IDENTILLECT TECHNOLOGIES CORP.

(Formerly Identillect Technologies Inc.)

Consolidated Financial Statements
(Expressed in US Dollars)

As at and for the years ended December 31, 2015 and 2014

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charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Identillect Technologies Corp.

We have audited the accompanying consolidated financial statements of Identillect Technologies Corp., which comprise the consolidated statements of financial position as at December 31, 2015 and 2014 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended December 31, 2015 and 2014 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 consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Opinion
In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Identillect Technologies Corp. as at December 31, 2015 and 2014 and its financial performance and cash flows for the years ended December 31, 2015 and 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matters
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"Charlton & Company"

CHARTERED ACCOUNTANTS

Vancouver, British Columbia
June 20, 2016

Identillect Technologies Corp.
(formerly Identillect Technologies Inc.)
Consolidated Statements of Financial Position
(Expressed in US dollars)
As at December 31,

		2015		2014
Assets				
Current Assets				
Cash and cash equivalents	**$**	**12,375**	$	58,721
Receivables		**33,012**		6,907
		45,387		65,628
Furniture and equipment (Note 5)		**14,656**		22,215
Development costs (Note 4)		**103,329**		472,869
Total Assets	**$**	**163,372**	$	560,712
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accrued liabilities (Note 6)	**$**	**360,824**	$	135,859
Credit Facility (Notes 6, 7 & 8)		**492,612**		-
Deferred revenue		**95,341**		15,101
Loans payable (Note 6 & 7)		**54,477**		243,314
		1,003,254		394,274
Shareholders' Equity				
Share capital (Note 6 & 10)		**2,509,840**		1,697,842
Share-based payment reserve		**193,600**		171,801
Deficit		**(3,543,322)**		(1,703,205)
		(839,882)		166,438
Total Liabilities and Shareholders' Equity	**$**	**163,372**	$	560,712

Nature and Continuance of Operations – Note 1
Related Party Transactions – Note 6
Subsequent Events – Note 14

Approved by

"Todd Sexton"
CEO

"Jeff Durno"
Director

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

Identillect Technologies Corp.
(formerly Identillect Technologies Inc.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in US dollars)

	For the years ended December 31, 2015	2014
Revenues	**$ 159,841**	$ 35,728
Expenses		
Amortization (Notes 4 & 5)	**377,099**	243,993
Bad debt expense	**14,092**	-
Consulting fees (Notes 6 & 13)	**171,949**	137,880
Finance and interest costs (Note 6 & 7)	**82,547**	3,314
General and administrative	**84,140**	61,770
Operating costs	**110,598**	76,362
Professional fees (Notes 6 & 13)	**109,161**	78,633
Proposed transaction costs	**6,206**	2,365
Rent	**65,530**	53,009
Salaries and wages (Notes 6 & 13)	**950,814**	805,131
Sales and marketing	**43,850**	47,627
Share-based compensation (Notes 6)	**21,799**	74,525
	2,037,785	1,584,609
Loss before other items	**(1,877,944)**	(1,548,881)
Other items		
Miscellaneous income	**-**	117
Foreign exchange gain	**37,827**	2,678
	37,827	2,795
Loss and comprehensive loss for the year	**$ (1,840,117)**	$ (1,546,086)
Weighted average number of shares outstanding	**24,170,610**	16,818,573
Basic and diluted loss per share	**$ (0.08)**	$ (0.09)

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

Identillect Technologies Corp.
(formerly Identillect Technologies Inc.)
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in US dollars)

