MOSEDA TECHNOLOGIES INC.

(FORMERLY GOLDEN VIRTUE RESOURCES INC.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

PERIOD ENDED MARCH 31, 2015

(Expressed in Canadian Dollars)

(Unaudited)

Notice of Non-review of Interim Financial Statements

The attached condensed interim financial statements for the period ended March 31, 2015 have been prepared by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim financial statements.

MOSEDA TECHNOLOGIES INC.

(formerly Golden Virtue Resources Inc.)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

AS AT	March 31, 2015	June 30, 2014
ASSETS		
Current		
Cash	$ 1,613,003	$ 12,469
Trade and other receivables	77,399	6,596
Prepaid expenses	708,547	-
	2,398,949	19,065
Property, plant and equipment	9,251	14,381
Intangible assets	1,521	1,521
	$ 2,409,721	$ 34,967
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 5)	$ 699,629	$ 253,862
Deferred revenue	6,772	18,593
Due to related parties (Note 7)	93,695	247,433
	800,096	519,888
Shareholders' equity		
Share capital (Note 6)	6,121,009	1,505,858
Reserves (Note 6)	874,721	293,793
Deficit	(5,386,105)	(2,284,572)
	1,609,625	(484,921)
	$ 2,409,721	$ 34,967

Nature of operations and going concern (Note 1)

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

MOSEDA TECHNOLOGIES INC.

(formerly Golden Virtue Resources Inc.)
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

For the	Three months ended March 31, 2015	Three months ended March 31, 2014	Nine months ended March 31, 2015	Nine months ended March 31, 2014
REVENUE	$ 9,322	$ 24,658	$ 28,256	$ 32,326
COST OF SALES	-	-	1,850	-
GROSS PROFIT	9,322	24,658	26,406	32,326
EXPENSES				
Amortization and depreciation	1,710	55,946	5,130	58,000
Hosting and web fees	5,974	14,173	41,465	51,033
Management and consulting fees	42,000	-	154,250	-
Office and administration	1,745	(9,797)	43,435	30,134
Professional fees	143,510	40,324	285,641	62,547
Research and development	87,261	176,562	235,963	457,504
Share-based payments	130,416	(88,924)	234,800	10,000
Travel	4,625	2,130	36,684	11,191
	(417,241)	(190,414)	(1,010,962)	(680,409)
OTHER				
Interest expense	(10,067)	(21,379)	(30,201)	(29,148)
Other income	(25,000)	-	-	-
Listing expense (Note 4)	(2,060,370)	-	(2,060,370)	-
Loss and comprehensive loss for the period	$ (2,503,356)	$ (187,135)	$ (3,101,533)	$ (677,231)
Basic and diluted loss per common share	$ (0.24)	$ (0.02)	$ (0.29)	$ (0.06)
Weighted average number of common shares outstanding	11,508,028	10,853,109	10,420,604	10,853,109

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

MOSEDA TECHNOLOGIES INC.

(formerly Golden Virtue Resources Inc.)
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the nine months period ended
(Unaudited)

	March 31, 2015	March 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (3,101,533)	$ (677,231)
Items not affecting cash:		
Amortization	5,130	58,000
Share-based payments	234,800	10,000
Listing expense	2,060,370	-
	(801,233)	(609,231)
Changes in non-cash working capital items:		
Receivables	52,196	(185)
Deferred revenue	(11,821)	-
Due to related parties	(153,738)	204,176
Inventory	-	(20,346)
Prepaid expenses	(592,259)	-
Accounts payable and accrued liabilities	113,549	120,800
	(1,393,306)	(304,786)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition (Note 4)	28,231	-
Acquisition of trademarks	-	(290)
	28,231	(290)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	3,106,400	-
Share issuance costs	(343,292)	-
Proceeds from issuance prior to RTO	202,501	228,750
	2,965,609	228,750
Change in cash during the period	1,600,534	(76,326)
Cash, beginning of period	12,469	83,678
Cash, end of period	$ 1,613,003	$ 7,352

Supplemental disclosure with respect to cash flows (Note 10)

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

MOSEDA TECHNOLOGIES INC.

