MOSEDA TECHNOLOGIES, INC.

(FORMERLY GOLDEN VIRTUE RESOURCES INC.)

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

(Expressed in Canadian Dollars)

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AUDIT OPINION

To the shareholders of Moseda Technologies, Inc. (formerly Golden Virtue Resources Inc.)

We have audited the accompanying financial statements of Moseda Technologies, Inc. (formerly Golden Virtue Resources Inc.), which comprise the statement of financial position as at December 31, 2014, and the statements of comprehensive loss, cash flows and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Moseda Technologies, Inc. (formerly Golden Virtue Resources Inc.) as at December 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Restatement of Comparative Information
The financial statements of the Company for the year ended December 31, 2013 (prior to the restatement described in Note 12 to the financial statements) were audited by another auditor who expressed an unmodified opinion on those financial statements on April 14, 2014.

As part of our audit of the financial statements of the Company for the year ended December 31, 2014, we also audited the adjustments described in Note 12 that were applied to restate the financial statements for the year ended December 31, 2013. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the financial statements of the Company for the year ended December 31, 2013 other than with respect to the adjustments and accordingly, we do not express an opinion on any other form of assurance on the financial statements for the year ended December 31, 2013.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which indicates that the Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

BDO Canada LLP

Chartered Accountants
Vancouver, British Columbia
April 30, 2015

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MOSEDA TECHNOLOGIES, INC.

(formerly GOLDEN VIRTUE RESOURCES INC.)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

AS AT	December 31, 2014	December 31, 2013 (Restated – Note 12)
ASSETS		
Current		
Cash	$ 127,957	$ 22,097
Receivables	24,617	8,528
Prepaid expenses	157,038	31,236
Note receivable (Note 4)	30,000	-
	339,612	61,861
Exploration and Evaluation Assets (Note 3)	-	110,497
	$ 339,612	$ 172,358
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 291,944	$ 144,685
Shareholders' equity		
Share capital (Note 5)	6,289,445	5,657,187
Reserves (Note 5)	887,241	887,241
Deficit	(7,129,018)	(6,516,755)
	47,668	27,673
	$ 339,612	$ 172,358

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

Approved and authorized by the Board on April 30, 2015.

"Michael Ainsworth" Director *"Nick Murray"* Director

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

MOSEDA TECHNOLOGIES, INC.

(formerly GOLDEN VIRTUE RESOURCES INC.)
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

For the year ended	December 31, 2014	December 31, 2013 (Restated- Note 12)
EXPENSES		
Amortization	$ -	$ 2,183
Bad debts	-	40,465
Management and consulting fees (Note 7)	157,800	183,887
Office and administration	81,004	54,206
Professional fees	224,795	71,802
Transfer agent and filing fees	26,632	21,433
	(490,231)	(373,976)
OTHER INCOME (EXPENSE)		
Gain on debt settlements (Note 7)	13,465	-
Gain on sale of marketable securities (Note 3)	-	4,256
Reverse takeover transaction fee (Note 13)	(25,000)	-
Write-off of exploration and evaluation assets (Note 3)	(110,497)	(387,879)
Loss and comprehensive loss for the year	$ (612,263)	$ (757,599)
Basic and diluted loss per common share	$ (0.10)	$ (0.50)
Weighted average number of common shares outstanding	6,036,052	1,515,669

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

MOSEDA TECHNOLOGIES, INC.

(formerly GOLDEN VIRTUE RESOURCES INC.)
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the year ended