	Number of Common Shares	Share Capital Amount	Share-based payment reserve	Deficit	Shareholders' Equity
Balance, December 31, 2013	**15,126,747**	**$ 1,015,897**	**$ 97,276**	**$ (157,119)**	**$ 956,054**
Share issuance	3,262,200	703,040	-	-	703,039
Share issuance costs	-	(21,095)	-	-	(21,094)
Share-based payments	-	-	74,525	-	74,525
Loss and comprehensive loss for the year	-	-	-	(1,546,086)	(1,546,086)
Balance, December 31, 2014	**18,388,947**	**$ 1,697,842**	**$ 171,801**	**$ (1,703,205)**	**$ 166,438**
Share issuance – private placements (Notes 6 & 9)	3,139,000	607,644	-	-	607,644
Share split (1.15:1)	3,229,192	-	-	-	-
Share issuance – private placement in exchange for extinguishment of debt (Notes 6, 8 & 9)	1,400,000	263,165	-	-	263,165
Share issuance costs	-	(58,811)	-	-	(58,811)
Share-based payments	-	-	21,799	-	21,799
Loss and comprehensive loss for the year	-	-	-	(1,840,117)	(1,840,117)
Balance, December 31, 2015	**26,157,139**	**$ 2,509,840**	**$ 193,600**	**$ (3,543,322)**	**$ (839,882)**

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

Identillect Technologies Corp.
(formerly Identillect Technologies Inc.)
Consolidated Statements of Cash Flows
(Expressed in US dollars)

	For the years ended December 31, 2015	2014
Cash provided by (used for):		
Operating Activities:		
Loss for the year	**$ (1,840,117)**	$ (1,546,086)
Items not affecting cash:		
Amortization	**377,099**	243,993
Interest accrued	**82,547**	3,314
Share-based payments	**21,799**	74,525
Changes in non-cash working capital items:		
Account receivable	**(26,105)**	4,567
Accounts payable and accrued liabilities	**224,965**	89,458
Deferred revenue	**80,240**	15,101
	(1,079,572)	(1,115,128)
Investing Activities:		
Additions to furniture, fixtures and equipment	**-**	(29,773)
Increase in development costs	**-**	(138,588)
	-	(168,361)
Financing Activities:		
Proceeds from share issuance	**607,644**	703,040
Share issuance costs	**(58,813)**	(21,095)
Proceeds from notes payable	**156,880**	240,000
Proceeds from credit facility	**431,007**	-
Repayment of credit facility	**(15,957)**	-
Repayment of loan	**(87,537)**	-
	1,033,224	921,945
(Decrease) in cash for the year	**(46,346)**	(361,544)
Cash, beginning of the year	**58,721**	420,265
Cash, end of the year	**$ 12,375**	$ 58,721

Supplemental information:	**2015**	2014
Interest paid	**$ -**	$ -
Income taxes	**$ -**	$ -

Significant Non-Cash Transactions – Note 8

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Identillect Technologies Corp. (the "Company" or "Identillect Corp.") was incorporated on November 7, 2014 under the British Columbia Business Corporations Act. The registered records office is 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC V6C 3E8.

On November 25, 2014, the Company completed a share exchange, on a one for one basis, with Identillect Technologies Inc. ("Identillect Inc."), whereby the former shareholders of Identillect Inc. became 100% of the shareholders of Identillect Corp. and Identillect Inc. became a wholly owned subsidiary of the Company. The transaction was accounted for as a reverse takeover ("RTO") of Identillect Corp. by Identillect Inc. As a result, Identillect Inc. was deemed to be the acquirer when accounting for the acquisition and the consolidated financial statements reflect the financial statements of Identillect Inc. from its inception and consolidated results from November 25, 2014.

Identillect Inc. is a private company incorporated under the Nevada Business Corporation Act on August 24, 2010. Identillect Inc. is a software development company that has developed an email encryption software solution. The head office of Identillect Inc. is located at 30950 Rancho Viejo Road, Suite 120, San Juan Capistrano, CA 92675.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At December 31, 2015, the Company has not achieved profitable operations and has accumulated losses of $3,543,322 (2014 – $1,703,205) since inception and expects to incur further losses in the development of its business. This material uncertainty may cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Only May 26, 2016 the company closed an amalgamation agreement. See Note 14 subsequent events.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The Company's financial statements were authorized for issue by the Board of Directors on June 20, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b. Basis of measurement

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

c. Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary:

Name of Subsidiary	Ownership	Activity
Identillect Technologies Inc.	A Nevada corporation incorporated on August 24, 2010	The Delivery Trust operating company.

