**3 TIER LOGIC INC.**

**INTERIM FINANCIAL STATEMENTS FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2014 AND 2013**

(Expressed in Canadian Dollars)

(Unaudited)

**3 Tier Logic Inc.**
Interim Statements of Financial Position
As at June 30, 2014 and December 31, 2013
(Unaudited)
(Expressed in Canadian Dollars)

| | **June 30, 2014** | December 31, 2013 |
|---|---|---|
| | **$** | $ |
| ASSETS | | |
| CURRENT | | |
| Cash | **274,359** | - |
| Accounts receivable | **12,351** | 980 |
| Prepaids and other assets | **9,029** | 15,856 |
| Work in process | **33,883** | 6,267 |
| Current assets | **329,622** | 23,103 |
| NON-CURRENT | | |
| Equipment (Note 6) | **17,045** | 10,745 |
| Total assets | **346,667** | 33,848 |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable and other liabilities (Note 12) | **113,580** | 220,604 |
| Deferred revenue | **51,821** | 71,959 |
| Short-term loan (Note 7) | **25,000** | - |
| Convertible debenture (Note 7) | **927,581** | - |
| Interest payable | **37,949** | - |
| Derivative liability (Note 7) | **89,224** | |
| Due to related party (Note 9) | **21,223** | 6,215 |
| Total liabilities | **1,266,378** | 298,778 |
| EQUITY (DEFICIT) | | |
| Share capital (Note 8) | **775,075** | 775,075 |
| Share-based payment reserve | **1,375,235** | 1,081,856 |
| Deficit | **(3,070,021)** | (2,121,861) |
| Total equity | **(919,711)** | (264,930) |
| Total equity and liabilities | **346,667** | 33,848 |

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

**GOING CONCERN** (Note 2)
**SUBSEQUENT EVENT (**Note 14)

Approved on behalf of the Board

Director *"Robert Craig"*
Robert Craig

Director *"Carlos Yong"*
Carlos Yong

**3 Tier Logic Inc.**
Interim Statements of Comprehensive Loss
For the three and six-month periods ended June 30, 2014 and 2013
(Unaudited)
(Expressed in Canadian dollars, except number of shares)

| | Three months ended | | Six months ended | |
|---|---|---|---|---|
| | **June 30, 2014** | **June 30, 2013** | **June 30, 2014** | **June 30, 2013** |
| | $ | $ | $ | $ |
| REVENUE | 44,900 | 178,528 | 123,900 | 441,506 |
| COST OF SALES (Notes 9 and 13) | 30,976 | 40,497 | 68,946 | 95,726 |
| GROSS PROFIT | 13,924 | 138,031 | 54,954 | 345,780 |
| OPERATING EXPENSES | | | | |
| General and administrative (Notes 9 and 13) | 155,703 | 56,298 | 235,155 | 117,408 |
| Sales and marketing (Note 13) | 156, 473 | 50,563 | 226,524 | 106,799 |
| Research and development (Notes 9 and 13) | 114,411 | 76,374 | 183,608 | 149,071 |
| Share-based compensation (Note 8) | 45,582 | 26,889 | 293,379 | 53,297 |
| Depreciation (Note 6) | 1,182 | 958 | 1,816 | 1,916 |
| TOTAL OPERATING EXPENSES | 473,351 | 211,082 | 940,482 | 428,491 |
| OPERATING LOSS | (459,427) | (73,051) | (885,528) | (82,711) |
| OTHER ITEMS: | | | | |
| Interest expense | (30,035) | 129 | (37,243) | 78 |
| Accretion on convertible debenture | (12,569) | - | (15,469) | - |
| Foreign exchange gain (loss) | (1,044) | - | (9,920) | - |
| NET AND COMPREHENSIVE LOSS | (503,075) | (72,922) | (948,160) | (82,633) |
| LOSS PER SHARE | | | | |
| Basic and diluted loss per share | **$ (0.05)** | **$ (0.01)** | **$ (0.09)** | **$ (0.01)** |
| Weighted average number of common shares outstanding - basic and diluted | **10,000,000** | **10,000,000** | **10,000,000** | **10,000,000** |