	December 31, 2014	December 31, 2013 (Restated-Note 12)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (612,263)	$ (757,599)
Items not affecting cash:		
Amortization	-	2,183
Gain on sale of marketable securities (Note 3)	-	(4,256)
Gain on debt settlements	(13,465)	-
Accrued interest on promissory note (Note 3)	-	(3,058)
Write off of exploration and evaluation assets	110,497	387,879
	(515,231)	(374,851)
Changes in non-cash working capital items:		
Receivables	(16,089)	39,416
Prepaid expenses	(125,802)	(27,000)
Accounts payable and accrued liabilities	160,724	104,528
	(496,398)	(257,907)
CASH FLOWS FROM INVESTING ACTIVITIES		
Note receivable (Note 4)	(30,000)	-
Proceeds from option on exploration and evaluation asset (Note 3)	-	20,000
Proceeds from sale of shares received for option payment (Note 3)	-	87,314
Reclamation bond	-	6,036
Exploration and evaluation assets (Note 3)	-	(625)
	(30,000)	112,725
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares (Note 5)	540,000	156,000
Proceeds from exercise of warrants (Note 5)	175,000	-
Share issuance costs	(82,742)	(413)
	632,258	155,587
Increase in cash during the year	105,860	10,405
Cash, beginning of year	22,097	11,692
Cash, end of year	$ 127,957	$ 22,097

Supplemental cash flow information (Note 11).

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

MOSEDA TECHNOLOGIES, INC.

(formerly GOLDEN VIRTUE RESOURCES INC.)
STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Restated – Note 12)

	Share Capital				
	Number	**Amount**	**Reserves**	**Deficit**	**Total**
Balance, December 31, 2012	1,188,710	$ 5,501,600	$ 887,241	$ (5,759,156)	$ 629,685
Issuance of shares	780,000	156,000	-	-	156,000
Share issuance costs	-	(413)	-	-	(413)
Loss for the year	-	-	-	(757,599)	(757,599)
Balance, December 31, 2013	1,968,710	5,657,187	887,241	(6,516,755)	27,673
Issuance of shares	6,750,000	540,000	-	-	540,000
Exercise of warrants	500,000	175,000	-	-	175,000
Share issuance costs – cash	-	(82,742)	-	-	(82,742)
Issuance of shares- agents	670,000	53,600	-	-	53,600
Share issuance costs – agents	-	(53,600)	-	-	(53,600)
Loss for the year	-	-	-	(612,263)	(612,263)
Balance, December 31, 2014	9,888,710	$ 6,289,445	$ 887,241	$ (7,129,018)	$ 47,668

The accompanying notes are an integral part of these 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 its shares listed on the TSX Venture Exchange (the "Exchange"). The Company was formerly principally engaged in the acquisition, exploration, development and mining of its mineral properties as described in Note 3, however during this fiscal year ended December 31, 2014, the Company entered into a transaction as described in Note 13, which closed subsequent to year end, which now has the Company principally engaged in providing increased security, efficiency, and productivity to mobile devices for fleet companies.

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.

Subsequent to year end and on April 23, 2015, the Company formerly known as Golden Virtue Resources Inc. changed its name to Moseda Technologies Inc. The head office, principal address and the registered records address of the Company is situated at 700 – 510 West Hastings Street, Vancouver, British Columbia, Canada, V6B 1L8.

The mobile security business involves a high degree of risk and there can be no assurance that current technology will result in profitable operations. The success of the technology is dependent upon receipt of necessary permits and regulatory approvals, and the ability of the Company to obtain financing to complete project development, and future profitable operations or sale of the technology.

These 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 cast significant doubt about the ability of the Company to continue as a going concern.

The 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.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

Basis of Presentation

The financial statements have been prepared on a historical cost basis except for certain financial instruments classified as available-for-sale ("AFS") and fair value through profit and loss ("FVTPL"). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All dollar amounts presented are in Canadian dollars unless otherwise specified.

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:

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Use of Estimates *(cont'd…)*

Critical accounting estimates

i. 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.

Critical accounting judgments

i. The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project.

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

Exploration and Evaluation Assets and Expenditures

Following the acquisition of a legal right to explore a property, exploration and development costs are deferred until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. Mineral property acquisition costs include cash consideration and the fair market value of common shares issued for mineral property interests based on the trading price of the shares. These costs will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned. Once commercial production has commenced, the net costs of the applicable property, will be charged to operations using the unit-of-production method based on reserves. Proceeds received from the sale of any interest in a property are first credited against the carrying value of the property, with any excess included in the statement of operations for the period. On an ongoing basis, the Company evaluates each property based on results to date to determine the nature of exploration work that is warranted in the future. Impairment may occur in the carrying value of mineral interests when one of the following conditions exists:

i) The Company's work program on a property has significantly changed, so that previously identified resource targets or work programs are no longer being pursued;

ii) Exploration results are not promising and no more work is being planned in the foreseeable future; or

iii) The remaining lease terms are insufficient to conduct necessary studies or exploration work.