d. Revenue recognition

Revenue is recognized when persuasive evidence of an arrangement exists, the amount is fixed or determinable and collection is reasonably assured. Amounts are considered fixed or determinable if the contracts are similar to others for which the Company has a standard business practice and a history of successful collection under the original payment terms.

e. Development Costs

The Company’s policy is to capitalize development costs, specifically associated with the development of a product, up until such time as the product is commercially available. Development activities involved a plan or design for the production of new or substantially improved products and processes. Development expenditures were capitalized only if development costs could be measured reliably, the product or process was technically and commercially feasible, future economic benefits were probable, and the Company intended to and had sufficient resources to complete development and to use or sell the asset. The expenditure capitalized included the cost of materials, direct labour and overhead costs that were directly attributable to preparing the asset for its intended use.

Subsequent to the product becoming commercially available at the end of April 2014, the specific development costs associated with the commercial product are being amortized on a straight-line basis over two years, beginning May 2014 and all future on-going development and enhancement activities, are being expensed. Development costs are recorded at cost less accumulated amortization.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Furniture and Equipment

Furniture and equipment are recorded at cost less accumulated amortization and impairment losses. The Company provides for amortization using the following methods at rates designed to amortize the cost of the equipment over their period of expected use by the Company. A full year of amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The estimated useful lives of assets are reviewed by management and adjusted if necessary. The annual amortization rates and methods are as follows:

Furniture and equipment: 5 years straight line
Computer software: 1 years straight line
Computer hardware: 3 years straight line

Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the statement of loss and comprehensive loss during the period they are incurred.

g. Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

g. Impairment (continued)

loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

h. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. The Company does not have any provisions for the years presented.

i. Share capital

Common shares are classified as share capital. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

j. Deferred financing costs and share issuance costs

Financing costs incurred for the issuance of shares are deferred and are recognized as share issuance costs following the completion of the related share issuance. Share issuance costs, consisting of commissions and other fees paid to underwriters, finders' fees, professional fees, regulatory fees and printing costs are allocated to share capital upon closing of the related share issuance.

k. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

l. Loss per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted loss per share is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted loss per share is the same as basic loss per share, as the effect of outstanding share options and warrants on loss per share would be anti-dilutive.

m. Share-based payments

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. 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. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

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

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest. Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment reserve transactions.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

n. Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

o. Financial Instrument measurement and valuation

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.

The measurement of the Company's financial instruments is disclosed in Note 10 to these financial statements. Any financial instrument that is valued using level 2 or level 3 inputs will involve estimate uncertainty.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

o. Financial Instrument measurement and valuation (continued)

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of held-to-maturity financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. In the determination of the values of held-to-maturity financial instruments, the Company makes assumptions with respect to future cash flows and discount rates. Changes in these assumptions can materially affect the fair value estimate.

p. Financial assets

The Company classifies its financial assets into one of the following categories and the accounting policy for each category is as follows:

i. Fair value through profit or loss ("FVTPL")

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as FVTPL unless they are designed as effective hedges. Assets in this category include cash.

Financial assets at FVTPL are initially recognized, and subsequently carried, at fair value with changes recognized in profit or loss. Attributable transaction costs are recognized in profit or loss when incurred.

ii. Available-for-sale ("AFS")

Financial assets available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income or loss ("OCI") except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost. The Company does not have any AFS assets.

Financial assets AFS are initially recognized, and subsequently carried at fair value with changes recognized in OCI. Attributable acquisition transaction costs, if any, are recognized in the initial fair value.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

p. Financial assets *(continued)*

iii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months or those that are expected to be settled after 12 months from the end of the reporting period, which are classified as non-current assets. Assets in this category include receivables. Loans and receivables are initially recognized at fair value plus any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is used to determine the amortized cost of loans and receivables and to allocate interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period.

iv. Held to maturity

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are initially recorded at fair value and subsequently measured at amortized cost basis using the effective interest method, less any impairment losses. These assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company does not have any held to maturity assets.

v. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

p. Financial assets *(continued)*

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

vi. De-recognition of financial assets

Financial assets are de-recognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all of the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

q. Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

q. Financial liabilities and equity (continued)

The Company classifies its financial liabilities into one of two categories and the accounting policy for each category is as follows:

i. Fair value through profit or loss

This category of financial liability includes liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are initially recorded at fair value with subsequent changes in fair value recognized in profit and loss. The Company does not have any fair value through profit or loss liabilities.

ii. Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. This category includes notes payable and accounts payable and accrued liabilities.

r. New Accounting Policy

During the period, the Company adopted the following new accounting policy:

i. <u>Amended standard IAS 32 Financial Instruments: Presentation</u>
The amendments to IAS 32 pertained to the application guidance on the offsetting of financial assets and financial liabilities.

