PARKIT ENTERPRISE INC.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED OCTOBER 31, 2014

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Parkit Enterprise Inc.

We have audited the accompanying consolidated financial statements of Parkit Enterprise Inc., which comprise the consolidated statements of financial position as at October 31, 2014 and 2013 and the consolidated statements of operations, comprehensive loss, cash flows, and changes in equity (deficiency) for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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, these consolidated financial statements present fairly, in all material respects, the financial position of Parkit Enterprise Inc. as at October 31, 2014 and 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the ability of Parkit Enterprise Inc. to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Accountants

February 26, 2015

PARKIT ENTERPRISE INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

AS AT OCTOBER 31,	2014	2013
ASSETS		
Current		
Cash	$ 563,515	$ 268,884
Restricted cash (Note 16)	464,879	1,126,707
Accounts receivable	-	13,250
Prepaid expenses and deposits (Note 7)	69,566	993,752
	1,097,960	2,402,593
Long Term Investment (Note 8)	1,082,400	-
Equipment (Note 9)	29,554	37,054
Income Producing Property (Note 11)	15,581,319	15,572,100
Investment in Joint Ventures (Note 12)	6,323,172	-
	$ 24,114,405	$ 18,011,747
LIABILITIES AND EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities (Note 10)	$ 1,681,432	$ 1,634,392
Short-term loans payable (Note 14)	5,242,007	1,956,379
Current portion of loans payable (Note 16)	566,069	16,467,173
Convertible debentures (Note 17)	-	457,568
	7,489,508	20,515,512
Loans payable (Note 16)	15,832,527	-
	23,322,035	20,515,512
Equity (Deficiency)		
Share capital (Note 18)	22,220,817	16,725,618
Subscriptions receivable	-	(25,000)
Equity portion of convertible debentures (Note 17)	-	39,983
Reserves	1,293,707	614,712
Accumulated other comprehensive income	350,206	449,787
Non-controlling interest	(149,069)	1,329,093
Deficit	(22,923,291)	(21,637,958)
	792,370	(2,503,765)
	$ 24,114,405	$ 18,011,747

Nature of operations and going concern (Note 1)
Commitments (Note 13)
Subsequent events (Note 23)

Approved and authorized by the Board on February 26, 2015:

"Patrick Bonney" Director *"Richard Baxter"* Director

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

PARKIT ENTERPRISE INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED OCTOBER 31		2014	2013
Property Revenue		$ 9,821,123	$ 7,650,513
Property Operating Expenses (Note 6)		(6,362,509)	(5,338,016)
NET PROFIT		**3,458,614**	**2,312,497**
Mortgage interest (Note 15)		(1,114,385)	(1,422,975)
Depreciation and amortization		(1,138,072)	(1,144,276)
PROFIT/ (LOSS) FROM OPERATIONS		**1,206,157**	**(254,754)**
General and administrative		685,945	360,148
Interest on short-term loans (Note 15)		241,627	2,016,860
Management fees		941,347	351,000
Share based payments (Note 18)		1,135,673	-
		(3,004,592)	(2,728,008)
Share of Profit from Joint Venture (Note 12)		$ 150,422	$ -
NET INCOME/(LOSS)		**(1,648,013)**	**(2,982,762)**
Allocation of profit (loss) to non-controlling interest		227,032	128,249
LOSS ATTRIBUTABLE TO THE PARENT		**$ (1,875,045)**	**$ (3,111,011)**
Loss per share:	Basic & diluted	$ (0.06)	$ (0.26)
Weighted average number of common shares outstanding:	Basic & diluted	30,928,923	12,013,826

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

PARKIT ENTERPRISE INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED OCTOBER 31	2014	2013
Net loss for the year	$ (1,648,013)	$ (2,982,762)
Exchange differences on translating foreign operations	99,581	398,175
Comprehensive loss for the year	(1,548,632)	(2,584,587)
Allocation of (gain) loss to non-controlling interest	(227,032)	(128,249)
Comprehensive loss attributable to parent	$ (1,775,664)	$ (2,712,836)

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

PARKIT ENTERPRISE INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED OCTOBER 31	2014	2013
CASH FROM OPERATING ACTIVITIES		
Loss for the year from operations	$ (1,875,045)	$ (3,111,011)
Items not affecting cash:		
Depreciation	1,138,072	1,144,722
Share-based payments	1,135,673	-
Share of profit in joint venture	(150,422)	-
Accrued interest and fees	149,996	3,134,113
Gain on debt settlement	(90,253)	(104,102)
Write-off of accounts payable	(156,923)	(112,168)
GST allowance	239,544	108,458
Amortization of loan closing cost	84,152	-
Allocation of income (loss) to non-controlling interest	227,032	128,249
Changes in non-cash working capital items:		
Accounts receivable	(229,461)	(62,172)
Prepaid expenses and deposits	198,098	(954,666)
Accounts payable and accrued liabilities	168,727	(29,819)
Net cash provided by operating activities	839,190	141,604
CASH FROM INVESTING ACTIVITIES		
Equipment additions	-	(10,000)
Investment in Parking Acquisition Fund	(1,046,737)	-
Investment in Joint Venture	(6,107,880)	-
Parking lot facility additions	-	(6,877)
Net cash used in investing activities	(7,154,617)	(16,877)
CASH FROM FINANCING ACTIVITIES		
Decrease in restricted cash	778,085	255,032
Distributions to non-controlling interest	(1,730,906)	(434,762)
Short Term Loans, net of interest and repayments	4,391,650	-
Long Term Loans, net of interest and repayments	(644,918)	(1,587,644)
Proceeds on issuance of common shares, net of share issuance costs	3,509,327	1,429,266
Exercise of warrants	538,770	-
Issuance of convertible debenture	-	300,000
Net cash (used in) provided by financing activities	6,842,008	(38,108)
Change in cash during the year	526,581	86,619
Effect of change in foreign currency on cash	(231,950)	140,979
Cash, beginning of year	268,884	41,286
Cash, end of year	$ 563,515	$ 268,884

Supplemental disclosure with respect to cash flows (Note 19)

