PARCELPAL TECHNOLOGY INC.
(formerly PLUS8 GLOBAL VENTURES, LTD.)

FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

December 31, 2015

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

To the Shareholders of ParcelPal Technology Inc.

We have audited the accompanying financial statements of ParcelPal Technology Inc. (formerly Plus8 Global Ventures, Ltd.), which comprise the statements of financial position as at December 31, 2015 and 2014, and the statements of comprehensive loss, changes in equity and cash flows for the years 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 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 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 audits 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 ParcelPal Technology Inc. (formerly Plus8 Global Ventures, Ltd.) as at December 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about the ParcelPal Technology Inc.'s ability to continue as a going concern.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
April 13, 2016

ParcelPal Technology Inc. (formerly Plus8 Global Ventures, Ltd.)
Statements of Financial Position
(Expressed in Canadian Dollars)
AS AT

	December 31, 2015	December 31, 2014
ASSETS		
Current		
Cash	$ 201,490	$ 195
Goods and service tax	5,622	7,484
Prepaid expenses	3,649	-
	210,761	7,679
Mobile application technology (Note 3)	110,000	-
	$ 320,761	$ 7,679
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	$ 57,386	$ 83,124
Shareholders' equity (deficiency)		
Share capital (Note 6)	1,596,553	1,137,829
Contributed surplus (Note 6)	61,642	-
Deficit	(1,394,820)	(1,213,274)
	263,375	(75,445)
	$ 320,761	$ 7,679

Subsequent Events (Notes 1 and 10)

Approved on behalf of the Board on April 13, 2016:

"Jason Moreau"
______________________________, Director

"Ben Catalano"
______________________________, Director

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

ParcelPal Technology Inc. (formerly Plus8 Global Ventures, Ltd.)
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
For the years ended December 31,

	2015	2014
EXPENSES		
Amortization of discount	$ -	$ 1,112
Consulting fees	42,368	-
Foreign exchange loss	190	1,720
Office and miscellaneous	8,618	865
Professional fees	57,421	75,846
Regulatory and filing fees	14,643	15,959
Share-based compensation (Note 6)	56,409	-
Travel and accommodation	1,897	-
Loss and comprehensive loss	$ (181,546)	$ (95,502)
Basic and diluted loss per common share	$ (0.01)	$ -
Weighted average number of common shares – basic and diluted	15,842,384	32,726,160

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

ParcelPal Technology Inc. (formerly Plus8 Global Ventures, Ltd.)
Statement of Changes in Equity
(Expressed in Canadian Dollars)
For the years ended December 31, 2015 and 2014

	Number of common shares	Capital stock	Share subscriptions received	Contributed Surplus	Deficit	Total
December 31, 2013	66,786,850	$ 1,819,739	$ 25,438	$ -	$ (2,280,366)	$ (435,189)
Private placement, at $0.25 (Note 6)	100,000	25,000	(25,438)	-	-	(438)
Private placement, at $0.05 (Note 6)	1,800,000	90,000	-	-	-	90,000
Shares for debt (Note 6)	168,000	8,400	-	-	-	8,400
Shares returned to treasury and cancelled (Note 4)	(56,400,000)	(805,310)	-	-	805,310	-
Net liabilities eliminated on disposition of subsidiary	-	-	-	-	357,284	357,284
Loss for the year	-	-	-	-	(95,502)	(95,502)
December 31, 2014	**12,454,850**	**1,137,829**	**-**	**-**	**(1,213,274)**	**(75,445)**
Private placement, at $0.025 (Note 6)	3,600,000	90,000	-	-	-	90,000
Private placement, at $0.05 (Note 6)	5,000,000	250,000	-	-	-	250,000
Share-based compensation	-	-	-	56,409	-	56,409
Shares for debt (Note 6)	630,000	31,500	-	-	-	31,500
Shares for mobile application technology (Note 3, 6)	2,000,000	100,000	-	-	-	100,000
Share issuance costs	-	(12,776)	-	5,233	-	(7,543)
Loss for the year	-	-	-	-	(181,546)	(181,546)
December 31, 2015	**23,684,850**	**$ 1,596,553**	**$ -**	**$ 61,642**	**$ (1,394,820)**	**$ 263,375**

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

ParcelPal Technology Inc. (formerly Plus8 Global Ventures, Ltd.)
Statements of Cash Flows
(Expressed in Canadian Dollars)
For the years ended December 31,