There was no material impact on the Company’s financial statements on the adoption of this standard.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

s. Future Accounting Pronouncements

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2015, and have not been applied in preparing these financial statements. None of these is expected to have a material effect on the Company's financial statements.

IAS 1 (Amendments) – Disclosure Initiative

On December 18, 2014, the IASB issued amendments to IAS 1 Presentation of Financial Statements as part of its major initiative to improve presentation and disclosure in financial reports (the "Disclosure Initiative"). The amendments will not require any significant change to current practice, but should facilitate improve financial statement disclosures.

The amendments are effective for annual periods beginning on or after January 1, 2016. The Company intends to adopt the amendments to IAS 1 in its financial statements for the fiscal year beginning on January 1, 2016.

IFRS 9 – Financial Instruments

On July 24, 2014, the IASB issued the complete IFRS 9 - Financial Instruments, "IFRS 9 (2014)". IFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2014), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows.

The standard introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment.

IFRS 9 (2014) also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. Special transitional requirements have been set for the application of the new general hedging model.

The mandatory effective date of IFRS 9 (2014) is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight. The Company intends to adopt IFRS 9 (2014) in its financial statements for the fiscal year beginning on January 1, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

s. Future Accounting Pronouncements (continued)

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company. IFRS 15 Revenue from Contracts with Customers

IFRS 15 provides a single, principles based five-step model in the recognition of revenue to be applied to all contracts with customers. The five steps in the model are as follows:

- identify the contract with the customer
- identify the performance obligations in the contract
- determine the transaction price
- allocate the transaction price to the performance obligations in the contracts
- recognize revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. IFRS 15 is applicable to the Company's annual periods beginning on or after January 1, 2018.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

a. Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

i. <u>Amortization period for development costs</u>
The Company makes estimates about the expected useful lives of its capitalized development costs based on the estimated current fair value of the cash flows from the Company's anticipated future software sales. Changes to these estimates, which can be significant, could be caused by a variety of factors, including the emergence of competing products which may impact the price of our product or changes in consumer demand that impact our future revenue expectations. Estimates and assumptions are evaluated at least annually. Generally, these adjustments are accounted for on a prospective basis, through amortization expense.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

a. Critical accounting estimates *(continued)*

ii. Share-based payments

The fair value of stock options issued with Canadian dollar exercise prices are subject to the limitation of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in the subjective input assumptions can materially affect the fair value estimate.

b. Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the statements are, but are not limited to, the following:

i. Determination of functional currency

The functional and reporting currency of the Company is the US dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

ii. Going Concern

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company. As at December 31, 2015, the Company had a working capital deficiency of $957,867 (2014 - $328,646). The Company likely has insufficient funds from which to finance its operating activities for the next 12 months; consequently, the Company remains dependent on external sources of financing until such time as it can internally generate sufficient income from software sales to service its on-going operating cost requirements.

(Expressed in US dollars)

4. DEVELOPMENT COSTS

Following the commercial launch of the Company's Delivery Trust Software during the year ended December 31, 2014, the Company began amortizing the costs of its development cost on a straight-line basis over two years.

