GLOBAL REMOTE TECHNOLOGIES, LTD.

Interim Consolidated Financial Statements

October 31, 2016

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of Management of Global Remote Technologies, Ltd., and have not been reviewed by the Company's independent auditors.

GLOBAL REMOTE TECHNOLOGIES, LTD.
Interim consolidated statements of financial position
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	October 31, 2016 $	January 31, 2016 $
Assets		
Current assets		
Cash	778	53,855
Accounts receivable	–	123,442
Prepaid expenses	2,327	2,430
Short-term investment (Note 3)	1	1
Total current assets	3,106	179,728
Non-current assets		
Property and equipment (Note 4)	83,101	217,389
Intangible assets (Note 5)	408,808	676,702
Total non-current assets	491,909	894,091
Total assets	495,015	1,073,819
Liabilities and shareholders' deficit		
Current liabilities		
Accounts payable (Note 6)	80,438	82,161
Due to related parties – current (Notes 5 and 6)	1,042,341	176,692
Notes payable (Note 7)	237,506	154,066
Total current liabilities	1,360,285	412,919
Due to related parties (Note 5 and 6)	–	682,793
Total liabilities	1,360,285	1,095,712
Shareholders' deficit		
Share capital	2,477,942	2,477,942
Share-based payment reserve	27,649	1,932
Deficit	(3,469,310)	(2,596,474)
Other comprehensive income	98,449	94,707
Total shareholders' deficit	(865,270)	(21,893)
Total liabilities and shareholders' deficit	495,015	1,073,819

Nature of operations and going concern (Note 1)
Commitments (Notes 6 and 11)

Approved and authorized for issuance by the Board of Directors on December XX, 2016:

/s/ "Chris Dorris" — Chris Dorris, Director

/s/ "Rebecca Kingery" — Rebecca Kingery, Director

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

GLOBAL REMOTE TECHNOLOGIES, LTD.
Interim consolidated statements of comprehensive loss
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Three Months Ended October 31, 2016 $	Three Months Ended October 31, 2015 $	Nine Months Ended October 31, 2016 $	Nine Months Ended October 31, 2015 $
Revenue	7,433	261,835	30,871	433,801
Expenses				
Amortization of property and equipment (Note 4)	44,020	44,156	132,527	132,846
Amortization of intangible assets (Note 5)	86,921	77,084	260,751	229,350
Consulting fees (Note 6)	–	29,319	–	62,501
Foreign exchange loss (gain)	28,027	(646)	(8,269)	35,087
Interest expense	–	–	151	2,437
License fees	–	–	–	45,000
Office and general	4,272	32,653	95,941	46,594
Professional fees (Note 6)	7,303	84,624	69,175	264,089
Salaries and wages (Note 6)	92,608	209,491	300,776	302,375
Share-based compensation	–	–	25,717	–
Subcontract services	1,444	95,507	15,698	306,917
Travel expense	2	62,902	11,240	76,397
Total expenses	264,597	635,090	903,707	1,503,593
Net loss before other expenses	(257,164)	(373,255)	(872,836)	(1,069,792)
Other expenses				
Contract acquisition costs	–	(900,000)	–	(900,000)
Gain on acquisition of Global Remote Technologies, LLC	–	302,242	–	302,242
Gain on settlement of debt	–	26,875	–	7,446
Net loss for the period	(257,164)	(944,138)	(872,836)	(1,660,104)
Other comprehensive (loss) income	358	–	3,742	–
Net loss and comprehensive loss for the period	(256,806)	(944,138)	(869,094)	(1,660,104)
Basic and diluted loss per share	(0.01)	(0.03)	(0.02)	(0.04)
Weighted average number of shares outstanding	42,071,000	33,558,000	42,071,000	38,855,000