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

**3 Tier Logic Inc.**
Interim Statements of Changes in Equity
For the six-month periods ended June 30, 2014 and 2013
(Unaudited)
(Expressed in Canadian Dollars, except number of shares)

| | Number of Common shares | Share capital | Share-based payment reserve | Deficit | Total |
|---|---|---|---|---|---|
| | | $ | $ | $ | $ |
| **Balance as at January 1, 2013** | **10,000,000** | **775,075** | **974,720** | **(1,508,476)** | **241,319** |
| Share-based compensation | - | - | 53,297 | - | 53,297 |
| Net and comprehensive loss | - | - | - | (82,633) | (82,633) |
| **Balance as at June 30, 2013** | **10,000,000** | **775,075** | **1,028,017** | **(1,591,109)** | **211,983** |
| | | | | | |
| **Balance as at January 1, 2014** | **10,000,000** | **775,075** | **1,081,856** | **(2,121,861)** | **(264,930)** |
| Share-based compensation | - | - | 293,379 | - | 293,379 |
| Net and comprehensive loss | - | - | - | (948,160) | (948,160) |
| **Balance as at June 30, 2014** | **10,000,000** | **775,075** | **1,375,235** | **(3, 070,021)** | **(919,711)** |

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

**3 Tier Logic Inc.**
Interim Statements of Cash Flows
For the three and six-month periods ended June 30, 2014 and 2013
(Unaudited)
(Expressed in Canadian Dollars)

| | Six months ended | |
|---|---|---|
| | **June 30, 2014** | **June 30, 2013** |
| | $ | $ |
| OPERATING ACTIVITIES | | |
| Net loss | (948,160) | (82,633) |
| Items not affecting cash: | | |
| Share-based compensation | 293,379 | 53,297 |
| Depreciation of equipment | 1,816 | 1,916 |
| Accretion on convertible debt | 15,469 | - |
| | (637,496) | (27,420) |
| Net changes in working capital items (Note 11) | (121,373) | 50,602 |
| | (758,869) | 23,182 |
| INVESTING ACTIVITIES | | |
| Additions to equipment | (8,116) | - |
| FINANCING ACTIVITIES | | |
| Convertible debenture | 1,001,336 | - |
| Short-term loan | 25,000 | - |
| Net changes in related-party loan | 15,008 | 550 |
| | 1,041,344 | 550 |
| INCREASE (DECREASE) CASH | 274,359 | 23,732 |
| CASH - BEGINNING OF PERIOD | - | 32,694 |
| CASH - END OF YEAR | 274,359 | 56,426 |

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

## 1. INCORPORATION AND NATURE OF OPERATIONS

3 Tier Logic Inc. (the "Company") was incorporated under the Business Corporations Act of British Columbia on October 17, 2008. The head and registered office of the Company is located at 422 Richards Street, Suite 160, Vancouver, BC, V6B 2Z4. On January 4, 2010, the Company's name was changed to 3 Tier Logic Inc. from 3 Tier Logic Canada Inc.

The Company produces and sells software products that use social media to allow companies to better engage with their end customers. The Company sells its products in Canada and the United States.

On March 10, 2014, the Company entered into a Share Exchange Agreement with KCO Capital Inc. ("KCO") a company listed and publicly traded on the TSX Venture Exchange ("TSX-V") as a Capital Pool Company ("CPC"). Under the terms of the Share Exchange Agreement, KCO will issue 36,000,000 shares of KCO to the shareholders of the Company in exchange for all of the issued and outstanding shares of the Company ("Share Exchange Agreement"). Legally, the Company will be a wholly-owned subsidiary of KCO. However, the proposed Share Exchange Agreement will result in a share allocation such that the Company's shareholders will control KCO. Referred to as a reverse take over, the Company will be deemed to be the acquirer for accounting purposes.