	December 31, 2013	Additions 2014	December 31, 2014	**Additions 2015**	**December 31, 2015**
Development costs:					
Cloud service fees	$ 3,151	$ 2,835	$ 5,986	$ -	**$ 5,986**
Computer, software and internet costs	13,811	1,907	15,718	-	**15,718**
Consulting	40,555	4,000	44,555	-	**44,555**
Dues and subscriptions	11,497	1,091	12,588	-	**12,588**
Financing costs	28,955	-	28,955	-	**28,955**
Other	5,500	-	5,500	-	**5,500**
Professional fees	80,491	34,960	115,451	-	**115,451**
Program Engineering	140,835	52,356	193,191	-	**193,191**
Supplies and support	12,665	10,222	22,887	-	**22,887**
Technical Advisors	176,785	-	176,785	-	**176,785**
Market research	51,066	19,281	70,347	-	**70,347**
Travel	5,405	11,936	17,341	-	**17,341**
Total development costs	570,716	138,588	709,304	-	**709,304**
Accumulated Amortization	-	(236,435)	(236,435)	(369,540)	**(605,975)**
Net book Value	$ 570,716	$ (97,847)	$ 472,869	$ (369,540)	**$ 103,329**

5. FURNITURE AND EQUIPMENT

	Furniture and Equipment	**Computer Equipment**	**Total**
Net book value, Dec 31, 2013	$ -	$ -	$ -
Additions	17,742	12,031	29,773
Amortization	(3,548)	(4,010)	(7,558)
Net book value, Dec 31, 2014	$ 14,194	$ 8,021	$ 22,215

Net book value, Dec 31, 2014	$ 14,194	$ 8,021	$ 22,215
Amortization	(3,548)	(4,011)	(7,559)
Net book value, Dec 31, 2015	**$ 10,646**	**$ 4,010**	**$ 14,656**

(Expressed in US dollars)

6. RELATED PARTY TRANSACTIONS

The Company defines key management personnel as directors and officers.

The following table summarizes the Company's activities with key management personnel:

Type of Service	**Nature of Relationship**	**For the years ended December 31, 2015**	**2014**
Consulting fees	To companies related to a director	**$ 96,824**	$ 86,380
Legal Fees	To a law firm for which a director is a partner thereof	**77,149**	18,322
Salaries and wages	To officers of the Company	**357,418**	320,656
Share-based compensation expense	Officers/ Directors	**21,799**	56,990
		$ 553,190	$ 482,348

The following table represents amounts due to related parties included in accounts payable and accruals:

Type of Service	**Nature of Relationship**	**As at December 31, 2015**	**2014**
Other payables	To companies related to a director	**$ 163,583**	$ 36,192
Legal Fees payable	To a law firm for which a director is a partner thereof	**73,471**	20,229
Reimbursement of expenses	Director	**2,922**	-
Salaries and wages	To an officer of the Company	**23,107**	38,000
		$ 263,083	$ 94,421

(Expressed in US dollars)

6. RELATED PARTY TRANSACTIONS (continued)

The following table represents amounts of cash share transactions with related parties:

Nature of Relationship	**2015**	2014
To companies related to a director	**$ 22,704**	-
To a law firm for which a director is a partner thereof	**-**	13,800
Director	**3,634**	9,200
To family of a director	**4,416**	-
Total 160,000 shares issued (2014 - 92,000)	**$ 30,754**	$ 23,000

The following table represents amounts of non-cash share transactions with related parties (shares exchanged for debt)

Nature of Relationship	**2015**	2014
To companies related to a director	**$ 103,386**	$ -
To family of a director	**24,061**	-
Total 678,000 shares issued (2014 - $NIL)	**$ 127,447**	$ -

During 2014, the following table represents loan transactions with a director of the Company:

Loan payable	**Principal**	**Accumulated Interest**	**Total Debt**
December 31, 2013	$ -	$ -	$ -
Proceeds	240,000	-	240,000
Interest expense	-	3,314	3,314
December 31, 2014	$ 240,000	$ 3,314	$ 243,314
Proceeds	103,125	-	103,125
Interest expense	-	24,731	24,731
Repayment	(87,537)	-	(87,537)
Transfer to credit facility	(255,588)	(28,045)	(283,633)
December 31, 2015	**$ -**	**$ -**	**$ -**

(Expressed in US dollars)

6. RELATED PARTY TRANSACTIONS (continued)

During 2015, the following represents amounts credit facility transactions with a director of the Company:

Credit facility	**Total Debt**
December 31, 2013, 2014	**$ -**
Roll over from loan payable	283,633
Proceeds	377,455
Financing fees	28,900
Interest accrued	28,194
Assignment of debt to unrelated parties	(463,995)
December 31, 2015	**$ 254,187**

(Expressed in US dollars)

7. LOANS PAYABLE AND CREDIT FACILITY

The following table summarizes loan transactions for 2015 and 2014. The loans payables are unsecured, bear interest at 10% per annum, and are due on demand.