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

GLOBAL REMOTE TECHNOLOGIES, LTD.
Interim consolidated statement of changes in equity (deficit)
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Share capital						
	Number of shares	Amount $	Subscriptions receivable $	Share-based payment reserve $	Deficit $	Accumulated other comprehensive income $	Total shareholders' equity (deficit) $
Balance, January 31, 2015	28,491,678	956,830	37,502	1,932	(426,691)	–	569,573
Shares issued for cash	3,312,580	331,258	(37,502)	–	–	–	293,756
Shares issued for debt	200,000	20,000	–	–	–	–	20,000
Shares issued per plan of arrangement	300,000	30,000	–	–	–	–	30,000
Shares issued pursuant to exercise of warrants	4,757,080	237,854	–	–	–	–	237,854
Shares issued for contract acquisition costs	5,000,000	900,000	–	–	–	–	900,000
Net loss for the period	–	–	–	–	(1,660,104)	–	(1,660,104)
Balance, October 31, 2015	42,061,338	2,475,942	–	1,932	(2,086,795)	–	391,079
Balance, January 31, 2016	42,071,338	2,477,942	–	1,932	(2,596,474)	94,707	(21,893)
Share-based compensation	–	–	–	25,717	–	–	25,717
Net loss for the period	–	–	–	–	(872,836)	3,742	(869,094)
Balance, October 31, 2016	42,071,338	2,477,942	–	27,649	(3,469,310)	98,449	(865,270)

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

GLOBAL REMOTE TECHNOLOGIES, LTD.
Interim consolidated statements of cash flows
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Nine Months Ended October 31, 2016 $	Nine Months Ended October 31, 2015 $
Operating activities		
Net loss for the period	(872,836)	(1,660,104)
Items not involving cash:		
Amortization of property and equipment	132,527	132,846
Amortization of intangible assets	260,751	229,350
Gain on acquisition of Global Remote Technologies, LLC		(302,242)
Gain on settlement of debt	–	(7,446)
Shares issued for contract acquisition costs		900,000
Share-based compensation	25,717	–
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(1,723)	(74,751)
Accounts receivable	123,442	(138,272)
Prepaid expenses		55
Due to related parties	182,856	73,963
Net cash used in operating activities	(149,266)	(846,601)
Investing activities		
Cash paid upon recapitalization	–	(10,000)
Net cash acquired upon acquisition of Global Remote Technologies, LLC		483,678
Net cash used in investing activities	–	473,678
Financing activities		
Proceeds from issuance of shares and share subscriptions received	–	424,310
Proceeds from notes payable	89,985	80,000
Net cash provided by financing activities	89,985	504,310
Effect of foreign exchange	6,204	638
Decrease in cash	(53,077)	132,025
Cash, beginning	53,855	80,194
Cash, ending	778	212,219
Non-cash investing and financing activities:		
Fair value of shares issued to acquire short-term investment	–	1
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

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

1. Nature of Operations and Going Concern

Global Remote Technologies, Ltd. (the "Company") was incorporated under the laws of British Columbia on January 16, 2015. The Company's planned principal business focuses on the deployment of emerging technologies for the energy sector. During the period ended January 31, 2015, the Company entered into two license agreements for the acquisition of certain license rights to portable communications products, an oilfield monitoring system, and an oilfield particle collection and detection system. Effective March 13, 2015, the Company completed a Plan of Arrangement with Voltaire Services Corp. ("Voltaire") and GRT Technologies Inc. ("GRT"), whereby the Company became a reporting issuer and GRT became its wholly-owned subsidiary. Effective May 14, 2015 the Company was listed on the Canadian Securities Exchange ("CSE" or the "Exchange") under the symbol "RGT". The Company's registered office is Suite 1200, 750 West Pender Street, Vancouver, British Columbia, V6C 2T8.

These interim consolidated financial statements have been prepared on the 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. As at October 31, 2016, the Company had accumulated losses of $3,469,410. Furthermore, the Company does not have sufficient cash to sustain operations for the next twelve months without additional financing. The continued operations of the Company are dependent on its ability to generate future cash flows and/or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due; however, they may not be at terms that are favourable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

a) Statement of Compliance and Principals of Consolidation

These interim consolidated financial statements have been prepared in accordance IAS 34, *Interim Financial Reporting*.

These interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, GRT Technologies Inc. and Global Remote Technologies, LLC. All intercompany transactions have been eliminated on consolidation.

b) Basis of Presentation and functional currency

The interim consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars. The functional currency of the parent company is the Canadian dollar. The functional currency of the Company's Canadian subsidiary is also the Canadian dollar. The functional currency of the Company's US subsidiary is the United States dollar.

c) Use of Estimates and Judgements

The preparation of the interim consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2. Significant Accounting Policies (continued)

c) Use of Estimates and Judgements (continued)

