from discontinued operations" in the consolidated statements of operations and comprehensive loss.

When Kona Bay's Board of Directors approved the proposed spinoff transactions in January 2017, management expected to complete the Arrangement (subject to customary conditions, regulatory approvals and tax considerations) within the first six months of 2017. As a result of the time required to obtain regulatory approvals, the arrangement did not close until December 13, 2017 as disclosed in Note 10.

The assets and liabilities of these business units as at September 30, 2017 and the revenues, expenses and cash flows for the years ended September 30, 2017 and 2016 are presented in the following tables. To provide the information necessary to evaluate the financial effects of discontinued operations and the disposal of the assets and related liabilities of these business units on the financial position, results of operations and cash flows of Kona Bay, the Company and Bexar, the information is provided for each business unit and in aggregate.

(Expressed in Canadian dollars)

9. CORPORATE RESTRUCTURING – KONA BAY (continued)

	As at and for the year ended September 30,					
	2017			2016		
	Bexar	Hapuna	Total	Bexar	Hapuna	Total
Accounts receivable	$ 52,712	$ 20,146	$ 72,858	$ -	$ -	$ -
Prepaid expenses	222	265	487	-	-	-
Assets held for sale	$ 52,934	$ 20,411	$ 73,345	$ -	$ -	$ -
Accounts payable and accrued liabilities	$ 17,540	$ 18,297	$ 35,837	$ -	$ -	$ -
Unearned revenue	39,454	-	39,454	-	-	-
Shareholder loans	32,500	49,000	81,500	-	-	-
Liabilities of discontinued operations	$ 89,494	$ 67,297	$ 156,791	$ -	$ -	$ -
Revenues	$ 423,387	$ 169,184	$ 592,571	$ 435,081	$ 798,283	$ 1,233,364
Expenses	(246,003)	(203,939)	(449,942)	(225,112)	(954,955)	(1,180,067)
Gain on settlement of debt	-	108,140	108,140	-	13,315	13,315
Gain on write-off of royalties payable	-	210,000	210,000	-	-	-
Income tax expense	(18,903)	(40,232)	(59,135)	-	-	-
Net income (loss) from discontinued operations	$ 158,481	$ 243,153	$ 401,634	$ 209,969	$ (143,357)	$ 66,612
Cash (used in) provided by operating activities	$ 213,944	$ 12,131	$ 226,075	$ 209,969	$ (156,672)	$ 53,297
Cash provided by financing activities	-	-	-	-	-	-
Cash provided by investing activities	-	-	-	-	-	-
Change in cash and cash equivalents	$ 213,944	$ 12,131	$ 226,075	$ 209,969	$ (156,672)	$ 53,297

10. EVENTS AFTER THE REPORTING PERIOD

The Company has evaluated its activities subsequent to September 30, 2017, and has determined that there are no material events to be reported, except as follows:

- On October 2, 2017, the Company entered into a joint venture agreement for the purpose of developing a student travel mobile app.

- On December 13, 2017, the POA closed and the business units and the related assets and liabilities were transferred to the Company and Bexar by Kona Bay. Interim billings in the amount of $55,000 were issued to the Company and Bexar in respect of transaction costs incurred by Kona Bay. See Note 9.

- Pursuant to the corporate restructuring, on January 4, 2018, Kona Bay distributed 100 per cent of the common shares of the Company and Bexar to the shareholders of record of Kona Bay as of December 13, 2017. In conjunction with closing of the POA:

  - Bexar consolidated its common shares on the basis of one post-consolidation common share for every two pre-consolidation common shares;
  - The Company consolidated its common shares on the basis of one post-consolidation common share for every three pre-consolidation common shares; and
  - shareholders of Kona Bay received, on a pro rata basis, one post-consolidation Bexar common share for every two Kona Bay common shares and one post-consolidation Company common share for every three Kona Bay common shares.

10. EVENTS AFTER THE REPORTING PERIOD (continued)

A total of 2,380,600 post-consolidation common shares of Bexar and 1,587,067 post-consolidation common shares of the Company were distributed.

11. COMPARATIVE FINANCIAL STATEMENTS

As the Company was incorporated on January 31, 2017, there are no comparative financial statements.