GLOBAL REMOTE TECHNOLOGIES, LTD.

Interim Consolidated Financial Statements

October 31, 2017

(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, 2017 $	January 31, 2017 $
Assets		
Current assets		
Cash	4,475	789
Promissory note receivable	–	26,072
Short-term investment (Note 3)	1	1
Total current assets	4,476	26,862
Non-current assets		
Equipment (Note 4)	120	299
Total non-current assets	120	299
Total assets	4,596	27,161
Liabilities and shareholders' deficit		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	38,498	61,650
Due to related parties (Note 6)	1,566,500	1,253,437
Notes payable (Note 7)	173,493	88,506
Total liabilities	1,778,491	1,403,593
Shareholders' deficit		
Share capital	2,477,942	2,477,942
Equity reserves	493,494	39,386
Deficit	(4,745,331)	(3,893,760)
Total shareholders' deficit	(1,773,895)	(1,376,432)
Total liabilities and shareholders' deficit	4,596	27,161

Nature of operations and going concern (Note 1)
Subsequent events (Note 15)

Approved and authorized for issuance by the Board of Directors on December 22, 2017:

/s/ "Akash Patel"
Akash Patel, Director

/s/ "Kenneth C. Phillippe"
Kenneth C. Phillippe, 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, 2017 $	Three Months Ended October 31, 2016 $	Nine Months Ended October 31, 2017 $	Nine Months Ended October 31, 2016 $
Revenue	–	–	–	3,103
Expenses				
Amortization of equipment (Note 4)	59	43,987	179	131,961
Amortization of intangible assets	–	77,083	–	231,249
Foreign exchange loss (gain)	49,521	28,027	(15,476)	(8,269)
Interest expense (Note 7)	4,202	–	7,340	151
Office and general	14,975	2,992	37,464	10,846
Professional fees (Note 6)	8,658	7,301	61,404	57,143
Salaries and wages (Note 6)	103,409	92,603	317,378	278,855
Share-based compensation	443,282	–	443,282	25,717
Total expenses	624,106	251,993	851,571	727,653
Net loss from continuing operations	(624,106)	(251,993)	(851,571)	(724,550)
Discontinued operations				
Net loss from discontinued operations	–	(5,171)	–	(148,286)
Net loss for the period	(624,106)	(257,164)	(851,571)	(872,836)
Other comprehensive income	–	358	–	3,742
Net loss and comprehensive loss for the period	(624,106)	(256,806)	(851,571)	(869,094)
Basic and diluted loss per share – continuing operations	(0.01)	(0.01)	(0.02)	(0.02)
Basic and diluted loss per share – discontinued operations	–	–	–	–
Weighted average number of shares outstanding	42,071,338	42,071,338	42,071,338	42,071,338

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

GLOBAL REMOTE TECHNOLOGIES, LTD.

Interim consolidated statement of changes in deficit
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Share capital					
	Number of shares	Amount $	Equity reserves $	Deficit $	Accumulated other comprehensive income $	Total shareholders' deficit $
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)
Balance, January 31, 2017	42,071,338	2,477,942	39,386	(3,893,760)	–	(1,376,432)
Discount recognized upon issuance of notes payable	–	–	10,826	–	–	10,826
Share-based compensation	–	–	443,282	–	–	443,282
Net loss for the period	–	–	–	(851,571)	–	(851,571)
Balance, October 31, 2017	42,071,338	2,477,942	493,494	(4,745,331)	–	(1,773,895)

(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, 2017 $	Nine Months Ended October 31, 2016 $
Operating activities		
Net loss from continuing operations	(851,571)	(724,550)
Items not involving cash:		
Amortization of equipment	179	131,961
Amortization of intangible assets	–	231,249
Non-cash interest expense	7,340	–
Share-based compensation	443,282	25,717
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(23,152)	(3,765)
Accounts receivable	–	77,750
Due to related parties	326,236	203,866
Net cash used in operating activities – continuing operations	(97,686)	(57,772)
Net cash used in operating activities – discontinued operations	–	(54,982)
Net cash used in operating activities	(97,686)	(112,754)
Investing activities		
Proceeds from note receivable	27,486	–
Net cash provided by investing activities	27,486	–
Financing activities		
Proceeds from notes payable	88,473	89,985
Net cash provided by financing activities	88,473	89,985
Effect of foreign exchange on cash	(14,587)	(30,308)
Increase (decrease) in cash	3,686	(53,077)
Cash, beginning	789	53,855
Cash, ending	4,475	778

(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 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, 2017, the Company had accumulated losses of $4,745,331. 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 subsidiary, GRT. All intercompany transactions have been eliminated on consolidation. Effective January 31, 2017, the Company's formerly wholly-owned subsidiary, Global Remote Technologies, LLC, was dissolved.