The above Share Exchange Agreement with KCO is subject to the approval of the TSX-V.

## 2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

### a. Statement of Compliance

These condensed interim financial statements (the "Financial Statements") are for the three and six months ended June 30, 2014 and are presented in Canadian dollars, which is the Company's functional currency. The Company prepares its condensed consolidated interim financial statements in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). Accordingly, these condensed consolidated interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). They do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the financial statements for the year ended December 31, 2013.

These Financial Statements were authorized for issue by the directors of the Company on November 5, 2014.

## 2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION (continued)

### b. Going Concern

These Financial Statements have been prepared on a going concern basis, which assumes that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. These Financial Statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, and prior operating results. As at June 30, 2014, the Company has incurred accumulated losses of $3,070,021. These uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue its operations will depend upon, but not be limited to, obtaining additional financing and generating revenues sufficient to cover its operating costs.

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

### c. Basis of measurement

These financial statements have been prepared on the historical cost basis, except for where IFRS requires recognition at fair value.

### d. Functional and presentation currency

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

### e. Significant Estimates Assumptions and Judgements

When preparing the condensed interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the condensed interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended December 31, 2013.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with the accounting policies adopted in the Company's most recent annual financial statements for the year ended December 31, 2013.

## 4. CAPITAL MANAGEMENT

The Company considers cash and share capital as capital.

The Company manages its capital structure to safeguard its ability to operate as a going concern, to provide sufficient resources to meet day-to-day operating requirements, to grow the business of the Company through increased sales and to improve existing products and develop new products.

The Company's management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

## 5. FINANCIAL RISK

### a. Fair value

The fair value of the Company's financial assets and liabilities approximate their carrying value due to their short-term nature.

The Company's financial assets and liabilities are classified and measured as follows:

| *Asset/Liability* | *Category* | *Measurement* |
|---|---|---|
| Cash | Fair value through profit or loss | Fair value |
| Accounts receivables | Loans and receivables | Amortized cost |
| Accounts payables | Other financial liability | Amortized cost |
| Due to shareholders | Other financial liability | Amortized cost |
| Short term loan | Fair value through profit or loss | Fair value |
| Convertible | Fair value through profit or loss | Fair value |
| Derivative liability | Fair value through profit or loss | Fair value |

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – inputs that are not based on observable market data.

As at June 30, 2014, the Company measures its cash at fair value on a reporting period basis using Level 1 indicators.

During the period, there were no transfers between Level 1, Level 2, and Level 3 classified assets and liabilities.

## 5. FINANCIAL RISK (continued)

### b. Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages its liquidity risk through budgeting, ongoing management and forecasting of operating cash flows, reviews of trade receivables, management of cash, and use of equity financings when appropriate. The Company believes that it will generate sufficient funds from operations and financing activities to cover the expected short and long term cash requirements.

### c. Currency risk

The Company's functional and reporting currency is the Canadian dollar. The Company's exposure to foreign currency risk is primarily related to fluctuations in the value of the Canadian dollar relative to the United States dollar ("USD") as some of the Company's revenues and expenses are in USD. To limit the impact of fluctuations of the Canadian dollar over the foreign currencies, the Company matches, in general and when possible, the cash receipts in a foreign currency with the cash disbursements in the same foreign currency. The Company does not use derivative financial instruments to cover the variability of cash flows in foreign currencies.

### d. Credit risk

Credit risk is the risk of a loss if a counterparty to a financial instrument fails to meet its contractual obligations. Accounts receivables are the most significant financial instrument that is exposed to credit risk.

The Company provides credit to its customers in the normal course of operations. To minimize this risk, the Company grants credit to creditworthy customers and requires a portion of payment in advance.

The Company believes that its exposure to credit risk is low, at present, due to a small number of customers. The maximum exposure to loss arising from accounts receivables is equal to their total carrying amounts.