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

PARKIT ENTERPRISE INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Share capital								
	Number	Amount	Reserves	Deficit	Subscription Received in Advance (Receivable)	Equity Portion of Convertible Debentures	Accumulated Other Comprehensive income (loss)	Non-controlling Interest	Total
Balance, October 31, 2012	10,352,196	$ 14,997,040	$ 706,285	$ (18,526,947)	$ 52,000	$ 56,925	$ 51,612	$ 1,583,821	$ (1,079,264)
Private placements	5,164,186	1,568,593	-	-	(77,000)	-	-	-	1,491,593
Shares for settlement of payables	312,918	93,875	-	-	-	-	-	-	93,875
Shares for convertible debenture	122,880	36,864	-	-	-	(16,942)	-	-	19,922
Share issue costs	-	(87,327)	25,000	-	-	-	-	-	(62,327)
Reversal of expired stock options	-	116,573	(116,573)	-	-	-	-	-	-
Distribution to non-controlling interest	-	-	-	-	-	-	-	(434,762)	(434,762)
Cumulative translation adjustment	-	-	-	-	-	-	398,175	51,785	449,960
Loss for the year	-	-	-	(3,111,011)	-	-	-	128,249	(2,982,762)
Balance, October 31, 2013	15,952,180	$ 16,725,618	$ 614,712	$ (21,637,958)	$ (25,000)	$ 39,983	$ 449,787	$ 1,329,093	$ (2,503,765)
Private placements	10,212,475	3,545,826		-	25,000	-	-	-	3,570,826
Shares for settlement of payables	2,042,818	980,994	-	-	-	-	-	-	980,994
Shares for convertible debenture	1,399,150	499,660	-	-	-	(39,983)	-	-	459,677
Share issue costs	-	(70,042)	8,561	-	-	-	-	-	(61,481)
Share Based Payments			1,135,673	-	-	-	-	-	1,135,673
Reversal of expired stock options	-	-	(589,712)	589,712	-	-	-	-	-
Issuance of Warrants	-	-	124,473						124,473
Exercise of Warrants	1,322,300	538,770	-	-	-	-	-	-	538,770
Distribution to non-controlling interest	-	-	-	-	-	-	-	(1,730,907)	(1,730,907)
Cumulative translation adjustment	-	-	-	-	-	-	(99,581)	25,713	(73,868)
Loss for the year	-	-	-	(1,875,045)	-	-	-	227,032	(1,648,013)
Balance, October 31, 2014	30,928,923	$ 22,220,817	$ 1,293,707	$ (22,923,291)	$ -	$ -	$ 350,206	$ (149,069)	$ 792,370

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Parkit Enterprise Inc. (the "Company") was incorporated pursuant to the *Business Corporations Act* (British Columbia) on December 6, 2006. The Company's head office and principal address is 1088 – 999 West Hastings Street, Vancouver, British Columbia, Canada V6C 2W2, its registered and records office is 2900 – 595 Burrard Street, Vancouver, British Columbia V7X 1J5. The Company, through its subsidiary Greenswitch America, Inc. holds investments in parking real estate in the United States of America.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), on the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course on business rather than through a process of forces liquidation. At October 31, 2014, the Company had not yet achieved profitable operations, with a deficit of $22,923,491 and working capital deficiency of $6,391,548. The Company's working capital may not be sufficient to sustain operations over the next twelve months.

While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available at favorable terms. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its ongoing obligations and repay its liabilities arising from normal business operations which they come due. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

On November 1, 2013, the Company closed a US$16,500,000 refinancing of the Denver Canopy parking facility. The non-recourse, floating rate debt used to complete the recapitalization was provided by Capital Source, a wholly-owned subsidiary of Pacific Western Bank. All outstanding amounts owed by the Company as at October 31, 2013 on the loans payable (Note 16) have been repaid, and security has been released. Under the terms of the loan agreement interest is to be charged at a rate of LIBOR plus 5.25% with a floor of 5.5%. The maturity date of the loan is November 1, 2017 with an option to extend to November 1, 2018.

The consolidated financial statements are presented in Canadian dollars, except where otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended IFRS effective for the Company as of November 1, 2013. The nature and the impact of each new standard and amendment are described below.

IFRS 10 Consolidated Financial Statements

The application of IFRS 10 has not impacted the reported financial position or performance of the Company. However the assessment of control has changed, but the result is similar to prior conclusions. The Company assessed its control of undertakings based on the factors set out in the standard including the Company's power over the investees, the Company's exposure to variable returns and the ability of the Company to use its power over the investee to affect returns.

IFRS 11 Joint Arrangements

The application of IFRS 11 has not impacted the reported financial position or performance of the Company. However, the standard has changed the assessment of joint arrangements. On September 26, 2014, the Company acquired a 50% interest in 880 Doolittle Dr. LLC, that holds the Expresso parking facility in Oakland, California. This interest is accounted for under IFRS 11. Upon adoption of IFRS 11, the Company has, after considering the structure and form of the arrangement, the terms agreed by the parties in the contractual arrangement and the Company's rights and obligations arising from the arrangement, classified its interest as a Joint Venture under IFRS 11.

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The additional disclosure requirements in IFRS 12 are set out in these financial statements.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required orpermitted. The Company has considered the specific requirements relating to the highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revisited and adjusted where applicable. The resulting calculations under IFRS 13 affected the principals that the Company uses to assess fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognized or disclosed.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36 Impairment of Assets

These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require the disclosure of the recoverable amounts of the assets or CGUs for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after January 1, 2014 with earlier application permitted, provided IFRS 13 is also applied. These amendments have been considered while making disclosure for impairment of non-financial assets. These amendments would continue to be considered for future disclosure.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 became effective July 1, 2012 and were first applied by the Company on November 1, 2012. The amendments introduced a grouping of items presented in other comprehensive income (OCI). Items that will be reclassified ('recycled') to profit and loss at a future point in time (e.g., net loss or gain on available-for-sale financial assets) must be presented separately from items that will not be reclassified (e.g., revaluations reserve). The amendment affects presentation only and had no impact on the Company's financial position or performance.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Use of estimates and critical accounting judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgement uncertainty that management has made at the end of the reporting period may result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Estimates:

a) Depreciation - The depreciation of the parking facility requires management to estimate the useful lives of the assets as a cash and cost generating unit. The Company considers both internal and external information in determining the useful lives and depreciation methods, which are reviewed at each reporting date and adjusted as required.

b) Impairment - Possible impairment of the parking facility requires management's judgements and estimates. Impairment consideration requires management to evaluate, at least annually, for indicators that the carrying value is impaired and may not be recoverable. Management considers both external and internal sources of information in assessing whether there are any indicators that the parking facility may be impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of the parking facility. Internal sources of information the Company considers include the actual and expected economic performance of the assets.

c) Taxes – The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

d) Share-based payments - These are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty. Expected volatility is derived from a time series of post market prices therefore may not be an accurate representation of future volatility.