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 former US subsidiary was the United States dollar.

c) Use of Estimates, Assumptions and Judgements

The preparation of the interim consolidated financial statements in conformity with IFRS requires the Company's management to make 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.

Significant areas requiring the use of estimates include the useful life and amortization of equipment and intangible assets, measurement of share-based payments, and deferred income tax asset valuation allowances.

The preparation of interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. 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 notes payable and share-based payments.

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

d) Recent Accounting Pronouncements

The following new standards, and amendments to standards and interpretations, are effective for annual periods beginning after January 1, 2018 or later, and have not been applied in preparing these financial statements:

IFRS 9, “Financial Instruments”

IFRS 15, “Revenue from Contracts with Customers”

IFRS 16, “Leases”

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements. The Company intends to adopt IFRS 15 in its consolidated financial statements for the annual period beginning on February 1, 2018. The Company has commenced an assessment of the potential impact of IFRS 15 on its consolidated financial statements and expects to provide disclosure of the qualitative and quantitative analysis in the fourth quarter. 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.

3. Short-term Investment

	October 31, 2017	
	Cost $	Fair value $
Available-for-sale securities:		
Voltaire Services Corp. - 1,000 common shares	1	1
Total	1	1

4. Equipment

Equipment are comprised of the following:

	Prospector Demo Kits $	Terra Ferma Equipment $	Furniture and Equipment $	Total $
Cost:				
Balance, January 31, 2017	168,000	181,501	4,059	353,560
Additions	–	–	–	–
Balance, October 31, 2017	168,000	181,501	4,059	353,560
Amortization:				
Balance, January 31, 2017	168,000	181,501	3,760	353,261
Additions	–	–	179	179
Balance, October 31, 2017	168,000	181,501	3,939	353,440
Net Book Value:				
Balance, January 31, 2017	–	–	299	299
Balance, October 31, 2017	–	–	120	120

(Expressed in Canadian dollars)

5. Intangible Assets

Intangible assets are comprised of the following:

	Prospector License $	Terra Ferma License $	Total $
Cost:			
Balance, January 31, 2017	629,322	79,624	708,946
Additions	–	–	–
Balance, October 31, 2017	629,322	79,624	708,946
Amortization:			
Balance, January 31, 2017	629,322	79,623	708,946
Additions	–	–	–
Balance, October 31, 2017	629,322	79,623	708,946
Net Book Value:			
Balance, January 31, 2017	–	–	–
Balance, October 31, 2017	–	–	–

6. Related Party Transactions

a) As at October 31, 2017, the Company owed $548,208 (US$425,000) (January 31, 2017 – $554,030 (US$425,000)) to Prospector for the remaining consideration required under the agreement to acquire the Prospector License. Additionally, at October 31, 2017, the Company owed $11,750 (US$9,409) (January 31, 2017 – $17,103 (US$13,120)) to Prospector for payments made on behalf of the Company. The amounts owing are unsecured, non-interest bearing, and due on demand. Subsequent to October 31, 2017, the Company settled all amounts owing to Prospector (Note 15).

b) On October 1, 2014, the Company entered into an employment agreement with the former Chief Executive Officer ("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, 2017, the Company incurred salaries and wages of $162,139 (2016 - $155,468) to the former CEO of the Company. As at October 31, 2017, the Company owed $601,668 (US$466,446) (January 31, 2017 – $230,983 (US$167,417)) to the former CEO of the Company, which is unsecured, non-interest bearing, and due on demand. Subsequent to October 31, 2017, the Company settled all amounts owing to the former CEO of the Company (Note 15).

c) On September 1, 2015, the Company entered into an employment agreement with the former President 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, 2017, the Company incurred salaries and wages of $155,239 (2016 - $123,387) to the former President of the Company. As at October 31, 2017, the Company owed $404,874 (US$313,880) (January 31, 2017 – $242,074 (US$185,697)) to the former President of the Company, which is unsecured, non-interest bearing, and due on demand. Subsequent to October 31, 2017, the Company settled all amounts owing to the former President of the Company (Note 15).

d) During the nine months ended October 31, 2017, the Company incurred professional fees of $1,200 (2016 - $9,873) to the former CFO of the Company. At October 31, 2017, the Company owed $4,749 (January 31, 2017 – $3,599) 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.