### e. Market Risk

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

## 6. EQUIPMENT

| | Computer Equipment | | | Office Furniture and Equipment | | | |
|---|---|---|---|---|---|---|---|
| | **Cost** | **Accumulated Depreciation** | **Net Book Value** | **Cost** | **Accumulated Depreciation** | **Net Book Value** | **Total Net Book Value** |
| | **$** | **$** | **$** | **$** | **$** | **$** | **$** |
| December 31, 2013 | 29,164 | (28,054) | 1,110 | 20,779 | (11,144) | 9,635 | 10,745 |
| Additions | 8,116 | | 8,116 | - | | - | 8,116 |
| Depreciation | | (852) | (852) | | (964) | (964) | (1,816) |
| **June 30, 2014** | **37,280** | **(28,906)** | **8,374** | **20,779** | **(12,108)** | **8,671** | **17,045** |

## 7. DEBT INSTRUMENTS

| | **June 30, 2014** | December 31, 2013 |
|---|---|---|
| | **$** | $ |
| Short-term debt [(1)] | **25,000** | - |
| Convertible debenture [(2)] | **927,581** | - |
| Total debt | **952,581** | - |

(1) On February 12, 2014, the Company signed a Loan Agreement with KCO. KCO agreed to advance a $25,000 loan to the Company, bearing an interest rate of 6% per annum, pending the completion of the transaction with the Company. The Company is required to pay back the loan with interest to KCO within 30 days of termination of the Share Exchange Agreement or under mutual agreement if the transaction is completed.

Due to the short-term nature of this loan, the Company has determined that its fair value approximates its carrying value.

(2) On March 10, 2014, the Company issued $1,015,000 in convertible debentures (the "Debentures"). The Debentures bear interest at 12% annually for the first year and 15% annually thereafter. The Debentures are convertible into common shares of KCO at a conversion price of $0.10 per share. If the transaction with KCO does not occur prior to November 30, 2014, the Debenture holders may elect to convert the Debentures into common shares of the Company at a conversion price such that the Company has a valuation of $3,600,000. The Debentures are secured by the assets of the Company.

## 7. DEBT INSTRUMENTS (Continued)

The Company used the residual value method to allocate the principal amount of the debenture and the corresponding issuance costs of $13,664, between the liability and the equity component. The fair value of the liability component at issuance was $912,012 computed as the present value of future principal and interest payments discounted at a rate of 18.88%. The Company determined that there was an embedded derivative in the convertible debenture due to the possibility of the convertible debenture converting to shares of the Company rather than KCO. At issuance and June 30, 2014, the derivative liability was valued at $89,224. As a result the residual amount allocated to equity was $nil.

During the six months ended June 30, 2014, the Company recognized accretion expense on the convertible debt of $15,469 to increase the carrying value of the liability portion to its fair value.

| | Convertible Debenture |
|---|---|
| | $ |
| Balance, beginning | 912,112 |
| Accretion of convertible debt | 15,469 |
| Balance, ending | 927,581 |

## 8. SHARE CAPITAL

Authorized: Unlimited common shares, voting, with no par value.

**Share-based payments**

The Company has a stock option plan under which it is authorized to grant options to executive officers, directors, employees and consultants enabling them to purchase common shares of the Company.

Summary of the Company's share purchase options:

| | June 30, 2014 | |
|---|---|---|
| | Number | Weighted average exercise price |
| | | $ |
| Balance, beginning | 5,180,000 | 0.20 |
| Granted | 550,000 | 0.25 |
| Forfeited | (550,000) | 0.21 |
| Exercised | - | - |
| Outstanding - end of period | 5,180,000 | 0.20 |

## 8. SHARE CAPITAL (Continued)

The following weighted average assumptions were used in calculating the fair value of stock options granted during the period ended June 30, 2014 using the Black-Scholes Option Pricing Model:

| | June 30, 2014 [(1)] |
|---|---|
| Risk-free interest rate | 2.28% |
| Expected life | 6.6 years |
| Expected volatility | 120% |
| Dividend rate | 0% |
| Average share price at date of grant | $0.31 |

(1) On June 1, 2014, the Company granted 550,000 options to an officer and consultants of the Company which may be exercised until December 31, 2020 at a price of $0.25 per share. These options are subject to vesting conditions.