(formerly Golden Virtue Resources Inc.)
STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital				
	Number	**Amount**	**Reserves**	**Deficit**	**Total**
Balance, December 31, 2014	9,888,710	$ 6,289,445	$ 887,241	$ (7,129,018)	$ 47,668
Acquisition of MobSafety	16,054,458	3,689,138	374,755	(2,284,572)	1,779,321
		(6,289,445)	(887,241)	7,129,018	(47,668)
Private placement	15,532,000	3,106,400	-		3,106,400
Share issuance costs – shares	965,216	193,043	-	-	193,043
	-	(193,043)	-	-	(193,043)
Share issuance costs – cash	-	(343,292)	-	-	(343,292)
Share issuance costs – warrants	-	(331,237)	331,237	-	-
Shared-based payments	-	-	168,729		168,729
Net loss for the period	-	-	-	(3,101,533)	(3,101,533)
Balance, March 31, 2015	42,440,384	$ 6,121,009	$ 874,721	$ (5,386,105)	$ 1,609,625

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Moseda Technologies Inc. (formerly Golden Virtue Resources Inc.) (the "Company") is a publicly-listed company incorporated in British Columbia with limited liability under the legislation of the province of British Columbia and its shares are listed on the TSX Venture Exchange (the "Exchange"). The Company's principal business is to develop and operate Mobile Device Management ("MDM") software systems that allow the management and tracking of assets using mobile devices.

During the year ended December 31, 2014, the board of directors authorized a 5-for-1 share consolidation. The number of issued and outstanding shares has been retrospectively restated for all periods.

The head office, principal address and the registered records address of the Company is situated at 1055 West Hastings Street, Vancouver, British Columbia.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. 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 on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

REVERSE TAKEOVER

On September 30, 2014, the Company and MobSafety, Inc. ("MobSafety") entered in to a Share Exchange Agreement ("SEA") whereby the Company would acquire all of the issued and outstanding share of MobSafety, being 14,839,133 shares, of MobSafety in consideration for securities of the Company on a 1 for 1.0819 basis. After completion of the SEA, the shareholders of MobSafety will hold approximately 61.88% of the Company. Accordingly, MobSafety is considered to have acquired the Company with the SEA being accounted as a reverse takeover of the Company by MobSafety shareholders (the "RTO").

As MobSafety is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on July 27, 2011 are included in the condensed consolidated interim financial statements at their historical carrying value. The condensed consolidated interim financial statements are a continuation of MobSafety in accordance with IFRS 3, Business Combinations. The Company's results of operations are included from March 27, 2015 onwards.

Concurrent with the RTO, the Company completed a $3,106,400 private placement (the "Financing") (Note 6) as required by the SEA.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB").

2. BASIS OF PREPARATION *(Cont'd…)*

Basis of Presentation

These financial statements have been prepared on a historical cost basis except for cash equivalents, which are carried at fair value. In addition, the financial statements are prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Use of Estimates

The preparation of these financial statements 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 uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

Critical accounting estimates

i. Share-based payments is 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.

ii. 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.

iii. The Company uses historical warranty claim information, as well as recent trends that might suggest that post cost information may differ from future claims. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives, as well as parts and labour costs. Actual claims costs may differ from management's estimates depending upon whether the actual claims costs were significantly different than the estimates.

iv. Management reviews the useful lives of depreciable assets including property, plant and equipment and customer contracts at each reporting date based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence.

Critical accounting judgments

i. The determination that the Company will continue as a going concern for the next year.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all periods presented.

Intangible assets

The Company's intangible assets include trademarks. Intangible assets are measured at cost less any accumulated impairment losses. Indefinite life intangible assets are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Property, plant and equipment

Property, plant and equipment are measured on the cost basis less accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probably that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial year in which they are incurred.

Property, plant and equipment are depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of loss and comprehensive loss.