(Expressed in Canadian dollars)

6. Related Party Transactions (continued)

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, 2017, and 2016:

	October 31, 2017 $	October 31, 2016 $
Salaries paid or accrued to President and Director	155,239	123,387
Salaries paid or accrued to CEO and Director	162,139	155,468
Fees paid to former CFO	1,200	11,873
	318,578	290,728

7. Notes Payable

a) 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. At March 18, 2016, the promissory notes had a fair value of $77,248, resulting in the recognition of a discount of $11,737 upon issuance, which will be amortized over the term of the loan. During the nine months ended October 31, 2017, the Company recognized accretion of the discount of $1,479, which has been recorded as interest expense. At October 31, 2017, the carrying value of the promissory notes was $89,985 (January 31, 2017 - $88,506). Subsequent to October 31, 2017, the Company settled $59,985 of the promissory notes (Note 15).

b) On April 17, 2017, the Company entered into a promissory note for a principal amount of $26,594. The note is non-interest bearing, unsecured and due on or before October 14, 2017. At April 17, 2017, the promissory note had a fair value of $23,125, resulting in the recognition of a discount of $3,469 upon issuance, which will be amortized over the term of the loan. During the nine months ended October 31, 2017, the Company recognized accretion of the discount of $3,469, which has been recorded as interest expense. At October 31, 2017, the carrying value of the promissory note was $26,594. Subsequent to October 31, 2017, the Company settled the promissory note (Note 15).

c) On June 8, 2017, the Company entered into a promissory note for a principal amount of $14,985. The note is non-interest bearing, unsecured and due on or before June 8, 2018. At June 8, 2017, the promissory note had a fair value of $13,030, resulting in the recognition of a discount of $1,955 upon issuance, which will be amortized over the term of the loan. During the nine months ended October 31, 2017, the Company recognized accretion of the discount of $723, which has been recorded as interest expense. At October 31, 2017, the carrying value of the promissory note was $13,753. Subsequent to October 31, 2017, the Company settled the promissory note (Note 15).

d) On June 22, 2017, the Company entered into a promissory note for a principal amount of $5,985. The note is non-interest bearing, unsecured and due on or before June 22, 2018. At June 22, 2017, the promissory note had a fair value of $5,204, resulting in the recognition of a discount of $781 upon issuance, which will be amortized over the term of the loan. During the nine months ended October 31, 2017, the Company recognized accretion of the discount of $280, which has been recorded as interest expense. At October 31, 2017, the carrying value of the promissory note was $5,484. Subsequent to October 31, 2017, the Company settled the promissory note (Note 15).

e) On June 28, 2017, the Company entered into a promissory note for a principal amount of $9,985. The note is non-interest bearing, unsecured and due on or before June 28, 2018. At June 28, 2017, the promissory note had a fair value of $8,683, resulting in the recognition of a discount of $1,302 upon issuance, which will be amortized over the term of the loan. During the nine months ended October 31, 2017, the Company recognized accretion of the discount of $446, which has been recorded as interest expense. At October 31, 2017, the carrying value of the promissory note was $9,129. Subsequent to October 31, 2017, the Company settled the promissory note (Note 15).

f) On July 14, 2017, the Company entered into a promissory note for a principal amount of $5,985. The note is non-interest bearing, unsecured and due on or before June 28, 2018. At July 14, 2017, the promissory note had a fair value of $5,204, resulting in the recognition of a discount of $781 upon issuance, which will be amortized over the term of the loan. During the nine months ended October 31, 2017, the Company recognized accretion of the discount of $233, which has been recorded as interest expense. At October 31, 2017, the carrying value of the promissory note was $5,437. Subsequent to October 31, 2017, the Company settled the promissory note (Note 15).

(Expressed in Canadian dollars)

7. Notes Payable (continued)

g) On July 17, 2017, the Company entered into a promissory note for a principal amount of $13,970. The note is non-interest bearing, unsecured and due on or before July 17, 2018. At July 17, 2017, the promissory note had a fair value of $12,148, resulting in the recognition of a discount of $1,822 upon issuance, which will be amortized over the term of the loan. During the nine months ended October 31, 2017, the Company recognized accretion of the discount of $529, which has been recorded as interest expense. At October 31, 2017, the carrying value of the promissory note was $12,677. Subsequent to October 31, 2017, the Company settled the promissory note (Note 15).

h) On August 21, 2017, the Company entered into a promissory note for a principal amount of $5,985. The note bears an interest rate of 8%, and is unsecured and due on or before August 21, 2018. At August 21, 2017, the promissory note had a fair value of $5,593, resulting in the recognition of a discount of $391 upon issuance, which will be amortized over the term of the loan. During the nine months ended October 31, 2017, the Company recognized accretion of the discount of $99, which has been recorded as interest expense. At October 31, 2017, the carrying value of the promissory note was $5,692.