Loan payable	**Principal**	**Accumulated Interest**	**Total Debt**
December 31, 2013	$ -	$ -	$ -
Proceeds	240,000	-	240,000
Interest expense	-	3,314	3,314
December 31, 2014	$ 240,000	$ 3,314	$ 243,314
Proceeds	156,880	-	156,880
Repayment	(87,537)	-	(87,537)
Interest expense	-	25,453	25,453
Roll over to credit facility	(255,588)	(28,045)	(283,633)
December 31, 2015	**$ 53,755**	**$ 722**	**$ 54,477**

During the year ended December 31, 2015, the Company established a Credit Facility agreement (the "Facility") dated March 16, 2015, as amended on May 26, 2015, and July 23, 2015, with a director of the Company.

This Facility has also assumed loans and notes payable owing to related parties existing prior to the establishment of the Facility, and is secured against the assets of the Company.

During the year, the Facility related-party creditors assigned a portion of the Facility to unrelated parties as discussed in Note 6.

The following table summarizes the transactions for 2015:

Credit facility	**Principal**	**Accumulated Interest**	**Total Debt**
December 31, 2013, 2014	**$ -**	**$ -**	**$ -**
Proceeds	431,007	-	431,007
Repayment	(15,957)	-	(15,957)
Repayment by shares	(263,165)	-	(263,165)
Financing fees	28,900		28,900
Interest accrued	-	28,194	28,194
Roll over from loan payable	255,588	28,045	283,633
December 31, 2015	**$ 436,373**	**$ 56,239**	**$ 492,612**

Amounts owing under the Facility are due on closing of the Acquisition described in note 14 below, or if the Acquisition is not closed by December 31, 2015 the Facility is due on the demand of the lender. The Facility accrues interest at 10% compounded annually.

8. SIGNIFICANT NON CASH TRANSACTIONS

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

During the year ended December 31, 2015

a. A credit facility was established as discussed in Note 7. The credit facility assumed $255,588 of the notes payable and $28,045 in related interest.
b. As discussed in Note 6, $463,995 of the credit facility debt was assigned by the related party creditors to creditors who are not related parties.
c. As discussed in Note 9, the Company issued 1,400,000 share capital units in exchange for the extinguishment credit facility debt totaling $263,165.

9. SHARE CAPITAL AND RESERVES

a. Authorized

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

b. Issued and outstanding

Fiscal 2015 Transactions:

On January 8, 2015, the Company issued 939,000 common shares for aggregate gross proceeds of $192,117.

On September 19, 2015, the Company issued 2,200,000 units for aggregate gross proceeds of $415,528. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at a price of CDN$0.40 per share for a period of 18 months.

On November 11, 2015 the Company announced a 1 for 1.15 share split. An addition 3,229,192 shares were issued in relation to this split.

On November 26, 2015, the Company issued 1,400,000 units in exchange for the extinguishment credit facility debt totalling $263,165. Each unit consisted of one common share and one common share purchase warrant exercisable into one common share at a price of CDN$0.40 per share.

Finder's fees and transaction costs relating to private placements and the RTO transaction for the year totaled $58,811 on the private placements.

Fiscal 2014 Transactions:

During the year ended December 31, 2014, the Company issued 3,262,200 common shares for gross proceeds of $703,040. Cash finders' fees of $21,094 were paid in connection with these share issuances.

(Expressed in US dollars)

9. SHARE CAPITAL AND RESERVES (continued)

c. Stock Options

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2013	1,300,000	$ 0.20
Forfeited	(25,000)	$ 0.20
Balance, December 31, 2014	1,275,000	$ 0.20
Cancelled	(62,500)	$ 0.20
Balance, December 31, 2015	**1,212,500**	**$ 0.20**

At December 31, 2015, a summary of stock options outstanding and exercisable are as follows:

Grant Date	Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
November 30, 2013	**1,212,500**	**1,212,500**	**$0.20**	November 30, 2018	**2.92**

Subsequent to the end of the year, on April 16, 2016, 10,000 options were cancelled.