Significant areas requiring the use of estimates include the useful life and amortization of property and equipment and intangible assets, measurement of share-based payments, and deferred income tax asset valuation allowances. Judgments made by management in the application of IFRS that have a significant effect on the financial statements include the factors supporting the capitalization and recoverability of property and equipment and intangible assets, and inputs into the calculation of the fair value of share-based payments.

d) Property and Equipment

Property and equipment is recorded at cost. Amortization is computed at the following rates:

Furniture and equipment	20% declining balance
Helix tool equipment	30 uses per tool
Prospector demo kits	2 years straight line
Terra Ferma equipment	2 years straight line

e) Intangible Assets

Intangible assets include all costs incurred by the Company to acquire licenses and other intangible assets, and are initially recognized and measured at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with finite useful lives are amortized over their estimated useful lives from the date they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The amortization methods and estimated useful lives of intangible assets, which are reviewed annually, are as follows:

Prospector license	3 years straight line
Terra Ferma license	3 years straight line
Helix intangible	4 years straight line

f) Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2. Significant Accounting Policies (continued)

f) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss is stated at fair value with any gain or loss recognized in the statement of operations. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. Cash is classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the statement of operations. The Company's marketable securities included in short-term investment is classified as available-for-sale.

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to the statement of operations in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. 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 assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

2. Significant Accounting Policies (continued)

f) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

For all other financial assets objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount 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 the statement of operations.

With the exception of available-for-sale equity instruments, 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 was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(i) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company has the following non-derivative financial liabilities: accounts payable, note payable and amounts due to related parties.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(ii) Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

g) Foreign Currency Translation

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Foreign exchange gains and losses are included in the statement of operations.

2. Significant Accounting Policies (continued)

g) Foreign Currency Translation (continued)

At the end of each reporting period, assets and liabilities of the Company's subsidiaries which have different functional currencies are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in other comprehensive income or loss for the period.

h) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

i) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at October 31, 2016, the Company had 1,456,600 potential dilutive shares outstanding.

j) Comprehensive Loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations.

2. Significant Accounting Policies (continued)

k) Revenue Recognition

Revenue is recognized when the product or service is delivered to the customer and/or when the risks and rewards of ownership are otherwise transferred to the customer and when the price is fixed and determinable and collection is reasonably assured.

l) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

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 transactions, regardless of how the equity instruments are obtained by the Company.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

m) Reclassifications

Certain reclassifications have been made to conform the prior period consolidated financial statements and notes to the current period presentation.

n) Recent Accounting Pronouncements

The following new standards, and amendments to standards and interpretations, are effective for annual periods beginning after January 31, 2017 or later, and have not been applied in preparing these financial statements:

IFRS 9, “Financial Instruments”

IFRS 15, “Revenue from Contracts with Customers”

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

(Expressed in Canadian dollars)

3. Short-term Investment

	October 31, 2016	
	Cost $	Fair value $
Available-for-sale securities:		
Voltaire Services Corp. - 1,000 common shares	1	1
Total	1	1

4. Equipment

Property and equipment are comprised of the following:

	Prospector Demo Kits $	Terra Ferma Equipment $	Furniture and Equipment $	Helix Tool Equipment $	Total $
Cost:					
Balance, January 31, 2016	168,000	181,501	4,059	43,356	396,916
Foreign exchange translation adjustment	–	–	–	(1,843)	(1,843)
Balance, October 31, 2016	168,000	181,501	4,059	41,513	395,073
Amortization:					
Balance, January 31, 2016	84,000	90,751	2,563	2,213	179,527
Additions	63,000	68,062	897	568	132,527
Foreign exchange translation adjustment	–	–	–	(82)	(82)
Balance, October 31, 2016	147,000	158,813	3,460	2,699	311,972
Net Book Value:					
Balance, January 31, 2016	84,000	90,750	1,496	41,143	217,389
Balance, October 31, 2016	21,000	22,688	599	38,814	83,101

(Expressed in Canadian dollars)

5. Intangible Assets

Intangible assets are comprised of the following:

	Prospector License $	Terra Ferma License $	Helix Tool Assets $	Total $
Cost:				
Balance, January 31, 2016	810,000	115,000	168,072	1,093,072
Foreign exchange translation adjustment	–	–	(7,140)	(7,140)
Balance, October 31, 2016	810,000	115,000	160,932	1,085,932
Amortization:				
Balance, January 31, 2016	359,322	41,291	15,757	416,370
Additions	202,500	28,749	29,502	260,751
Foreign exchange translation adjustment	–	–	3	3
Balance, October 31, 2016	561,822	70,040	45,262	677,124
Net Book Value:				
Balance, January 31, 2016	450,678	73,709	152,315	676,702
Balance, October 31, 2016	248,178	44,960	115,670	408,808