During the six month period ended June 30, 2014, the Company recorded share-based expense of $293,379 (2013 - $53,297) upon the vesting of stock options. The fair value of each option is accounted for over the period of the options and the related credit is included in share-based payment reserve.

The table below summarizes information on stock options:

As at June 30, 2014

| Outstanding options | Weighted average remaining contractual (years) | Weighted average exercise price | Exercisable options |
|---|---|---|---|
| | | $ | |
| 1,700,000 | 6.50 | 0.20 | 1,700,000 |
| 50,000 | 3.50 | 0.20 | 43,750 |
| 500,000 | 8.75 | 0.20 | 500,000 |
| 350,000 | 7.50 | 0.20 | 350,000 |
| 50,000 | 4.50 | 0.20 | 50,000 |
| 500,000 | 7.50 | 0.20 | 200,000 |
| 50,000 | 6.50 | 0.20 | - |
| 600,000 | 6.50 | 0.20 | - |
| 180,000 | 6.50 | 0.20 | 67,500 |
| 350,000 | 7.50 | 0.20 | 350,000 |
| 500,000 | 8.50 | 0.20 | 500,000 |
| 450,000 | 6.50 | 0.25 | 50,000 |
| 5,280,000 | 7.08 | 0.21 | 3,811,250 |
| Weighted average exercise price | | | $0.21 |

## 9. RELATED PARTY TRANSACTIONS

During the periods ended June 30, 2014 and 2013, the Company incurred the following key management compensation charges with companies controlled by the Chief Executive Officer ("CEO"), the Chief Technology Officer ("CTO"), and by a company that employs the Chief Financial Officer ("CFO") of the Company:

| | **Three months ended** | | **Six months ended** | |
|---|---|---|---|---|
| | **June 30, 2014** | June 30, 2013 | **June 30, 2014** | June 30, 2013 |
| | **$** | $ | **$** | $ |
| Management fee – CEO, Director | **45,000** | 30,000 | **84,000** | 60,000 |
| Management fee – CTO, Director | **30,000** | 24,000 | **60,000** | 48,000 |
| Management fee – CFO | **15,000** | - | **17,500** | - |
| Stock based compensation (non-cash) | **5,800** | - | **253,598** | - |
| Total | **95,800** | 54,000 | **415,098** | 108,000 |

The management fees were allocated to cost of sales, general and administrative, and research and development expenses.

As at June 30, 2014, $21,223 (December 31, 2013 – $6,215) was due to ActiveStream and a company controlled by the CTO of the Company. The amounts are non interest bearing, unsecured and have no fixed terms of repayment.

## 10. SEGMENTED INFORMATION

The Company operates in one reportable operating segment. The summarized financial information for the revenue derived by geographic segment is as follows:

| | **Three months ended** | | **Six months ended** | |
|---|---|---|---|---|
| | **June 30, 2014** | June 30, 2013 | **June 30, 2014** | June 30, 2013 |
| | **$** | $ | **$** | $ |
| Total revenues | | | | |
| Canada | **29,520** | 80,474 | **91,770** | 224,130 |
| United States | **15,380** | 98,054 | **32,130** | 217,376 |
| | **44,900** | 178,528 | **123,900** | 441,506 |

During the six months ended June 30, 2014, $60,500 was related to revenue from three customers based in Canada and a total of $33,877 related to revenue from a single customer based in the USA.