The fair value of stock options was estimated at the grant date based on the Black-Scholes option pricing model, using the following weighted average assumptions:

Weighted average risk-free interest rate	1.77%
Weighted average expected life	5 years
Weighted average expected volatility	100%
Weighted average fair value of options granted	$0.15

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions may have a material effect on the fair value of the Company's stock options. For the year ended December 31, 2015 the Company recorded $21,799 in share-based compensation (2014 - $74,525).

(Expressed in US dollars)

9. SHARE CAPITAL AND RESERVES (continued)

d. Warrants

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price (CDN)
Balance, December 31, 2013 and 2014	**333,333**	**$ 0.25**
Warrants expired	(333,333)	$ 0.25
Issued with private placement – August 2015	2,200,000	$ 0.40
Issued with private placement – November 2015	1,400,000	$ 0.40
Balance, December 31, 2015	**3,600,000**	**$0.40**

A summary of warrants outstanding at December 31, 2015 are as follow:

Number of Options Outstanding	Weighted Average Exercise Price ($CDN)	Expiry date	Remaining contractual life (years)
2,200,000	$0.40	March 19, 2017	1.22
1,400,000	$0.40	May 26, 2017	1.40
3,600,000	**$0.40**		**1.29**

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a. Fair value of financial instruments

As at December 31, 2015 and 2014, the Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, loans, and credit facilities.

Cash is classified as fair value through profit or loss and measured at fair value. The fair value of cash was obtained using Level 1 hierarchy inputs.

Receivables are classified as loans and receivables and measured at amortized cost. Accounts payable and accrued liabilities; notes payable, loans, and credit facilities are classified as other liabilities and are measured at amortized cost. The fair values of these financial instruments approximate their carrying values because of their short term nature and/or the existence of market related interest rates on the instruments.

b. Financial Instrument risk

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

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b. Financial Instrument risk *(continued)*

i. Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company places its cash with institutions of high-credit worthiness. Management has assessed there to be a low level of credit risk associated with its cash balances. As at December 31, 2015, the Company's receivable balance of $33,012 (2014 - $6,907) are from subscribers of the Company's Delivery Trust sales. The subscribers represent a well-diversified group of individuals and small to mid-sized companies. There is moderate risk that some of these subscribers may fail to make payments, however each individual subscriber amount is not material and the Company actively monitors its monthly collections so as to mitigate the amount of a potential financial impact. Management has assessed there to be moderate credit risk associated with these receivables.

ii. 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 has not yet achieved profitable operations, and expects to incur further losses in the development of its business. The Company's objective in managing liquidity risk is to minimize operational costs and to maintain sufficient liquidity in order to meet its operational requirements at any point in time. The Company manages liquidity risk through the management of its capital structure as outlined in Note 11 of these financial statements.

Until such time as the Company's operations are profitable and can internally generate sufficient funds to finance its operating costs, the Company remains dependent upon the financial support of its shareholders. If the Company is unable to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

At December 31, 2015, the Company has a working capital deficiency of $957,867 (2014 - $328,646) and the Company has insufficient working capital to fund its operating requirements for the next 12 months. The Company's continued operations will remain dependent on external sources of financing until such time as it can internally generate sufficient income from software sales to service its on-going operating cost requirements. Future funding may be obtained by means of issuing share capital, the exercise of warrants, the exercise of stock options or debt financing. Based on these facts, the Company is significantly exposed to liquidity risk.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b. Financial Instrument risk *(continued)*

iii. Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a. Interest rate risk

As of December 31, 2015, the Company did not have any investments in investment-grade short-term deposit certificates, and interest exposure with respect to its cash balances is minimal.