Significant judgments:

a) Business combinations – The Company acquires subsidiaries that own real estate. At the time of acquisition, the Company considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Company accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and, in particular, the extent of the services provided by the subsidiary (e.g., maintenance, cleaning, security, bookkeeping etc.).

b) Consolidation and joint arrangements –The Company holds 40.6% of the member units, and 81.2% of the Class A member units in Green Park Denver. The Company also has the right to appoint 50% of the board of Green Park Denver LLC.

In the year ended October 31, 2013, the asset was financed with a loan through the Company, resulting in rights and obligations to the assets and liabilities of the investee. In the year ended October 31, 2014, the loan was refinanced at the investee level, and the Company no longer has these rights and obligation to assets and liabilities, however in the year 100% of the Company's revenues were generated by the asset and this was the only asset the Company held an interest in. Management was able to exert control over the asset as 81.6% of the Investee's returns were distributed to the Company. The Company has determined it has power over the investee; has exposure, or rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect the amount of the investor's returns, and has therefore determined that it has control and consolidates its investment.

The Company has a 50% ownership interest in 880 Doolittle Dr LLC. This investment is a joint arrangement and is separately incorporated. It is deemed that the joint arrangement is separate from the Company, having no interest in the assets and obligations of the joint arrangement. The Company has (after considering the structure and form of the arrangement, the terms agreed by the parties in the contractual arrangement and the Company's rights and obligations arising from the arrangement) classified its interests as joint ventures under IFRS 11. As a consequence, it will account for its investment using the equity method.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at October 31, 2014. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically the Company's controls an investee if, and only if, it has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Company reassesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of operations from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Non-controlling interest represents the portion of profit or loss and new assets not held by the Company and are presented separately in the statement of operations and within equity (deficiency) in the consolidated statements of financial position.

The consolidated financial statements incorporate the financial statements of the Company and the following subsidiaries:

Name of Subsidiary	Place of Incorporation	Percentage Ownership	Principal Activity	Functional Currency
Greenswitch Capital Ltd.	Canada	100%	Holding	CAD
Greenswitch America Inc.	USA	100%	Holding	CAD
Green Park Denver LLC	USA	40.6%	Operator of Canopy Airport Parking	US

Through its wholly owned subsidiary Greenswitch America Inc., the Company holds 40.6% of the member units of Green Park Denver LLC ("GP LLC"). The Company however has determined it has power over the investee; has exposure, or rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect the amount of the investor's returns, and has therefore determined that is has control and consolidates its investment.

Green Park Denver LLC Membership Structure:

		Number of units	Percentage ownership
Class A	Greenswitch America Inc. (Parkit)	812,004	40.6%
Class A	Rocky Mountain Parking LLC*	100,000	5%
Class A	Other**	87,996	4.4%
Class B	Rocky Mountain Parking LLC*	1,000,000	50%
Total		2,000,000	100%

* Rocky Mountain Parking LLC is an affiliate of Propark America West LLC.
** Non-related outside investors

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Distributions:

Class A units are entitled to 100% of the distributions until 100% of the original contributed capital is returned. Thereafter, Class A units are entitled to 80% of distributions until 150% of capital is returned; thereafter, 60% of distributions until 200% of capital is returned; and thereafter 50% of all remaining distributions. Entitlement to distributions is summarized in the following table:

Equity Cash Flow Distribution	Class A	Class B	Class A return %	Cumulative Class A return $US	Cumulative Class B return $US
First $US 11.08M	100%	0%	100%	11.08M	-
Next $US 6.92M (up to US$18.00M)	80%	20%	150%	16.62M	1.38M
Next $US 9.23M (up to US$27.24M)	60%	40%	200%	22.16M	5.08M
Excess	50%	50%			

In total $11,361,474 (US$10,887,545) was distributed to the Class A unit holders during the year ended October 31, 2014 therefore the first stage of the waterfall was in effect.

Property acquisitions and business combinations

When property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. The basis of judgement is set out above.

Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control for strategic financial and operating decisions.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

The Company's investment in joint ventures are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amounts of the investment is adjusted to recognise changes in the Company's share of new assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of operations reflects the Company's share of the results of the operations of the joint ventures. Any change in Other Comprehensive Income of those investees is presented as part of the Company's Other Comprehensive Income. In addition, when there has been a change recognised directly in the equity of the joint ventures, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the company and the joint venture are eliminated to the extent of the interest in the joint venture.

Financial statements of the joint ventures are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in joint ventures. At each reporting date, the Company determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss in the statement of operations.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign exchange and functional currency

The consolidated financial statements are presented in Canadian dollars which is also the Company's functional currency. Each entity in the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

1) Transactions and balances in foreign currencies

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2) Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into Canadian Dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates that approximate the rates prevailing at the dates of the transactions. These rates are based on the average monthly rates during which the transactions occur, unless there is significant volatility of exchange rates, when the Company uses rates on a more frequent basis. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation is recognized using the straight-line method over the following terms:

Office equipment	5 years

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of three months.

Interest bearing loans and borrowings

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized costs using the effective interest method.

Financial liabilities

All financial liabilities are initially recorded at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities, loans payable and convertible debenture are classified as other financial liabilities.

Parking lot facility

Parking lot facility consists of assets held at the Canopy Airport Parking facility, which as a whole comprises a cash and cost generating unit. These costs are capitalized and depreciated on a straight-line method over the following terms:

Computer and equipment	5 years
Furniture	7 years
Improvements and fixtures	15 years
Building	39 years

Impairment of long-lived assets

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

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

Convertible debentures

For convertible debentures denominated in Canadian dollars, without an embedded derivative component, the value allocated to the debt component, at inception, is recorded as a liability. The remaining component, representing the value ascribed to the holders' option to convert the principal balance into common shares, is classified in shareholders' equity as "equity component of convertible debentures". Over the term of the debt obligation, the debt component is measured at amortized cost using the effective interest method and will be accreted to the face value of the debenture by the recording of accretion expense.