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (181,546)	$ (95,502)
Non-cash items:		
Amortization of discount	-	1,112
Share-based compensation	56,409	-
Unrealized foreign exchange loss	-	1,720
Changes in non-cash working capital items:		
Commodity tax receivable	1,862	4,443
Prepaid expenses	(3,649)	-
Accounts payable and accrued liabilities	5,762	7,261
Net cash used in operating activities	(121,162)	(80,966)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash surrendered on sale of subsidiary	-	(9,490)
Mobile technology application acquisition costs	(10,000)	-
Net cash used in investing activities	(10,000)	(9,490)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	340,000	90,000
Share issuance costs	(7,543)	-
Net cash provided by financing activities	332,457	90,000
Change in cash for the year	201,295	(456)
Cash, beginning of the year	195	651
Cash, end of year	$ 201,490	$ 195

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

1. NATURE OF OPERATIONS AND GOING CONCERN

ParcelPal Technology Inc. (formerly, Plus8 Global Ventures, Ltd.) ("the Company") was incorporated in Alberta on March 10, 1997. On June 22, 2006, the Company moved its incorporation jurisdiction to British Columbia. The Company is listed and trades on the Canadian Securities Exchange under the symbol "PKG".

Subsequent to the year ended December 31, 2015, the Company changed its name to ParcelPal Technology Inc.

The Company is currently engaged in the development of an on-demand local delivery service application ("ParcelPal") (Note 3).

The Company had net loss of $181,546 for the year ended December 31, 2015 (2014 –$95,502) and has a deficit of $1,394,820 as at December 31, 2015. These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing (Note 10) and to commence profitable operations in the future. The Company has material financial uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Statement of compliance
These financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The policies applied in these financial statements are presented below and are based on IFRS issued and outstanding as of April 13, 2016, the date the Board of Directors approved the financial statements.

These financial statements are presented in Canadian dollars.

Basis of measurement
The Company's financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and estimating the fair value for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 6.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Judgements
The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's accounting policies in these financial statements were:

- Determining whether or not the acquisition of ParcelPal constituted a business combination or an acquisition of assets. The benefit to the Company of acquiring ParcelPal was the acquisition of its intellectual property. Management concluded that because ParcelPal did not possess the necessary inputs and processes capable of producing outputs it did not meet the definition of a business as defined by IFRS. Accordingly, the transaction was accounted for as an acquisition of assets and the fair value of the consideration paid was allocated to the assets acquired.

- Evaluating whether or not costs incurred by the Company in developing it ParcelPal applications meet the criteria for capitalizing as intangible assets. Management determined that as at December 31, 2015, it was not yet able to demonstrate with sufficient certainty that it is probable the economic benefits will flow to the Company. Accordingly, all research and development costs incurred to date have been expensed.

Other significant judgments in applying the Company's accounting policies relate to the assessment of the Company's ability to continue as a going concern (Note 1) and the classification of its financial instruments.

Foreign currency translation
The functional and presentation currency of the Company is the Canadian Dollar, as this is the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities of the Company that are denominated in foreign currencies are translated to the functional currency at the exchange rate prevailing at the end of each reporting period. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. Exchange gains and losses arising on translation are included in the statement of comprehensive loss.

Loss per share
Basic loss per share is calculated by dividing the statement of loss and comprehensive loss by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the statement of loss and comprehensive loss and the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees and warrants outstanding. The weighted average number of diluted shares is calculated in accordance with the treasury stock method. The treasury stock method assumes that the proceeds received from the exercise of all potentially dilutive instruments are used to repurchase common shares at the average market price.

Income taxes
Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case the income tax is also recognized in other comprehensive loss or directly in equity, respectively.

Current income tax
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Intangibles

Separately acquired application software are recorded at historical cost. Application software acquired in a business combination is recognized at fair value at the acquisition date. Application software has a finite useful life and are carried at cost less accumulated amortization. The Company begins recording amortization once the software is ready for its intended use.

Research and development

Research costs are expensed when incurred. Internally-generated software costs, including personnel costs of the Company's development group, are capitalized as intangible assets when the Company can demonstrate that the technical feasibility of the project has been established; the Company intends to complete the asset for use or sale and has the ability to do so; the asset can generate probable future economic benefits; the technical and financial resources are available to complete the development; and the Company can reliably measure the expenditure attributable to the intangible asset during its development. After initial recognition, internally-generated intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses. The Company did not have any development costs that met the capitalization criteria for the year ended December 31, 2015.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Financial Instruments

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through net loss. Cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary.

At December 31, 2015 and 2014, the Company has not classified any financial assets as available for sale.

Transaction costs associated with FVTPL are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities and loan payable are classified as other financial liabilities.