Once impairment has been determined, a portion of the carrying value will be written-down to net recoverable amount. When the carrying value of the property exceeds its recoverable amount, which is the higher of the asset's fair value less costs to sell and value in use, the asset is written down accordingly. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to Exploration in the statement of comprehensive loss. Amounts shown for mineral properties reflect costs incurred to date, less write-downs, and are not intended to reflect present or future values.

The Company may occasionally enter into property option agreements, whereby the Company will transfer part of a mineral interest, as consideration for the incurring of certain exploration and evaluation expenditures by the optionee which would otherwise have been undertaken by the Company. The Company does not record any expenditures made by the optionee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the property, with any excess cash accounted for as a gain on disposal.

Mineral exploration and evaluation expenditures are classified as intangible assets within resource property assets. Pre-exploration costs are expensed in the period in which they are incurred.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options and share warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings / Loss Per Share

Basic earnings/loss per share is computed by dividing the net income applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

Income Taxes

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

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

Deferred tax assets and liabilities are recognized when the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and 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 or taxable profit or loss.

Share-Based Payments

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

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

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

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on managements' best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Share-Based Payments (cont'd…)

All equity-settled share based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital along with consideration paid.

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

New Standards, Interpretations and Amendments Adopted

As of January 1, 2014, the Company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. The Company has adopted these new and amended standards without any significant effect on its financial statements.

- IAS 32 (Amendment) — New standard that clarifies requirements for offsetting financial assets and financial liabilities.
- IAS 36 (Amendment) — This amendment addresses the disclosure of information regarding the recoverable amount of impairment assets as the amount is based on fair value less costs of disposal.
- IFRIC 21 — This is an interpretation of IAS 37, *Provisions, contingent liabilities and contingent assets*. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event, known as an obligating event. The interpretation clarifies that the obligation event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

New Standard Not Yet Adopted

- IFRS 5 (Amendment) — Amendments to IFRS 5 Non-Current Assets Held for Sale and Discounted Operations (i)
- IFRS 7 (Amendment) — Amendments to IFRS 7 Financial Instruments: Disclosures (i)
- IFRS 9 — Financial Instruments (iii)
- IFRS 10 and IAS 28 (Amendments) — Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (i)
- IFRS 11 (Amendment) — Amendments to IFRS 11 Joint Arrangements (i)
- IFRS 15 — Revenue from Contracts with Customers (ii)
- IAS 1 (Amendment) — Amendments to IAS 1 Presentation of Financial Statements (i)
- IAS 16 and IAS 38 (Amendments) — Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets (i)
- IAS 34 (Amendments) — Amendments to IAS 34 Interim Financial Reporting (i)

i) Effective for annual periods beginning on or after January 1, 2016;
ii) Effective for annual periods beginning on or after January 1, 2017; and
iii) Effective for annual periods beginning on or after January 1, 2018.

The Company is in the process of assessing the impact of the adoption of these standards and interpretations.

3. EXPLORATION AND EVALUATION ASSETS

Vermilion 15 Property, Alberta

On August 29, 2008, and as subsequently amended, the Company entered into an Exploration and Evaluation Asset Acquisition Agreement with Zimtu Capital Corp., Jody Dahrouge and Spectre Investments Inc. (collectively, the "Vendors") to purchase a 100% interest in the Vermilion 15 Potash Property located in Alberta.

As at December 31, 2013, the Company had no plans to further explore this property and all costs have were written-off to the statement of loss and comprehensive loss.

Valleyview Properties, Alberta

On February 26, 2009, the Company entered into a property acquisition agreement to acquire a 100% interest in certain metallic and industrial minerals permits located in Alberta.