For convertible debentures denominated in United States dollars, the value of the embedded derivative financial liability is determined. The estimated fair value, based on the Black-Scholes model, is adjusted with gains or losses recognized in the statement of operations. The Black-Scholes model is based on significant assumptions such as volatility, dividend yield and expected term.

Borrowing costs

Borrowing costs directly related to the financing of the acquisition, construction or production of qualifying assets are capitalized to the cost of those assets until such time as they are substantially ready for their intended use or sale. Where funds have been borrowed specifically to finance an asset, the amount capitalized is the actual borrowing costs incurred.

Transaction costs that reflect the cost to obtain new debt financing are added to the carrying value of the debt and expensed over the term of the loan using the effective interest rate method. Financing charges that reflect the cost to obtain new equity financing are deducted from shareholders' equity.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Comprehensive income (loss)

The Company has included the cumulative translation adjustment of its self-sustaining foreign subsidiary in items of other comprehensive income (loss) in any period presented.

Revenue recognition

The Company utilizes automated point-of-sale gate systems whereby a parking customer is noted upon entry into the lot. The Company recognizes revenue on parking sales when the customer exits the parking facility thereby the parking time has elapsed, the Company has provided the service and the revenue is earned. Collectability is assured as customers pay upon exit.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

If and when the stock options are exercised, the applicable amounts of reserves are transferred to share capital.

Reserves

The reserves recorded in equity on the Company's Statements of Financial Position include the fair values of share-based payments. Upon expiration of stock options the balances in reserves are re-allocated to deficit and warrants issued to agents are re-allocated to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Standards issued but not yet effective

Standards issued but not yet effective as of the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective:

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9, as issued in 2010, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to the classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013. In November 2013, Chapter 6 of IFRS 9 on hedge accounting was published. At the same time, Chapter 7 containing the effective date and transition provisions was amended to remove the mandatory effective date of IFRS 9. This was intended to provide sufficient time for preparer to make the transition to the new requirements. Entities may still choose to apply IFRS 9 immediately, but are not required to do so.

In subsequent phases, the IASB is addressing impairment of financial assets. The adoption of the first phase of IFRS 9 will have an impact on the classification and measurement of the Company's financial assets, but will not have an impact on classification and measurement of financial liabilities. The Company will quantify the effect in conjunction with the other phases, when the final standard is issued.

Investment entities (Amendments to IFRS 10, IRFS 12, and IAS 27)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation required investment entities to account for subsidiaries at fair value through profit or loss. These amendments are effective for annual periods beginning on or after 1 January 2014.

It is not expected that this amendment would be relevant as none of the entities in the Company would qualify to be an investment entity under IFRS 10.

4. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to support its operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In the management of capital, the Company includes components of shareholders' equity (deficiency).

To maintain or adjust the capital structure, the Company may issue new shares, issue debt or sell assets to meet financial obligations. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended October 31, 2014.

5. FINANCIAL INSTRUMENTS

The fair value of the Company's accounts receivable, accounts payable and accrued liabilities, loans payable, and convertible debentures approximate carrying value, which is the amount recorded on the consolidated Statements of Financial Position. The Company's other financial instruments, cash and restricted cash, under the fair value hierarchy are based on level one quoted prices in active markets for identical assets or liabilities.

5. FINANCIAL INSTRUMENTS (Cont'd)

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's policy is to deal only with creditworthy counterparties. None of the Company's financial assets are secured by collateral or other credit enhancements. In respect of accounts receivable, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2014, the Company had a cash balance of $563,515 and a restricted cash balance of $464,879 to settle current liabilities of $7,489,508. The Company expects to fund these liabilities through existing cash resources, revenue generated from operations, additional debt and equity financings, and from funds raised through the partial disposition of interests in its assets.

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.

a) Interest rate risk

As at October 31, 2014 and, October 31, 2013 the Company did not have any investments in investment-grade short-term deposit certificates or short-term debt issued by the federal government. The Company is not exposed to interest rate risk on its loans with the exception of its long term loan disclosed in Note 16, as the interest rates on all other loans are fixed. The Company is exposed to interest rate risk on its long term loan disclosed in Note 16, as the loan bears interest at a rate of LIBOR + 5.25 with a floor of 5.5%. A 1% change in LIBOR would affect net loss for the year by approximately $176,000.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities, and loans payable that are denominated in US Dollars. A 10% fluctuation in the US dollar against the Canadian dollar would affect net loss for the year by $1,702,525.

c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

6. PROPERTY OPERATING EXPENSES

	October 31, 2014	October 31, 2013
Automobile and vehicle	$ 1,215,966	$ 1,031,389
General and administrative	1,271,781	1,259,264
Ground lease	527,003	399,265
Property Management fees	509,783	404,587
Repairs and maintenance	462,387	291,020
Salaries and wages	1,808,390	1,504,616
Taxes and licenses	567,199	447,875
Total	$ 6,362,509	$ 5,338,016

7. PREPAID EXPENSES AND DEPOSITS

	October 31, 2014	October 31, 2013
Refinancing deposit	$ -	$ 725,000
Term deposit	-	20,000
Prepaid expenses	47,789	69,673
Operational deposits	21,777	179,079
Total	$ 69,566	$ 993,752

8. LONG TERM INVESTMENT

The Company has made advances of $1,082,400 (US$960,000) to the Expresso joint venture partner for the purpose of funding the acquisition of future investments and income producing properties. This deposit is due to be repaid upon disposition of those investments or parking assets.