Impairment of non-financial assets

Impairment tests on non-financial assets, including property, plant and equipment and intangible assets including customer contracts are subject to impairment tests at least annually or whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down to its recoverable amount.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. An impairment loss is charged to statement of comprehensive loss.

Revenue recognition

The Company earns revenue through the supply of MDM solutions for mobile devices and assets management services in the commercial and consumer markets. Revenue is measured at the fair value of the consideration received or receivable for services, net of discounts and sales taxes. Consideration received from customers in advance is recorded as deferred revenue.

The principal sources of revenue to the Company and recognition of these revenues are as follows:

License Revenue

Revenue from the sale of licenses is recognized at inception of the license term assuming at which time all the following conditions are met:

- The Company has transferred significant risks and rewards of the license
- The Company does not retain continuing managerial involvement
- The amount of revenue can be reliably measured
- It is probable that economic benefits associated with the transaction will flow to the Company
- The costs incurred or to be incurred can be reliably measured

Royalties

Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that future economic benefit will flow to the Company and the amount of revenue can be measured reliably). Royalties determined on a time basis are recognized on a straight-line basis over the period of the agreement.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Research and development costs

Expenditure on internally developed products is capitalized if it can be demonstrated that:

- It is technically feasible to develop the product for it to be sold;
- Adequate resources are available to complete the development;
- There is an intention to complete and sell the product;
- The Company is able to sell the product;
- Sale of the product will generate future economic benefits; and
- Expenditure on the project can be measured reliably.

As at March 31, 2015 and December 31, 2014 the Company has no development costs that met such criteria.

Development expenditures not satisfying the above criteria and expenditure on the research phase of internal projects are recognized in the statement of comprehensive loss as incurred.

Share-based payments

As part of its remuneration, the Company grants stock options and warrants to buy common shares of the Company to its employees. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The fair value of employee services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is measured at the grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instrument granted or vested if the option vests over a period. This fair value is measured at the grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates.

All share-based remuneration is ultimately recognized as an expense in the statements of comprehensive loss with a corresponding credit to contributed surplus. Upon exercise of share options, the proceeds received net of any directly attributable transactions costs and the amount originally credited to contributed surplus are allocated to share capital. When options expire unexercised the related value remains in contributed surplus.

Foreign currency translation

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, foreign currency monetary assets and liabilities are translated using the reporting date foreign exchange rate. Foreign currency non- monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non- monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the profit and loss.

Earnings (loss) per share

Basic earnings (loss) per share is determined by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the period after giving effect to potentially dilutive financial instruments.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Financial instruments

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available for sale financial assets, or as derivates designated as hedging instruments in an effective hedge, as appropriate. The Company does not hold any available for sale, held to maturity, or derivative financial assets at March 31, 2015 or December 31, 2014.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company does not hold any financial liabilities at fair value or derivative liabilities at March 31, 2015 or December 31, 2014.

The Company determines the classification of its financial assets and financial liabilities at initial recognition. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value plus directly attributable transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

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

Asset/liability	Category	Measurement
Cash	Loans and receivables	Amortized cost
Trade and other receivables	Loans and receivables	Amortized cost
Accounts payable and accrued	Other financial liabilities	Amortized cost
Loan and promissory notes	Other financial liabilities	Amortized cost

Loans and receivables and other financial liabilities are initially recognized at the fair value and subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognized when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. Such provisions are recorded in a separate allowance account with the loss being recognized within administrative expenses in the statement of loss and comprehensive loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated allowance. Impairment is assessed at each reporting date.

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

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

Transaction costs incurred in the course of raising debt financing are netted against the carrying value of the liability and then amortized over the expected life of the instrument using the effective interest rate method to expense interest over the period to maturity of the related debt. Other transaction costs incurred are included in the statement and comprehensive loss.

3. SIFNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income (loss) except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss.

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

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit nor loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be realized.