On October 6, 2010, the Company entered into an Option Agreement with Lithium Explorations VIII Ltd. (the "Optionee") whereby the Optionee has the option to acquire a 100% right, title and interest to certain permits owned by the Company. Pursuant to the option agreement, the Company received $200,000, inclusive of the marketable securities listed below, before the Optionee failed to make a required payment due January 1, 2014 and the Option Agreement was terminated.

Pursuant to the option payments, the Company received 954,461 common shares of Lithium Exploration Group ("Lithium") in lieu of an option payment of $80,000, plus interest of $3,057 in the year ended December 31, 2013. The shares were sold during the year ended December 31, 2013 for gross proceeds of $87,314 and the Company recorded a gain of $4,256 on the sale of these securities.

As at December 31, 2014, the Company had no plans to further explore this property and all costs were written off to the statement of comprehensive loss.

4. NOTE RECEIVABLE

On July 18, 2014, the Company signed a term sheet (the "Term Sheet") with MobSafety, Inc. ("MobSafety"). The Term Sheet set out a proposal by the Company to acquire 100% of the issued and outstanding common shares of MobSafety in exchange for common shares in the capital of the Company (the "Transaction"). The Transaction is arm's length and will constitute a reverse takeover pursuant to the policies of the Exchange. On November 21, 2014, the Company signed a loan agreement with MobSafety, whereby the Company would loan MobSafety up to $125,000. On December 19, 2014, $30,000 was advanced and remains outstanding at December 31, 2014 (as at the date of approval of these financial statements, $93,487 is owing on this advance). Principal advances carry an interest rate equal to the prime rate plus 2% per year, compounded annually. The principal and all accrued and unpaid interest is due and payable 180 days from the earlier of the termination of the definitive agreement without the transaction being completed or the completion of the Transaction. The loan is collateralized through a general security agreement. Subsequent to year end, the transaction was completed, see Note 13.

5. 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.

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

Issued share capital

During the year ended December 31, 2014, the Company completed a non-brokered private placement by issuing 6,750,000 units at $0.08 per unit, for gross proceeds of $540,000. Each unit consisted 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 paid $57,504 in finders' fees and $25,238 in legal and regulatory fees and issued 670,000 common shares valued at $53,600 for finder's fees in conjunction with the placement.

During the year ended December 31, 2013, the Company completed a non-brokered private placement by issuing 780,000 units at $0.20 per unit, for gross proceeds of $156,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company for a period of three years from issuance at an exercise price of $0.35 during the first year and $0.50 for the remaining two years. The Company recorded share issue costs of $413 in conjunction with the placement.

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, 2012	37,037	$ 15.00	139,750	$ 1.00
Issued	780,000	0.50	-	-
Expired	(37,037)	15.00	(5,000)	1.00
Outstanding, December 31, 2013	780,000	0.50	134,750	1.00
Issued	3,375,000	0.35	-	-
Exercised	(500,000)	0.35	-	-
Expired / cancelled	-	-	(134,750)	1.00
Outstanding and exercisable, December 31, 2014	3,655,000	$ 0.37	-	$ -

As at December 31, 2014, 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
	3,655,000		

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

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

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 years ended December 31, 2014 and 2013, the Company did not grant any stock options to officers, and consultants.

6. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 26% (2013 - 25.75%) to income (loss) before income taxes.

Reconciliation of accounting and taxable income, for the years ended December 31 are as follows:

		2014		2013
Net income (loss) for the year before taxes	$	(612,263)	$	(758,000)
Combined federal and provincial income tax rate		26%		25.75%
Expected income tax expense (recovery)		(159,000)		(195,000)
Increase (decrease) resulting from				
Non-deductible items		2,000		-
Tax adjustments from rate change and other		-		(24,000)
Share issuance costs		(29,000)		-
Impact of over provision from the prior year		212,000		-
Change in unrecognized deferred tax assets		(26,000)		219,000
	$	-	$	-

Effective July 1, 2013, the British Columbia provincial rate increased from 10.00% to 11.00%. The tax rate for the Federal corporate tax remained the same at 15%. There were no changes to Federal or British Columbia provincial tax rates in the year December 31, 2014.