9. EQUIPMENT

	Office equipment
Cost	
Balance, October 31, 2012	$ -
Additions for the year	37,500
Balance, October 31, 2013	37,500
Additions for the year	-
Balance, October 31, 2014	$ 37,500
Accumulated depreciation	
Balance, October 31, 2012	$ -
Depreciation for the year	446
Balance October 31, 2013	446
Depreciation for the year	7,500
Balance, October 31, 2014	$ 7,946
Carrying amounts	
As at October 31, 2013	$ 37,054
As at October 31, 2014	$ 29,554

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2014	October 31, 2013
Accounts payable	$ 795,191	$ 780,592
Accruals	520,649	506,505
Property tax	365,592	347,295
Total	$ 1,681,432	$ 1,634,392

11. INCOME PRODUCING PROPERTY

The major components of the Income Producing Property are as follows:

	Building	Computer and equipment	Furniture	Improvements and fixtures	Land	Total
Cost						
Balance, October 31, 2012	$ 3,238,042	$ 253,192	$ 342,780	$ 12,976,783	$ 1,000,400	$ 17,811,197
Additions	-	-	-	6,877	-	6,877
Cumulative translation adjustment	148,243	5,121	18,720	597,723	45,800	815,607
Balance, October 31, 2013	3,386,285	258,313	361,500	13,581,383	1,046,200	18,633,681
Cumulative translation adjustment	263,147	20,074	28,092	1,030,358	81,300	1,422,971
Balance, October 31, 2014	3,649,432	278,387	389,592	14,611,741	1,127,500	20,056,652
Accumulated depreciation						
Balance, October 31, 2012	158,760	87,126	94,425	1,589,999	-	1,930,310
Additions	84,604	50,339	53,240	850,792	-	1,038,975
Cumulative translation adjustment	9,884	5,292	5,956	71,164	-	92,296
Balance, October 31, 2013	253,248	142,757	153,621	2,511,955	-	3,061,581
Additions	91,069	50,476	54,165	927,826	-	1,123,536
Cumulative translation adjustment	22,186	12,483	13,429	242,118	-	290,216
Balance, October 31, 2014	$ 366,503	$ 205,716	$ 221,215	$ 3,681,899	-	$ 4,475,333
As at October 31, 2013	$ 3,133,037	$ 115,556	$ 207,879	$ 11,069,428	$ 1,046,200	$ 15,572,100
As at October 31, 2014	$ 3,282,929	$ 72,671	$ 168,377	$ 10,929,842	$ 1,127,500	$ 15,581,319

12. JOINT VENTURES

On September 26, 2014, the Company acquired a 50% interest in 880 Doolittle Dr, LLC, a joint venture which owns freehold the Expresso parking facility in Oakland, California. This joint venture does not have a quoted market price.

Summarised financial information of the joint venture, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

12. JOINT VENTURES (Cont'd)

AS AT	October 31, 2014
Cash and cash equivalents	$ 395,394
Other current assets	597,093
Parking facility	11,275,000
Long-term deposits	1,305,625
Goodwill	6,990,500
	20,563,612
Accounts payable	115,788
Long-term borrowing	14,124,652
	14,240,440
Equity	6,323,172
Economic right to Equity*	100%
Carrying amount of the investment	6,323,172

FOR THE YEAR ENDED	October 31, 2014
Revenue	$ 592,002
Property expenses	354,674
Net operating Profit	237,328
Interest expense	86,906
Profit	150,422
Company share of profit*	100%
Income from Joint Venture	150,422

* Under the terms of the joint venture agreement, the Company is entitled to 100% of any distributions until an Investor Rate of Return of 16% on contributed capital is achieved; thereafter, the Company is entitled to 75% of any distributions until an Investor Rate of Return of 23% is achieved; thereafter the Company is entitled to 70% of any distributions until an Investor Rate of Return of 28% is achieved; thereafter 60% of distributions until an Investor Rate of Return of 33% is achieved.

13. COMMITMENTS

a) The Company has a ground lease agreement relating to the premises of the Canopy parking facility. With the refinancing of Canopy, management has exercised its option to extend the lease to 2035.

The annual lease expense from 2014 to 2030 will be the greatest of 5% of Net Sales or US$500,000 per annum. From 2030 to 2035, during the first option period, the lease expense will be the greatest of 7% of net sales or US$625,000.

There are three remaining options of five years each, however at the exercise of each option, the landlord has the right to terminate under certain conditions.

b) In the event that the joint venture does not enter into a transaction with an additional equity partner on or before September 26, 2015, or the Company repays some or all of the $US5 million short-term loan that the Company undertook for the joint venture purchase of the Expresso Parking Facility (Note 14), the joint venture partner has the right, at their option, to pay up to $US2.5 million to the Company, in exchange for 50% of the joint ventures economic distributions going forward.

14. SHORT TERM LOANS PAYABLE

The Company had the following short term loan commitments in place during the years ended October 31, 2014 and 2013. All of the Company's short term loans payable are unsecured and payable at the maturity date:

	Issue Date	Due Date	Interest Rate	2013 Balance Remaining	Accrued Interest	Repayment	Shares for Debt	(Gain)/Loss on Settlement	2014 Balance Remaining
a)	18-Jun-10	31-Dec-14	10%	$ 118,800	$ 5,918	$ (124,718)	$ -	$ -	**$ -**
b)	04-Oct-10	30-Nov-11	12%	662,310	24,523	(378,639)	(280,648)	(27,546)	-
c)	14-Feb-11	31-Dec-14	10%	95,034	4,480	-	(99,514)	-	-
d)	22-Jun-11	30-Nov-11	10%	61,795	2,548	(3,932)	(60,000)	(411)	-
e)	23-Jan-12	30-Apr-12	24%	266,361	27,100	(255,243)	-	(38,218)	-
f)	24-Feb-12	31-Dec-12	15%	31,318	2,024	(25,000)	(8,342)	-	-
g)	Various	31-Dec-12	10%	255,126	15,121	-	(270,247)	-	-
h)	01-May-12	31-Dec-14	10%	193,191	10,661	-	(203,852)	-	-
i)	01-Aug-12	31-Dec-12	15%	21,381	1,457	(18,000)	(4,838)	-	-
j)	29-Oct-13	14-Nov- 13	8%	251,063	9,732	(260,795)	-	-	-
k)	27-Aug-14	26-Aug-15	9%	-	-	-	-	-	**5,242,007**
				1,956,379	103,564	(1,066,327)	(927,441)	(66,175)	**5,242,007**