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized through net loss. At December 31, 2015 and 2014, the Company has not classified any financial liabilities as FVTPL.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share Capital
Common shares issued by the Company are classified as equity. Costs directly attributable to the issuance of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

Accounting Standards and Interpretations Issued but Not Yet Adopted
Accounting standards or amendments to existing standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

3. PARCELPAL ACQUISITION

On November 6, 2015, the Company completed the acquisition of ParcelPal. ParcelPal is parcel delivery mobile application technology.

As consideration, the Company issued 2,000,000 shares with a fair value of $100,000. The transaction was accounted for as an acquisition of an asset as there did not exist the necessary inputs and processes capable of producing outputs to constitute a business as defined by IFRS 3, Business Combinations. Also capitalized was transaction costs of $10,000 consisting of legal fees. No amortization was recorded as ParcelPal is not yet ready for its intended use.

During the year ended December 31, 2015, the Company expensed 19,971 (2014 - $Nil) of development costs relating to ParcelPal.

4. SALE OF SUBSIDIARY

Effective May 9, 2014, the Company disposed of its subsidiary, TraderOS, to a nominee of the former Chief Executive Officer of the Company (the "Purchaser"). Concurrently with the disposal:

- 56,400,000 common shares held by the former Chief Executive Officer as well other shareholders were returned to treasury and cancelled;
- The Purchaser agreed to grant to the Company a Canadian regional license to the TraderOS dashboard technology platform (the "Platform"). The license is subject to a 50% royalty on all revenues generated from any commercialization by the Company of the Platform; and
- The Purchaser agreed to assume net liabilities of $357,284 comprised of $9,490 of cash, $258,533 of accounts payable and a loan payable with a balance of $108,241. As the transaction was with shareholders' of the Company and in connection with the return and cancellation of the Company's own shares, the $357,284 has been recorded as a credit to deficit.

5. LOAN PAYABLE

During the period ended September 30, 2011, the Company received a US$100,000 loan from an arms-length individual. The loan was non-interest bearing and had no fixed repayment term. The Company had discounted the loan using the effective interest method using a 10% market interest rate. During the year ended December 31, 2014, $1,112 of the discount was amortized. During the year ended December 31, 2014, the loan was transferred pursuant to the sale of subsidiary (Note 4).

6. SHARE CAPITAL

Common Shares

Authorized: Unlimited common shares, without par value

During the year ended December 31, 2015, the Company:

a) On April 2, 2015, the Company issued 3,600,000 common shares at a price of $0.025 per share for proceeds of $90,000. Share issuance costs consisted of $2,823 in cash;

b) On November 6, 2015, the Company issued 2,000,000 common shares with an estimated fair value of $0.05 per share pursuant to the purchase of a ParcelPal (Note 3);

c) On November 6, 2015, the Company issued 630,000 common shares at a price of $0.05 per share to settle a debt of $31,500;

d) On November 26, 2015, the Company issued 2,000,000 units at a price of $0.05 per share for proceeds of $100,000. Each unit consisted of one common shares and one half of one warrant of the Company. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.10 for a period of 12 months from closing; and

e) On December 18, 2015, the Company issued 3,000,000 units at a price of $0.05 per share for proceeds of $150,000. Each unit consisted of one common shares and one half of one common share purchase warrant of the Company. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.10 for a period of 12 months from closing. Share issuance costs consisted of $4,720 in cash and issuance of 98,000 finder's warrants valued at $5,223.

During the year ended December 31, 2014, the Company:

a) On March 7, 2014, the Company issued 100,000 common shares at a price of $0.25 per share for proceeds of $25,000;

b) On May 9, 2014, the Company issued 1,800,000 common shares at a price of $0.05 per share for proceeds of $90,000;

c) On May 9, 2014, the Company issued 168,000 common shares at a price of $0.05 per share to settle a debt of $8,400; and

d) On May 9, 2014, 56,400,000 common shares held by the former Chief Executive Officer as well as other shareholders were returned to the treasury and cancelled.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

Stock Options

During the year ended December 31, 2015, the Company

a) On November 6, 2015, the Company granted 950,000 stock options exercisable at $0.05 until November 6, 2018 and recorded share-based compensation of $35,262; and

b) On December 18, 2015, the Company granted 255,000 stock options exercisable at $0.10 until December 18, 2018 and recorded share-based compensation of $21,147.

During the year ended December 31, 2014, there were no options granted.