Warranty

The Company has provides a warranty on its hardware devices against defects in material and workmanship, with the exception of defects caused by abuse, misuse, accident, alteration, modification, neglect or incorrect installation, operation or removal of the equipment, for a period of one (1) year from the date of installation or purchase. The Company's obligation during the warranty period is to either replace or repair a defective unit, at its sole option. Estimated costs (less re-imbursement from the equipment suppliers) associated with the repair or replacement are included in the Company's direct cost of sales.

New standard not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2015 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39.

The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

4. ACQUISITION OF MOBSAFETY

The legal acquisition of MobSafety by the Company constitutes an asset acquisition as the Company does not meet the definition of a business, as defined in IFRS 3, Business Combinations. As a result of the RTO, statements of financial position have been adjusted for the elimination of the Company's share capital, reserves and accumulated deficit within shareholders' equity.

As a result of this asset acquisition, a listing expense of $2,060,370 has been recorded. This reflects the difference between the estimated fair value of the MobSafety shares to the Company's shareholders less the net fair value of the assets of the Company acquired.

In accordance with reverse acquisition accounting:

i) The assets and liabilities of MobSafety are included in the statement of financial position at their carrying values;

ii) The net assets of the Company are included at their fair value of $(82,628).

iii) The net assets of the Company have been allocated as follows:

Cash	$ 28,231
Prepaid	116,288
Receivables	122,999
Accounts payable and accrued liabilities	(350,146)
Fair value of net liabilities	$ (82,628)

iv) The listing expense of $2,060,370 was determined as follows:

a. Number of Company common shares held by former MobSafety shareholders outstanding prior to the Financing is 16,054,458 or 61.88% of the combined entity.

b. The fair value of MobSafety is $3,210,892, which is based on the Financing price of $0.20 per common share.

c. Number of outstanding shares of the Company prior to the Financing is 9,888,710 or 38.12% of the combined entity.

d. The fair value of the shares issued to acquire the Company under reverse takeover accounting is $1,977,742 calculated as 9,888,710 shares at $0.20 per share.

e. The difference between the fair value of $1,977,742 being the consideration paid, and the estimated fair value of the net liabilities of the Company of $82,628 amounts to a listing expense of $2,060,370.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2015	June 30, 2014
Accounts payable	522,292	$ 119,234
Other payables	-	79,784
Accruals	177,337	54,844
	$ 699,629	$ 253,862

6. SHARE CAPITAL AND RESERVES

During the year ended December 31, 2014, the board of directors authorized a 5-for-1 share consolidation. The number of issued and outstanding shares has been retrospectively restated for all periods presented unless otherwise stated.

Authorized share capital

Unlimited number of common and preferred shares without par value.

Issued share capital

During the year ended issued 16,054,458 common shares for the acquisition of MobSafety (Note 4). The Company also issued 965,216 common shares as a finder's fee with a value of $193,043 related to the acquisition.

During the period ended March 31, 2015, the Company completed a brokered private placement by issuing 15,532,000 units at $0.20 per unit, for gross proceeds of $3,106,400. Each unit consists of one common share and one half of one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company for a period of two years from issuance at an exercise price of $0.35. The Company recorded cash share issue costs of $343,292 and issued 1,242,560 agent options with a fair value of $225,780 in conjunction with the placement. The agent options were valued using the Black-Scholes pricing model with a volatility of 187.57%, discount rate of 1.12%, expected life of 2 years, and an exercise price of $0.20.