a) During the year ended October 31, 2013 the loan interest rate was retroactively reduced to 10% from 24% and the due date was extended to December 31, 2014. The loan is guaranteed by 33,333 common shares of the Company. On June 6, 2014 this loan was repaid in full.
b) On June 6, 2014, $378,639 was repaid and 561,296 shares issued in full and final settlement of this loan.
c) During the year ended October 31, 2013 the loan interest rate was retroactively reduced to 10% from 15% and the due date was extended to December 31, 2014. On June 6, 2014, 199,028 shares were issued in full and final settlement of this loan.
d) During the year ended October 31, 2013 the loan interest rate was retroactively reduced to 10% from 15%. On June 6, 2014, 127,864 shares were issued in full and final settlement of this loan.
f) On June 6, 2014, $25,000 was repaid and 16,684 shares issued in full and final settlement of this loan.
g) On June 4, 2014, 540,494 shares were issued in full and final settlement of this loan.
h) During the year ended October 31, 2013 the loan interest rate was retroactively reduced to 10% from 15%. On June 6, 2014, 407,704 shares were issued in full and final settlement of this loan.
i) During the year ended October 31, 2013 the loan interest rate was retroactively reduced to 10% from 15% and the due date was extended to December 31, 2014. On June 6, 2014, $25,000 was repaid, and 9,676 shares issued in full and final settlement of this loan.
j) This loan was repaid in full on May 20, 2014.
k) On August 27, 2014, the Company undertook a $5,476,000 loan for the purchase of the Expresso parking facility. The loan has the following terms: (i) simple interest of 9% per annum; (ii) matures in 12 months form the date of advance; and (iii) incurs a $109,520 commitment fee. Under the terms of the loan agreement, the Company issued the lender a general security interest, and 1,000,000 warrants. Each warrant entitles the lender to purchase one common share for a period of 12 months at $0.65 per share. Under the terms of the agreement, both parties may mutually agree to extend the loan by an additional 12 months. The Company will be required to pay a 5% renewal fee on any outstanding principal and issue and additional 500,000 warrants.

15. LOAN INTEREST AND FINANCE FEES

	October 31, 2014	October 31, 2013
Short term loans and convertible debentures interest	$ 241,627	$ 2,016,860
Property mortgage interest	1,114,385	1,422,975
Total	$ 1,356,012	$ 3,439,835

On November 1, 2013 the Company closed a US$16,500,000 refinancing of the Denver Canopy parking facility. Under the terms of the loan agreement interest is to be charged at a rate of LIBOR plus 5.25% with a floor of 5.5%, the current interest rate. The maturity date of the loan is November 1, 2017 with an option to extend to November 1, 2018 (Note 16).

16. LOANS PAYABLE

	October 31, 2014	October 31, 2013
Total loans payable	$ 16,398,596	$ 16,467,173
Current portion due within one year	(566,069)	(16,467,173)
Net long term portion	$ 15,832,527	$ -
Restricted Cash due to Loans Payable	$ 464,879	$ 1,126,707

The Company had the following long term loan commitments in place during the year ended October 31, 2014:

a) On November 1, 2013 the Company, through its subsidiary, Canopy Airport Parking LLC ("Canopy LLC") executed a loan agreement with CapitalSource, a subsidiary of Pacific Western Bank whereby Canopy LLC agreed to borrow US$16,500,000. Under the terms of the loan agreement interest is to be charged at a rate of LIBOR plus 5.25% with a floor of 5.5%. The maturity date of the loan is November 1, 2017 with an option to extend to November 1, 2018. The loan is secured by the Company's ground lease covering the premises of the Canopy Airport Parking facility (Note 11).

The Company is required to maintain a debt service coverage ratio of not less than 1.10 to 1. The debt service coverage ratio is defined as the ratio of:

i) Operating revenues for the twelve calendar month period ending with the most recently completed calendar month less operating expenses for the twelve month period ending with the most recently completed calendar month, to
ii) The debt service payable for the twelve month period beginning with the most recently completed calendar month.

Per the conditions of the loan, Canopy LLC held $464,879 (US$412,309) (October 31, 2013 - $Nil (US $Nil)) in an interest bearing demand deposit account with Pacific Western Bank in compliance with debt service coverage requirements.

16. LOANS PAYABLE (cont'd)

The Company had the following long term loan commitments in place during the year ended October 31, 2013:

a) On August 6, 2010, the Company guaranteed a loan executed by GP LLC and Wells Fargo Bank ("Wells Fargo") whereby GP LLC agreed to borrow the maximum principal sum of US$8,500,000. The balance of the loan advanced as of October 31, 2014 is $Nil (US $Nil) (October 31, 2013 - $8,892,700 (US$8,500,000). The loan was secured by all assets of GP LLC.

The loan matured on October 1, 2013 and on November 1, 2013 the Company completed the US$16,500,000 refinancing as noted above and repaid the loan in full. The loan bore interest at a rate per annum of 4% above the variable 30-day LIBOR market rate. Based on the date of execution, all-in fixed interest rate costs were approximately 6%.

Per the conditions of the loan, GP LLC held $Nil (US $Nil) (October 31, 2013 - $1,126,707 (US$1,076,951)) in an interest bearing demand deposit account with Wells Fargo in compliance with covenants regarding liquidity and debt service coverage which was released on settlement of the loan.

b) On January 18, 2011, the Company entered into a non-revolving term credit facility in the amount of $7,000,000. As of October 31, 2014 the balance was $Nil (October 31, 2013 - $5,750,000). On November 1, 2013 the Company completed the US$16,500,000 refinancing as noted above and repaid the loan in full.

On November 1, 2013, the Company settled accrued interest, fees, and other charges of $1,824,473 which were included in loans payable as at October 31, 2013. The credit facility was secured by the Company's shares in Greenswitch America, Inc., Class A units in GP LLC (which includes the parking lot facility), and certain residential property of two former directors.