	Year ended December 31, 2015		Year ended December 31, 2014	
	Number of options	Weighted average exercise price	**Number of options**	Weighted average exercise price
Balance, beginning of year	-	$ -	-	$ -
Granted	1,205,000	0.06	-	-
Balance, end of year	1,205,000	$ 0.06	-	$ -

As at year ended December 31, 2015, the following options were outstanding and exercisable:

Expiry Date	Number Outstanding		Exercise Price
November 6, 2018	950,000	$	0.05
December 18, 2018	225,000	$	0.10
	1,205,000		

The fair value of each option granted is estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Year ended December 31, 2015	Year ended December 31, 2014
Expected dividend yield	Nil	-
Stock price volatility	130.00%	-
Risk-free interest rate	0.63%	-
Expected life of options	3 years	-

The weighted average fair value of the options granted during the year ended December 31, 2015 was $0.05 (2014 - $Nil) per option, resulting in stock-based compensation expense of $56,409.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

Common Share Warrants

The Company has issued and outstanding the following share purchase warrants:

	Year ended December 31, 2015		Year ended December 31, 2014	
	Number of warrants	Weighted average exercise price	**Number of warrants**	Weighted average exercise price
Balance, beginning of year	-	$ -	-	$ -
Granted	2,598,000	0.10	-	-
Balance, end of year	2,598,000	$ 0.10	-	$ -

As of December 31, 2015, the following share purchase warrants were outstanding and exercisable:

Expiry Date	**Number Outstanding**	**Exercise Price**
November, 26, 2016	1,000,000	$ 0.10
December 18, 2016	1,500,000	$ 0.10
December 18, 2016	98,000	$ 0.10
	2,598,000	

The fair value of the warrants granted as a finder's fee was estimated on the date of the issue date using the Black-Scholes option pricing model with the following weighted average assumptions:

	Year ended December 31, 2015	**Year ended December 31, 2014**
Expected dividend yield	Nil	-
Stock price volatility	122.05%	-
Risk-free interest rate	0.50%	-
Expected life of options	1 years	-

7. RELATED PARTY DISCLOSURES

In connection with the April 2, 2015 private placement, an officer, a director, and family members of directors purchased 2,880,000 shares for proceeds of $72,000.

In connection with the November 26, 2015 private placement, an officer, a director, and family members of directors purchased 1,440,000 units for proceeds of $72,000.

In connection with the December 18, 2015 private placement, officers and a director purchased 1,080,000 units for proceeds of $54,000.

Key management personnel

During the year ended December 31, 2015, the Company granted 550,000 stock options (2014 – Nil) to officers and directors of the Company with a fair value of $20,415 (2014 – Nil) and was included in share-based compensation expense.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has applied a three-level hierarchy to reflect the significance of the inputs used in making fair value measurements. The three levels of 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 assets or liabilities, either directly or indirectly; and
Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and loan payable. The fair value of these financial instruments, other than cash, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate and liquidity risk.

a) <u>Credit risk</u>
Credit risk is risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and is not exposed to significant credit risk.

b) <u>Interest rate risk</u>
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to limited interest rate risk (Note 5).

c) <u>Liquidity risk</u>
Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

d) <u>Foreign currency risk</u>
The Company's functional currency is the Canadian Dollar and major transactions are transacted in Canadian Dollars and US Dollars. The Company maintains a US Dollar bank account in Canada to support the cash needs of its operations. Management believes that the foreign exchange risk related to currency conversion is minimal and therefore does not hedge its foreign exchange risk.

e) <u>Capital management</u>

The Company defines capital that it manages as its shareholders' equity. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the development of a social collaborative charting, news and communication platform for traders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to the Company's approach to capital management during the year ended December 31, 2015.

(Expressed in Canadian Dollars)

9. INCOME TAXES

The income tax provisions differ from the expected amounts calculated by applying Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

	December 31, 2015	December 31, 2014
	$	$
Net loss	(181,546)	(95,502)
Statutory tax rate	26%	25.6%
Expected income tax recovery	(47,202)	(25,000)
Permanent differences	14,666	(65,500)
Adjustment to prior year's provision vs statutory tax rates	(2,217)	-
Change in unrecognised deferred assets	34,753	90,500
Actual income tax recovery	-	-

The Company's tax-effected deferred income tax assets and liabilities are estimated as follows:

	December 31, 2015	December 31, 2014
Deferred income tax assets	$	$
Non-capital losses carried forward	242,616	146,000
Other	13,699	76,000
Share issuance costs	3,437	3,000
	259,752	225,000
Unrecognized deferred tax assets	(259,752)	(225,000)
Net deferred income tax assets	-	-

As at December 31, 2015, the Company has income tax loss carry forwards of approximately $930,000 to reduce future federal and provincial taxable income which expire between 2026 and 2035.

10. SUBSEQUENT EVENT

Subsequent to the year ended December 31, 2015, the Company completed a non-brokered private placement of the 1,716,661 units at a price of $0.1125 per unit for gross proceeds of $193,124. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one additional share at $0.20 until August 29, 2017. The Company issued 99,000 finder's warrants exercisable at price of $0.20 until August 29, 2017.