Stock options and warrants

Share purchase warrants and stock option transactions are summarized as follows:

	Share Purchase Warrants		Stock Options	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding, December 31, 2013	780,000	$ 0.45	134,750	$ 1.00
Issued	3,375,000	0.35	-	-
Exercised	(500,000)	0.35	-	-
Expired	-	-	(33,850)	1.00
Outstanding, December 31, 2014	3,655,000	$ 0.37	100,900	$ 1.00
Issued	1,236,159	0.16	776,262	0.18
Outstanding, March 31, 2015	4,891,159	0.32	877,162	0.27

As at March 31, 2015, inventive stock options were outstanding as follows:

	Number	Exercise price	Expiry Date
Stock options	75,900	$ 1.000	July 25, 2015
	25,000	1.000	March 19, 2017
	175,809	0.001	September 16, 2024
	129,828	0.200	September 16, 2024
	129,828	0.200	June 25, 2024
	340,797	0.250	June 30, 2022
	877,162		

6. SHARE CAPITAL AND RESERVES *(cont'd…)*

As at March 31, 2015, share purchase warrants were outstanding as follows:

	Number		Exercise price	Expiry Date
Share Purchase Warrants	2,875,000	$	0.35	June 16, 2016
	780,000		0.35 / 0.50*	July 31, 2016
	378,665		0.10	June 30, 2023
	304,284		0.13	March 29, 2022
	205,920		0.23	April 23, 2022
	293,195		0.25	June 30, 2022
	54,095		0.10	June 30, 2024
	4,891,159			

* Exercise price in 1st year is $0.35 / 2nd & 3rd years are $0.50

Share-based payments

The Company's stock option plan reserves for issuance a maximum number of common shares equal to 10% of the number of issued and outstanding common shares of the Company. The exercise price of each option is to be determined by the Board of Directors, but shall not be less than the discounted market price as defined by the Exchange. The expiry date for each option should be for a maximum term of five years. All options granted vest immediately with the exception of those granted to investor relations consultants, which vest according to Exchange policy.

During the period ended March 31, 2015 the Company issued 776,262 as well as certain options in MobSafety prior to the RTO and recorded a share-based payment expense of $234,800 (2014 - $10,000).

7. RELATED PARTY TRANSACTIONS

The remuneration of the key management personnel, comprised of the directors and officers is as follows:

Paid or accrued management and consulting fees of $87,750 (2014 - $Nil) to a director and CEO of the Company.

Paid or accrued management and consulting fees of $21,000 (2014 - $Nil) to a director and CFO of the Company.

As at March 31, 2015, included in accounts payable and accrued liabilities is $92,695 (June 30, 2014 - $47,693) due to related parties. These amounts are unsecured, non-interest bearing and payable on demand.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are exposed to certain financial risks, including credit risk liquidity risk, currency risk, and interest rate risk.

The Company's exposure to these risks and its methods of managing the risks remain consistent. The Company is exposed to the following risks related to financial assets and liabilities:

(a) Currency risk

Currency risk is the risk that variations in exchange rates between U.S. and Canadian currencies will affect the Company's operating and financial results. The Company's activities that result in exposure to fluctuations in foreign currency exchange rates consist of the sale of products to customers in foreign currencies and the purchases of hardware from suppliers invoiced in foreign currencies. The Company does not use derivative instruments to reduce its

exposure.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(cont'd…)*

(b) Credit risk

Credit risk refers to the potential that a customer or counterparty to a financial instrument will fail to discharge its contractual obligations, and arises principally from the Company's receivables from customers and its cash. The maximum credit risk exposure for these balances is the carrying values of these items.

The Company attempts to mitigate its credit risk over cash by dealing only with large financial institutions with good credit ratings. All of the financial institutions that the Company deals with meet these qualifications.

The Company is exposed to credit risk from customers. The Company performs ongoing credit evaluations of new and existing customers' financial condition and reviews the collectability of its trade accounts receivable in order to mitigate any possible credit losses.

Allowance for doubtful accounts and past due receivables are reviewed by management at each reporting date.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company collecting its accounts receivable in a timely manner and by maintaining sufficient cash in excess of anticipated needs. At March 31, 2015 the Company's accounts payable and accrued liabilities were $699,629 (June 30, 2014 - $253,862).

9. CAPITAL MANAGEMENT

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

There have been no changes to the Company's approach to capital management during the year.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the period ended March 31, 2015 the Company issued 1,242,560 agent options with a fair value of $225,780.

There were no non-cash transactions during the period ended March 31, 2014.