17. CONVERTIBLE DEBENTURES

a) On August 3, 2010, the Company borrowed $120,000 from an unrelated third party in the form of convertible debentures, bearing interest at 15% per annum, paid semi-annually, and due on August 3, 2012. The debt is convertible at the option of the holder into common shares at a conversion price of $3.50 per common share. There is a forced conversion should the Company's common shares trade at $7.50 per common share for a period of ten consecutive trading days. On March 21, 2014, the holder elected to convert the note and accrued interest to the Company's common shares at a fair market value of $0.30 per common share. As at October 31, 2014 the balance of this convertible debenture plus accrued interest was $NIL (October 31, 2013 – $104,089). The Company recorded a $14,206 gain on settlement.

b) On August 13, 2010, the Company borrowed $83,000 from unrelated third parties in the form of convertible debentures, bearing interest at 15% per annum, paid semi-annually, and due on August 13, 2012. The debt is convertible at the option of the holder into common shares at a conversion price of $3.50 per common share. There is a forced conversion should the Company's common shares trade at $7.50 per common share for a period of ten consecutive trading days. On March 21, 2014, the holder elected to convert the note and accrued interest to the Company's common shares at a fair market value of $0.30 per common share. As at October 31, 2014 the balance of this convertible debenture plus accrued interest was $NIL (October 31, 2013 – $53,476). The Company recorded a $9,872 gain on settlement.

17. CONVERTIBLE DEBENTURES (cont'd)

c) On October 30, 2013 the Company borrowed $300,000 in the form of convertible debentures, bearing interest at 8% and due on October 31, 2014. The debt is convertible at the option of the holder into units at a price of $0.40 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share for a period of six months from the date of issuance at a price of $0.40 per common share. On August 27, 2014 the holder elected to convert the note and accrued interest to the Company's common shares. As at October 31, 2014 the balance of this convertible debenture plus accrued interest was $ NIL (October 31, 2013 – $300,000).

The debt component of the convertible debentures is calculated at the present value of the debt and required interest payments discounted at a rate approximating the interest rate that would have been applicable to non-convertible debt at the time the debentures were issued. The following is a summary of the convertible debenture activity:

Convertible debentures as at October 31, 2012	$	196,538
Additions		300,000
Settlement in common shares		(36,864)
Gain on settlement		(24,576)
Accrued interest		22,470
Convertible debentures as at October 31, 2013		457,568
Settlement in common shares		(499,660)
Gain on settlement		15,905
Accrued interest		26,187
Convertible debentures as at October 31, 2014	$	-

18. SHARE CAPITAL AND RESERVES

Share Capital is summarised below:

a) Authorized: Unlimited common shares, without par value

b) Issued: As at October 31, 2014, 30,928,923 common shares were issued and outstanding.

During the year ended October 31, 2013 the Company completed a 10-1 reverse share split, all related figures have been revised to reflect the reverse share split in the consolidated financial statements.

Transactions for the year ended October 31, 2014:

i. On March 21, 2014 the Company completed a private placement of 3,831,550 units at a price of $0.30 per unit for gross proceeds of $1,149,555. Each unit consists of one common share and a half share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.50 for a period of two years following the closing date. In relation to the offering the Company issued 72,779 warrants to agents. The value of the warrants was recorded as a share issue cost of $5,377. The value was obtained using the Black-Scholes valuation model with the following assumptions: volatility of 122%, discount rate of 1.5%, expected life of 2 years, and dividend yield of 0%.

ii. On May 5, 2014 the Company completed a private placement of 3,152,333 units at a price of $0.30 per unit for gross proceeds of $945,700. Each unit consists of one common share and a half share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.50 for a period of two years following the closing date. In relation to the offering the Company issued 14,700 shares valued at $4,410 and 28,000 warrants to agents. The value of the warrants was recorded as a share issue cost of $3,184. The value was obtained using the Black-Scholes valuation model with the following assumptions: volatility of 121%, discount rate of 1.5%, and expected life of 2 years.

18. SHARE CAPITAL AND RESERVES (cont'd)

The warrants are subject to an acceleration provision such that if the closing price of the Company's shares is equal or greater to $0.95 per share for 20 consecutive trading days at any time following four months after issuance, the Company may, by notice to the warrant holders, reduce the remaining exercise period of the warrants to not less than 30 days following the date of such notice.

iii. On June 6, 2014 the Company completed a private placement of 3,213,892 units at a price of $0.45 per unit for gross proceeds of $1,446,251. Each unit consists of one common share and a half share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.60 for a period of two years following the closing date.

The warrants are subject to an acceleration provision such that if the closing price of the Company's shares is equal or greater to $1.00 per share for 20 consecutive trading days at any time following four months after issuance, the Company may, by notice to the warrant holders, reduce the remaining exercise period of the warrants to not less than 30 days following the date of such notice.

iv. On June 18, 2014 the Company entered into various agreements to settle an aggregate of $1,728,146 in short term loans and payables. The Company converted $980,994 of short term loans and payables to equity, issuing 2,042,818 shares at $0.50. The Company settled $807,152 of short term loans and payables with cash. These transactions were in settlement of short term loans a, b, c, d, f, g, h and i. (Note 14) and other payables.

Transactions for the year ended October 31, 2013:

v. The Company completed a private placement of 1,110,186 units at a price of $0.50 per unit for gross proceeds of $555,093. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $1.00 for a period of two years following the closing date. Of the proceeds $52,000 was received in the prior year.

vi. The Company completed a private placement of 4,054,000 units at a price of $0.25 per unit for gross proceeds of $1,013,500. Each unit consists of one common share and one half of one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.40 for a period of two years following the closing date. In relation to the offering the Company issued 121,600 warrants to agents. The value of the warrants was recorded as a share issue cost of $25,000. The value was obtained using the Black-Scholes valuation model with the following assumptions: volatility of 126%, discount rate of 1.5%, expected life of 2 years, and dividend yield of 0%. A total of $25,000 of the proceeds were not received at year end and have been recorded as subscriptions receivable. The amount was collected in full subsequent to year end.

vii. The Company issued shares for debt whereby $156,459 of accounts payable, and $61,440 of convertible debentures were converted to 435,798 common shares. Total share capital $93,875 was recorded in relation to the settlement of debt and $36,864 in relation to the settlement of convertible debentures. The Company recognized a gain on settlement of debt of $104,102 in relation to the transaction.

18. SHARE CAPITAL AND RESERVES (cont'd)

a) Reserves are summarised below:

i) Stock Options

Under the Company's stock option plan, the Company may grant options for up to 10% of the issued and outstanding common shares to directors, employees and consultants at an exercise price to be determined by the board of directors provided that the exercise price is not less than the price permitted by the TSX Venture Exchange. Option shares are subject to vesting requirements as determined by the Company's Board of Directors, and the life of the options granted is as determined by the Company's Board of Directors, to a maximum of 10 years. Stock option transactions are recorded in reserves.