The components of the deferred tax asset (liabilities) balances for the years ended December 31, are as follows:

		2014		2013
Non-capital losses	$	930,000	$	1,008,000
Capital losses carried forward		5,000		5,000
Undeducted financing costs		23,000		-
Capital Assets		2,000		2,000
Mineral Properties		427,000		398,000
Unrecognized deferred tax assets		(1,387,000)		(1,413,000)
Net deferred tax assets	$	-	$	-

Note, the 2013 balances have been reclassified to conform with the restatement as noted in Note 12.

Deferred tax assets in respect of losses and other temporary differences are recognized when it is more likely than not, that they will be recovered against profits in future periods. No deferred tax asset has been recognized as this criteria has not been met.

6. INCOME TAXES *(cont'd…)*

At December 31, 2014, the Company had Canadian non capital losses totaling approximately $3.58 million that expire beginning in 2026:

Year of Expiry		Amount
2026	$	19,635
2027		46,728
2028		471,583
2029		645,215
2030		518,578
2031		556,337
2032		492,557
2033		296,553
2034		530,556
	$	3,577,742

7. RELATED PARTY TRANSACTIONS

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

Paid or accrued management fees of $15,000 (2013 - $40,000) to the former CEO of the Company as part of the one year consulting services agreement expiring July 1, 2014. During the year ended December 31, 2014, the Company also entered into a debt settlement agreement with the former CEO of the Company, whereby the Company settled an amount owing of $16,950 for $0.50 on the dollar. The gain on debt settlement of $8,465 was recorded in the statement of comprehensive loss.

Paid or accrued management and consulting fees of $37,000 (2013 – Nil) to a company controlled by the CEO of the Company, $Nil (2013 - $12,000) to the former secretary and CFO of the Company, $60,000 (2013 - $Nil) to a corporate shareholder of the Company, whose employee is also a director of the Company, $20,000 (2013 - $3,000) to a company controlled by the former CFO of the Company, and $Nil (2013 - $3,000) to a former Director of the Company.

During the year ended December 31, 2014, the Company entered into a debt settlement agreement with the former secretary and CFO of the Company, whereby the Company settled an amount owing of $10,000 for $0.50 on the dollar. The gain on debt settlement of $5,000 was recorded in the statement of comprehensive loss.

During the year ended December 31, 2013, the Company entered into a debt settlement agreements, whereby the Company settled amount receivable from a former related party of $27,730 for $0.30 on the dollar. The Company received payment of $8,319 for the receivable from Settlers on April 26, 2013.

During the year ended December 31, 2013, the Company entered into a debt settlement agreement, whereby the Company settled an amount receivable from a former related party of $22,162 for $0.05 on the dollar. A bad debt of $40,465 was recorded to comprehensive loss for the year ended December 31, 2013.

Paid or accrued rent expense $34,450 (2013 - $Nil) to a corporate shareholder of the Company, whose employee is also a director of the Company.

As at December 31, 2014, included in accounts payable and accrued liabilities is $22,050 (2013 - $15,650) due to related parties. These amounts are unsecured, non-interest bearing and payable on demand. As at December 31, 2014, included in prepaid expenses was $87,038 (2013 - $Nil) in prepaid management and consulting fees paid to Lions Edge Capital.

8. SEGMENTED INFORMATION

The Company has one operating segment, mineral exploration and development. All of the Company's assets are located in Canada.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments are agreements between two parties that result in promises to pay or receive cash or financial instruments. The Company classifies its financial instruments as follows: cash is classified as a financial asset at FVTPL; note receivables as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities, which are measured at amortized cost. The carrying value of these instruments approximates their fair values due to their short term to maturity.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is held in a Canadian financial institution. The Company does not have any asset-backed commercial paper.

The Company's receivables primarily consist of GST receivables due from the government of Canada. As at December 31, 2014, the Company's exposure to credit risk is minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of December 31, 2014 equal $291,944 (2013 - $144,685). All of the liabilities presented as accounts payable are due within 90 days of December 31, 2014.

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Company's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The risk that the Company will realize a loss on its note receivable as a result of a decline in prime interest rate is mitigated due to the short term life of the note receivable.