## 11. CASH FLOWS

| | Six months ended | |
|---|---|---|
| Net changes in working capital items: | **June 30, 2014** | June 30, 2013 |
| | **$** | $ |
| Accounts receivable | **(11,371)** | (502) |
| Prepaids and other assets | **6,827** | (12,212) |
| Work in process | **(27,616)** | - |
| Accounts payable and other liabilities | **(107,024)** | 20,871 |
| Deferred revenue | **(20,138)** | 42,445 |
| Interest payable | **37,949** | - |
| | **(121,373)** | 50,602 |

## 12. ACCOUNTS PAYABLE AND OTHER LIABILITIES

| | **June 30, 2014** | December 31, 2013 |
|---|---|---|
| | **$** | $ |
| Accounts payable | **72,670** | 156,412 |
| Accrued liabilities | **33,506** | 51,000 |
| Government remittances | **7,404** | 13,192 |
| | **113,580** | 220,604 |

## 13. OPERATING EXPENSES

The following table presents the Company's operating expenses by nature:

| | Three months ended | | Six months ended | |
|---|---|---|---|---|
| | **June 30, 2014** | June 30, 2013 | **June 30, 2014** | June 30, 2013 |
| Cost of sales | | | | |
| Consulting fees | **3,312** | 23,013 | **8,387** | 64,649 |
| Wages & salaries | **1,378** | 5,264 | **11,225** | 11,224 |
| Hosting and other overhead | **26,287** | 5,605 | **49,168** | 12,205 |
| Advertising re-sold to customers | **-** | 6,615 | **166** | 7,648 |
| | **30,976** | 40,497 | **68,946** | 95,726 |
| General and administrative | | | | |
| Consulting fees | **57,638** | 15,000 | **98,238** | 30,000 |
| Wages and salaries | **-** | 9,872 | **-** | 20,043 |
| Professional fees | **69,841** | 1,180 | **92,800** | 4,168 |
| Office and insurance | **32,049** | 22,148 | **40,534** | 46,061 |
| Supplies and other overhead | **(5,393)** | 6,621 | **1,253** | 15,129 |
| Penalties and interest | **(69)** | 1,477 | **532** | 2,007 |
| Bad debt | **1,637** | - | **1,798** | - |
| | **155,703** | 56,298 | **235,155** | 117,408 |
| Sales and marketing | | | | |
| Consulting fees | **100,485** | 33,570 | **147,431** | 77,786 |
| Wages and salaries | **23,016** | - | **32,792** | - |
| Travel | **28,084** | 16,993 | **38,845** | 29,013 |
| Advertising and licenses | **4,888** | - | **7,456** | - |
| | **156,473** | 50,563 | **226,524** | 106,799 |
| Research and development | | | | |
| Salary and consulting | **114,411** | 76,374 | **183,608** | 149,071 |
| SR&ED tax credit | **-** | - | **-** | - |
| | **114,411** | 76,374 | **183,608** | 149,071 |

## 14. SUBSEQUENT EVENTS

**a.** On April 30, 2014, KCO agreed to lend up to an additional $200,000 at an interest rate of 12% compounded annually with interest payable on the maturity date. The loan will mature on the earlier of the closing of the Share Exchange Agreement or November 30, 2014. On July 18, 2014, KCO advanced $153,998 of this loan. On October 1, 2014, KCO advanced a further $100,000 of this loan.

**b.** On August 29, 2014, the Company entered into a Debt Settlement Agreement (the "Agreements") with certain related parties. Pursuant to the Agreements, the Company will pay $70,194 within a 24 month period to settle all amounts owed and forgive all amounts owed from the related parties and companies controlled by the related parties as at the date of the Agreements.

**c.** On October 30, 2014, the Company concluded the Share Exchange with KCO. On this date, KCO issued a total of 46,150,000 common shares which consisted of 36,000,000 shares to the shareholders of the Company and 10,150,000 shares to the holders of the Debentures (see Note 7). Concurrent with the Share Exchange, KCO issued an aggregate of 11,682,600 common shares at a price of $0.25 per common share for total proceeds of $2,920,650. In addition, KCO has changed its name to 3TL Technologies Corp.