On June 13, 2014, the Company granted 2,695,000 incentive stock options to directors, officers and consultants of the Company. Each option permits the grantee to acquire one common share in the Company at a price of $0.50 per share and expires five years after the date of grant on June 13, 2019. The value of the options was recorded as stock based compensation expense of $1,135,673. The value was obtained using the Black-Scholes valuation model with the following assumptions: volatility of 119%, discount rate of 1.5%, expected life of 5 years, and dividend yield of 0%.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of options	Weighted average exercise price
Balance as at October 31, 2012 and 2013	621,000	$ 2.03
Options expired and forfeited	(621,000)	2.03
Options granted	2,695,000	0.50
Balance October 31, 2014 – outstanding and exercisable	2,695,000	$ 0.50

ii) Warrant Reserve

At October 31, 2014, share purchase warrants were outstanding enabling holders to acquire shares as follows:

	Number of warrants	Weighted average exercise price
Balance as at October 31, 2012	986,571	$ 3.20
Granted	3,258,786	0.60
Expired	(986,571)	3.16
Balance as at October 31, 2013	3,258,786	$
Granted	3,992,721	0.50
Granted	1,606,946	0.60
Granted	1,750,000	0.54
Exercised	(1,322,300)	0.41
Balance as at October 31, 2014	9,286,153	

18. SHARE CAPITAL AND RESERVES (cont'd)

iii) Warrants - expiry

Number of warrants		Exercise Price ($)	Expiry date
1,110,186		1.00	December 8, 2014
1,674,800	*	0.40	September 24, 2015
2,211,054	**	0.50	March 20, 2016
1,683,167	***	0.50	May 5, 2016
1,606,946		0.60	June 6, 2016
1,000,000		0.65	October 7, 2015
9,286,153			

* Includes 61,800 agent warrants
** Includes 63,779 agent warrants
*** Included 7,000 agent warrants

19. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	October 31, 2014	October 31, 2013
Cash paid for interest	$ 1,824,473	$ 1,524,440
Cash paid for taxes	$ -	$ -

Significant non-cash transactions during the year ended October 31, 2014 include:

a) Recorded $133,034 as the value for compensatory warrants issued.
b) Issued shares for debt whereby $921,409 of accounts payable, short-term loans and convertible debentures were converted to 1,842,818 common shares. $90,252 was recorded as gain on settlement, and $13,413 was recognized as write off of accounts payable.

Significant non-cash transactions during the year ended October 31, 2013 include:

a) Accrued $27,500 through accounts payable and accrued liabilities on the acquisition of equipment.
b) Recorded $25,000 as the value for compensatory warrants issued.
c) Issued shares for debt whereby $156,459 of accounts payable, and $61,440 of convertible debentures were converted to 435,798 common shares. $130,739 was recorded as share capital and $87,160 was recognized as a gain on settlement of debt.

20. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

	October 31, 2014	October 31, 2013
Loss for the year before income tax	$ (1,648,013)	$ (2,982,762)
Expected income tax recovery	$ (412,500)	$ (763,000)
Changes in statutory, foreign tax, foreign exchange rates and other	553,000	132,000
Permanent differences	314,000	215,000
Share issuance costs	(16,000)	(16,000)
Adjustments to prior years provision versus statutory tax returns and expiry of non-capital losses	896,000	-
Change in unrecognized deductible temporary differences	(1,335,000)	432,000
Total income tax expense (recovery)	$ -	$ -

The Canadian income tax rate did not change in the year.

Significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	October 31, 2014	October 31, 2013	Expiry Dates
Share issuance costs	$ 373,000	$ 1,078,000	2032 – 2036
Non-capital losses	11,679,000	14,406,000	2026 – 2033
Allowable capital losses	759,000	759,000	No expiry
Property and equipment	16,000	8,000	No expiry

Tax attributes are subject to review, and potential adjustment, by tax authorities.

21. SEGMENTED INFORMATION

The Company has one reportable segment. The Company operates in the parking facilities sector through its wholly owned subsidiary Greenswitch America, Inc. This reportable segment was determined based on the nature of the investment made. Reportable segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company earned 100% of its revenues in the United States through its subsidiary Greenswitch America, Inc. Details of identifiable assets by geographic location are as follows:

	Revenues	Investment in Joint Venture	Parking Lot Facility	Office Equipment
October 31, 2014				
Canada	$ -	$ -	$ -	$ 29,554
United States	$ 9,821,123	$ 6,323,172	$ 15,581,319	$ -
October 31, 2013				
Canada	$ -	$ -	$ -	$ 37,054
United States	$ 7,650,513	$ -	$ 15,572,100	$ -

22. RELATED PARTY TRANSACTIONS

Remuneration of directors and senior management

Senior management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. Senior management personnel include the Company's executive officers and members of the Board of Directors.

	October 31, 2014	October 31, 2013
Total for all senior management and directors		
Short-term benefits	941,347	$224,000
Share-based payments	1,135,673	-
Total	$2,077,020	$224,000

Short-term benefits
In addition to fees paid to non-executive directors, these amounts comprise management fees and benefits paid to executive directors and senior managers plus bonuses awarded during the year.

Share based payments
This is the cost to the Company of senior management's participation in share-based payment plans, as measured by the fair value of options accounted for in accordance with IFRS 2 'Share-based Payments'.

22. RELATED PARTY TRANSACTIONS (cont'd)

The following balances were owing to directors and senior management

	October 31, 2014	October 31, 2013
Short Term benefits	$ 258,945	$ -
Expenses	-	28,301
Total	$ 258,945	$ 28,301

As at October 31 2014, the Company had no outstanding balances to related parties that are not directors of senior management (2013 - $76,384)

As at October 31, 2014, the Company had no borrowings from related parties in the form of short-term loans (2013 - $344,186).

23. SUBSEQUENT EVENTS

On January 29, 2015 the Company granted 200,000 incentive stock options exercisable at $0.50 per share for a term of five years. These options were issued in accordance with the Company's option plan, and were granted to the Director appointed on that date.