Prospector License

On September 30, 2014, the Company entered into a license agreement with Prospector Technologies Inc. (“Prospector”), a company controlled by the President of the Company. Pursuant to the agreement, the Company acquired the license for an oilfield monitoring system and an oilfield particle collection and detection system, for a term of three years. The Company has agreed to make payments totaling $560,000 (US$500,000) and issue 13,000,000 common shares of the Company with a fair value of $418,000 (issued). The total purchase price of $978,000 was comprised of $168,000 for property and equipment and $810,000 for license rights, with the fair value of the license rights based on an independent valuation report. Cash payments are to be made in minimum payments of US$25,000 over the three year period, as capital is available for payment. As at October 31, 2016, the Company has made cash payments of $100,583 (US$75,000) and the remaining amount owing of $569,968 (US$425,000) is shown as amounts due to related parties. In addition, royalties of 8% of gross revenues are to be paid to Prospector on a quarterly basis. The agreement gives the Company an exclusive license to the intellectual property in Canada, continental Europe, and other countries outside of the United States, Canada, and Europe by mutual agreement in writing.

5. Intangible Assets (continued)

Terra Ferma License

On August 31, 2014, the Company entered into a license agreement with Terra Ferma Inc., a non-related third party. Pursuant to the agreement, the Company acquired a license to commercialize and market portable communications products over the period of three years. The agreement gave the Company an exclusive license to the intellectual property in Canada, continental Europe, and other countries outside of the United States, Canada, and Europe by mutual agreement in writing. As part of the agreement, the Company is required to make payments totaling US$1,000,000, with US$250,000 due within 30 days of the agreement and the remaining US$750,000 due within 90 days of the Company's listing on the CSE, and issue 5,000,000 common shares of the Company. On December 16, 2014 and December 22, 2014, the license agreement was amended to a period of one year, with two optional one-year renewals. As such, the payment was amended to $196,740 (US$180,000) (paid), the issuance of 5,000,000 common shares of the Company with a fair value of $99,761 (issued), and further payments of US$60,000 (US$55,000 paid as amended below) at US$5,000 per month for a period of twelve months. On March 1, 2015, the license agreement was amended to provide a 10% discount on remaining payments. The total purchase price of $296,501 was comprised of $181,501 for property and equipment and $115,000 for license rights. The fair value of the license rights was based on an independent valuation report.

Helix Tool Assets

On September 18, 2015, GRT LLC, entered into a Purchase Agreement with Terra Recovery Systems, LLC, a non-related third party. Pursuant to the agreement, the Company acquired an undivided 100% interest in the Helix tools, patents, all master service agreements, the products and the technology, in consideration for $187,754 (US$140,000). Of the total purchase price, US$20,000 is to be paid upon closing (paid) with the remaining balance of US$120,000 to be paid pursuant to a promissory note in equal monthly installments of US$10,000 commencing on the 1st day of December, 2015, and continuing on the 1st day of each following month until the balance is paid in full (Note 7(a)). The total purchase price of $187,754 (US$140,000) was comprised of $26,822 (US$20,000) for property and equipment and $160,932 (US$120,000) for intellectual property. Immediately subsequent to the completion of the purchase agreement, the Company entered into a Participation Agreement in relation to the Helix tool assets (Note 11(b)).

6. Related Party Transactions

a) As at October 31, 2016, the Company owed $569,968 (US$425,000) (January 31, 2016 – $595,255 (US$425,000)) to Prospector for the remaining consideration required under the agreement (Note 5). The amounts owing are unsecured, non-interest bearing, and due on demand. On March 18, 2015, the Company and Prospector entered into a Postponement Agreement, pursuant to which Prospector agreed to defer repayment of the remaining consideration of $569,968 (US$425,000) to May 1, 2017.

b) On October 1, 2014, the Company entered into an employment agreement with the CEO of the Company for a base salary of US$150,000 per annum, with a 5% increase per annum over a period of five years. During the nine months ended October 31, 2016, the Company incurred salaries and wages of $155,468 (2015 - $143,172) to the CEO of the Company. As at October 31, 2016, the Company owed $347,389 (US$259,033) (January 31, 2016 – $230,983 (US$167,417)) to the CEO of the Company, which is unsecured, non-interest bearing, and due on demand. On March 18, 2015, the Company and the CEO of the Company entered into a Postponement Agreement, pursuant to which the CEO agreed to defer repayment of $83,819 (US$62,500) of the total owing to May 1, 2017.