As at December 31, 2015, the Company had notes payable, loans, and credit facilities bearing interest at a fixed rate of 10% per annum and as such is not significantly exposed to interest rate fluctuations.

b. Foreign currency risk

At December 31, 2015, $971,747 of the Company's liabilities and $766 of its cash balance are denominated in Canadian funds. A 1% change in the Canadian/US dollar exchange rate would result in a $9,717 net impact on the Company's foreign exchange gain or loss. As at December 31, 2015, the Company is moderately exposed to foreign exchange fluctuations.

11. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to fund existing operations and thereby provide returns to its shareholders. The Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business. The Company defines capital that it manages as the aggregate of its issued common shares, share-based payments reverses, warrants, and stock options and its cash balances.

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 asserts. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and investments. The Company requires capital to maintain its operating businesses, sustain corporate operations and repay existing obligations. The Company currently is not able to internally finance on-going operating costs of its businesses and therefore will require additional financing by means of issuing share capital, the sale of assets or debt financing.

(Expressed in US dollars)

11. CAPITAL MANAGEMENT (continued)

There can be no certainty of the Company's ability to raise any additional financing from any of these sources.

Management reviews its capital management approach on an ongoing basis and believes that this approach given the relative size of the Company is reasonable. The Company is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the year ended December 31, 2015.

12. INCOME TAXES

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

	December 31, 2015	December 31, 2014
	$	$
Loss for the year	**(1,840,117)**	(1,546,086)
Corporate statutory rate	**40%**	40%
Expected tax recovery	**736,047**	(618,434)
Change in unrecognized deferred tax assets	**736,047**	618,434
Income tax expense (recovery)	**-**	-

The significant components of the Company's unrecognized deferred income tax assets and liabilities are as follows:

	December 31, 2015	December 31, 2014
	$	$
Non-capital loss carry-forward	**1,413,197**	677,150
Unrecognized deferred tax assets	**1,413,197**	677,150

13. RECLASSIFICATION OF EXPENSES

For the purpose of consistent presentation on the financial statements, the 2014 comparative figures of $86,380 in General Administrative and $51,500 in Salaries and Wages have been reclassified to Consulting Fees $137,880.

14. SUBSEQUENT EVENTS

On May 24, 2016, the Company announced that pursuant to an amalgamation agreement, dated January 19, 2015, as amended August 25, 2015, November 19, 2015, and May 3, 2016, the Company had amalgamated with 1021784 B.C. Ltd., a wholly–owned subsidiary of Identillect Technologies Corp (formerly Quentin Ventures Ltd.) ("Pubco") to form Identillect Technologies Inc. ("Private Identillect"), also a wholly owned subsidiary of Pubco.

Pursuant to the transaction, shareholders of the Company received 26,157,139 common shares of Pubco and 3,600,000 share purchase warrants exercisable at CDN$0.40 for 18 months. Pubco also issued 5,000,000 preferred shares that will convert to an additional 5,000,000 common shares if Identillect achieves revenues of CDN$10,000,000 for the fiscal year ending December 31, 2016.

The Company paid a cash commission of 7% to a broker on the aggregate proceeds of the Subscriptions Receipts sold through brokered private placements. The broker is also entitled to options to acquire common shares equal to 10% of the number of subscription receipts sold under the brokered private placements exercisable at CDN$0.40 per share. Further, the broker received a work fee of $25,000 and 300,000 units having the same terms as the units underlying the subscription receipts.

An aggregate of CDN$580,000 in accrued liabilities and credit facilities were also converted into unsecured debentures of Pubco. The debentures are payable in 18 months, bearing interest at 7% per annum and are convertible into common shares, at the option of the holders, at CDN$0.30 per share.

In connection with closing, an additional $2,398,500 was raised and Pubco issued an additional 11,992,500 common shares and 11,992,500 share purchase warrants to the private placement investors. 10,742,500 of the warrants entitle the holders to acquire an additional common share at a price of CDN$0.30 for a period of one year. The remaining 1,250,000 warrants are exercisable at CDN$0.40 for 18 months. The securities, other than 210,000 units which were issued by Pubco and are subject to a four month hold period, became free trading on completion of the transaction. Following the completion of transaction, Pubco has a total of 46,134,651 common shares issued and outstanding.