Price risk

The Company is exposed to price risk with respect to commodity and 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. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

As at December 31, 2014, the Company is not exposed to significant market risk.

10. 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 are no external capital restrictions imposed on the Company nor there have been changes to the Company's approach to capital management during the year.

11. SUPPLEMENTAL CASH FLOW INFORMATION

There were no non cash transactions for the year-ended December 31, 2014.

During the year ended December 31, 2013, the Company:

a) Received common shares with a fair value of $80,000 as part of a mineral property option agreement (Note 3); and

b) Received common shares with a fair value of 3,057 as interest relating to an option payment (Note 3).

12. RESTATEMENT

For the year ended December 31, 2013, the Company previously understated its accounts receivable, accounts payable and accrued liabilities, deficit and its statement of comprehensive loss relating to unrecorded 2013 fiscal year end liabilities. The accounts receivable has increased by $2,522, accounts payable and accrued liabilities has increased by $59,149 and the deficit increased by $56,627 at December 31, 2013 in the statement of financial position and professional fees has increased by $53,977 and office and administration has increased by $2,650 in the restated December 31, 2013 statement of comprehensive loss. The December 31, 2013 basic and diluted loss per common share increased by $(0.01) to $(0.10). There was no overall change to cash used in operating, investing, or financing activities in the Statement of Cash Flow.

13. SUBSEQUENT EVENTS

Private Placement

The Company completed a brokered private placement, issuing 15,532,000 subscription receipts at $0.20 per subscription receipt for gross proceeds of $3,106,400 and net proceeds of $2,758,448. The subscription receipts convert into units of the company without payment of any additional consideration, and with no further action required by the subscribers, upon the satisfaction of certain escrow release conditions, including closing of the previously announced reverse takeover transaction with MobSafety (Note 4). Each unit consists of one common share of the company and one-half of one common share purchase warrant, with each warrant entitling the holder thereof to purchase one share at an exercise price of $0.35 per share per share at any time up to 24 months following the escrow release date.

13. SUBSEQUENT EVENTS (cont'd…)

In connection with the offering, the agents received an aggregate cash commission of $155,320 and an advisory fee of $97,852. The Company also issued to the agents 1,242,560 non-transferable compensation options. Each agent's option is exercisable for a period of 24 months from the escrow release date to acquire units of the Company at a price of $0.20 per agent's unit. Each agent's unit consists of one common share and one-half of one common share purchase warrant, with each agent's warrant entitling the holder to acquire one additional share of the Company at a price of $0.35 cents. In addition, the Company paid a corporate finance fee of $25,000, a due diligence fee holdback of $52,260 and syndicate fees of $17,520 for the agent's reasonable expenses in connection with the offering.

MobSafety Transaction

On March 27, 2015, the Company completed the Transaction (Note 4) with MobSafety and issued 16,054,457 common shares of the Company to the shareholders of MobSafety. An additional 3,000,000 common shares will be issued to MobSafety shareholders on achievement of certain performance thresholds.

The Company granted 776,262 stock options and 1,148,523 share purchase warrants in exchange for the surrender of 717,499 stock options and 1,061,580 share purchase warrants of MobSafety.

MobSafety's principal business is to develop and operate mobile device management software systems that allow the managing and tracking of assets using mobile devices.

The Company is assessing the appropriate accounting treatment for this transaction and has not completed its final assessment. Management is currently assessing the merits of characterizing the reverse take-over transaction as a capital transaction or a share-based transaction under IFRS 2.

The unaudited current net liabilities of the most recently prepared consolidated financial statements as of September 30, 2014 of MobSafety are disclosed below.

	As of September 30, 2014	
Current Assets	$	78,571
Noncurrent assets		14,192
Current liabilities		(622,447)
Net liabilities	$	(529,684)

The unaudited key components of net loss and comprehensive loss for the most recently prepared consolidated financial statements for the period ended September 30, 2014 is discussed below.

	For the three months ended September 30, 2014	
Revenue	$	10,069
Gross Profit		8,219
Expenses		343,376
Net loss and comprehensive loss		326,687