(Expressed in Canadian dollars)

6. Related Party Transactions (continued)

c) On September 1, 2015, the Company entered into an employment agreement with the President of the Company for a base salary of US$125,000 per annum, with a 5% increase per annum over a period of five years. During the nine months ended October 31, 2016, the Company incurred salaries and wages of $123,387 (2015 - $103,605) to the President of the Company. As at October 31, 2016, the Company owed $124,983 (US$93,195) (January 31, 2016 – $nil) to the President of the Company, which is unsecured, non-interest bearing, and due on demand.

d) During the nine months ended October 31, 2016, the Company incurred consulting fees of $nil (2015 - $34,501) and professional fees of $nil (2015 - $10,000) to the former Chief Financial Officer ("CFO") of the Company. At October 31, 2016, the Company owed $nil (January 31, 2016 – $5,250) to the former CFO of the Company, which is included in accounts payable and accrued liabilities. The balance is unsecured, non-interest bearing, and due on demand.

e) During the nine months ended October 31, 2016, the Company incurred professional fees of $11,873 (2015 - $8,824) to the Chief Financial Officer ("CFO") of the Company. At October 31, 2016, the Company owed $7,588 (January 31, 2016 – $5,129) to the CFO of the Company, which is included in accounts payable and accrued liabilities. The balance is unsecured, non-interest bearing, and due on demand.

The Company has identified the directors and senior officers as key management personnel. The following table lists the compensation costs paid directly or to companies controlled by key management personnel for the nine months ended October 31, 2016 and 2015:

	October 31, 2016 $	October 31, 2015 $
Salaries paid or accrued to President and Director	123,387	103,605
Salaries paid or accrued to Chief Executive Officer and Director	155,468	143,172
Fees paid to Chief Financial Officers	11,873	53,325
	290,728	300,102

7. Notes Payable

a) On September 18, 2015, the Company entered into a Promissory Note for a principal amount of $160,932 (US$120,000), pursuant to a Purchase Agreement with Terra Recovery Systems, LLC (Note 5). The note is repayable at $10,000 per month beginning December 1, 2015, is non-interest bearing, unsecured and due on or before December 1, 2016. During the year ended January 31, 2016, the Company repaid US$10,000. The Company determined that the fair value of the note was not significantly different from its face value. At October 31, 2016, $147,521 (US$110,000) was owing on the Promissory Note.

b) On March 18, 2016, the Company entered into two Promissory Notes for a total principal amount of $89,985. The notes are non-interest bearing, unsecured and due on or before March 18, 2017. The Company determined that the fair value of the note was not significantly different from its face value. At October 31, 2016, $89,985 was owing on the Promissory Notes.

(Expressed in Canadian dollars)

8. Share Capital

Authorized: Unlimited common shares without par value

There were no share capital transactions during the nine months ended October 31, 2016.

9. Stock Options

The Company has a stock option plan that provides for the issuance of options to its directors, officers and employees. The maximum number of outstanding options must be no more than 10% of the issued and outstanding shares of the Company at any point in time. The term of the options must be no longer than 10 years and the directors determine the vesting period.

The following table summarizes information about the options at October 31, 2016, and January 31, 2016, and the changes for the periods then ended:

	October 31, 2016		January 31, 2016	
	Number of options	**Weighted average exercise price $**	**Number of options**	**Weighted average exercise price $**
Options outstanding – Beginning of period	–	–	–	–
Granted	200,000	0.25	–	–
Options outstanding – End of period	200,000	0.25	–	–
Options exercisable – End of period	200,000	0.25	–	–

The Company's stock options are exercisable only for common shares.

The following table summarizes information about stock options outstanding and exercisable at October 31, 2016:

Exercise Price $	Options outstanding	Options Exercisable	Weighted average remaining contracted life (years)
0.25	200,000	200,000	0.43
	200,000	200,000	0.43

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the nine months ended October 31, 2016, the Company recognized share-based compensation expense of $25,717 (2015 - $nil) in share-based payment reserve, which will be applied to share capital upon exercise. The weighted average fair value of the options granted during the nine months ended October 31, 2016, was $0.13 (2015 - $nil). Weighted average assumptions used in calculating the fair value of stock-based compensation expense are as follows:

	2016	2015
Risk-free rate	**0.52%**	–
Dividend yield	**0%**	–
Volatility factor of the expected market price of the Company's common shares	**139%**	–
Weighted average expected life of the options (years)	**1**	–

(Expressed in Canadian dollars)

10. Share Purchase Warrants

The following table summarizes information about the warrants issued:

	Number of warrants	Weighted average exercise price $
Outstanding, January 31, 2016	3,312,580	0.22
Expired	(2,055,980)	0.20
Outstanding, October 31, 2016	1,256,600	0.24

The following table summarizes information about warrants outstanding as at October 31, 2016:

Exercise price	Expiry date	Warrants outstanding October 31, 2016
$ 0.24	July 3, 2017	1,256,600
		1,256,600

11. Commitments

a) On June 8, 2015, the Company entered into a sales distribution agreement with Polaris Guidance Products, LLC (“Polaris”) for an initial term of one year. The agreement will be automatically renewed for an additional year and each year thereafter. Pursuant to the agreement, the Company was granted the right to purchase Polaris’ complete line of remote drilling systems for resale to third parties in North, Central and South America at prices as the Company may deem appropriate or reasonable. Furthermore, the Company is entitled to receive 15% of the subscriptions it obtains from its customers for and on behalf of Polaris which relate to Polaris’ WITSML Server.

b) On September 18, 2015, the Company entered into a participation agreement with Steve Resendez (“Resendez”) and Rodney Upchurch (“Upchurch”) pursuant to the Purchase Agreement with Terra Recovery Systems, LLC (“Terra”) (Note 5). Pursuant to the participation agreement, the Company employed Resendez to assist in promoting, marketing, selling and/or leasing the Helix tool, in consideration for a 33 1/3% undivided interest in net profits from the Helix tools and salary of $7,500 per month. In addition, the Company provided Upchurch a 33 1/3% undivided interest in net profits from the Helix tools in consideration for $70,000 and the payment of one-half of Resendez’s salary until the Helix tools become profitable. The $70,000 payment is due upon receipt of Terra of the payment due under the purchase agreement from the Company, in which Upchurch’s shareholder loan will be repaid. The participation agreement has a term to December 31, 2030.

c) On May 5, 2016, MDA, GRT detailed a contract change between TERRA-Recendez resulting in GRT being the sole owner of the Helix Technology.

d) On June 16, 2016, Recendez voluntarily relinquished his participation in the Helix Technology.

e) On August 15, 2016, GRT was notified of a possible Polaris shutdown until the market improved and would not be able to support GRT for products outside the US. The decision was mutually made to end the sales and distribution agreement dated June 8, 2015 until further notice.

12. Capital Management

The Company regards its cash and common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technology and products and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account.

The Company will require capital resources to carry its plans and operations through its current operating period. There were no changes to its capital management during the nine months ended October 31, 2016.

13. Financial Instruments

a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at October 31, 2016, as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, October 31, 2016 $
Cash	778	–	–	778

The fair values of other financial instruments, which include accounts receivable, short-term investment, accounts payable, notes payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and accounts receivable. The Company limits exposure to credit loss by placing its cash with high credit quality financial institutions. The Company performs ongoing credit evaluations, does not require collateral and establishes an allowance for doubtful accounts based on the age of the receivable and the specific identification of receivables the Company considers at risk. The carrying amount of financial assets represents the maximum credit exposure.

c) Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has exposure to currency risk from revenue and purchase transactions, as well assets and liabilities, denominated in US dollars. The impact of a 10% increase in the United States foreign exchange rate on assets and liabilities denominated in US dollars would result in an increase in net loss of $106,703. The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk.

d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(Expressed in Canadian dollars)

14. Segmented Reporting

October 31, 2016

	United States $	Canada $	Total $
Non-current Assets:			
Equipment	38,815	44,286	83,101
Intangible assets	115,670	293,138	408,808
Total Assets	156,812	338,203	495,015

October 31, 2015

	United States $	Canada $	Total $
Non-current Assets:			
Equipment	26,150	220,308	246,458
Intangible assets	156,900	601,470	758,370
Total Assets	520,594	836,995	1,357,589