i) On August 29, 2017, the Company entered into a promissory note for a principal amount of $4,985. The note bears an interest rate of 8%, and is unsecured and due on or before August 29, 2018. At August 29, 2017, the promissory note had a fair value of $4,659, resulting in the recognition of a discount of $326 upon issuance, which will be amortized over the term of the loan. During the nine months ended October 31, 2017, the Company recognized accretion of the discount of $82, which has been recorded as interest expense. At October 31, 2017, the carrying value of the promissory note was $4,741.

8. Share Capital

Authorized: Unlimited common shares without par value

There were no share capital transactions during the nine months ended October 31, 2017.

9. Share Purchase Warrants

The following table summarizes information about the warrants issued:

	Number of warrants	Weighted average exercise price $
Outstanding, January 31, 2017	1,256,600	0.24
Expired	(1,256,000)	0.24
Outstanding, October 31, 2017	–	–

10. 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, 2017, and January 31, 2017, and the changes for the periods then ended:

	October 31, 2017		January 31, 2017	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Options outstanding – Beginning of period	–	–	–	–
Granted	3,990,000	0.13	200,000	0.25
Options outstanding – End of period	3,990,000	0.13	200,000	0.25
Options exercisable – End of period	3,990,000	0.13	200,000	0.25

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

(Expressed in Canadian dollars)

10. Stock Options (continued)

The following table summarizes information about stock options outstanding and exercisable at October 31, 2017:

Exercise Price $	Options outstanding	Options Exercisable	Weighted average remaining contracted life (years)
0.13	3,990,000 *	3,990,000	3.66

* 3,150,000 stock options were cancelled subsequently.

Share-based compensation expense is determined using the Black-Scholes Option Pricing Model. During the nine months ended October 31, 2017, the Company recognized share-based compensation expense of $443,282 (2016 - $25,717) in share-based payment reserve. The weighted average fair value of the options granted during the year ended January 31, 2017, was $0.11 (2016 - $0.13). Weighted average assumptions used in calculating the fair value of stock-based compensation expense are as follows:

	2017	2016
Risk-free rate	**1.74%**	0.52%
Dividend yield	**0%**	0%
Volatility factor of the expected market price of the Company's common shares	**158%**	139%
Weighted average expected life of the options (years)	**4.16**	1.00

11. 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 on deposit in an interest bearing Canadian chartered bank account.

The Company will require capital resources to carry out its plans and operations through its current operating period. There were no changes to its capital management during the period ended October 31, 2017. The Company is not subject to externally imposed capital requirements.

12. 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, 2017, 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, 2017 $
Cash	4,475	–	–	4,475

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

12. Financial Instruments (continued)

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 assets and liabilities denominated in US dollars. The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management believes that the risk from fluctuations in foreign exchange rates is not significant.

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.

e) Classification of financial instruments

Financial assets and liabilities included in the statement of financial position are as follows:

	October 31, 2017	January 31, 2017
Financial assets classified as fair value through profit or loss:		
Cash	$ 4,475	$ 789
Non-derivative financial liabilities:		
Trade payables	$ 38,498	$ 61,650
Due to related parties	1,566,500	1,253,437
Notes payable	173,493	88,506
	$ 1,778,491	$ 1,403,593

13. Segmented Reporting

October 31, 2017	United States $	Canada $	Total $
Non-current Assets:			
Equipment	–	120	120

January 31, 2017	United States $	Canada $	Total $
Non-current Assets:			
Equipment	36,348	132,260	168,608
Intangible assets	127,049	447,304	574,353
Total Assets	163,397	579,564	742,961

(Expressed in Canadian dollars)

14. Discontinued Operations

On January 31, 2017, the Company dissolved its formerly wholly-owned subsidiary, GRT LLC, which was solely incorporated for the purpose of carrying on the business of the Helix-related assets. Upon dissolution of the subsidiary, the Company recognized a gain on dissolution of $123,064.

Analysis of the result of discontinued operations is as follows:

	Three Months Ended October 31, 2017 $	Three Months Ended October 31, 2016 $	Nine Months Ended October 31, 2017 $	Nine Months Ended October 31, 2016 $
Revenue	–	7,433	–	27,768
Expenses				
Amortization of equipment	–	33	–	566
Amortization of intangible assets	–	9,838	–	29,502
Office and general	–	1,280	–	85,095
Professional fees	–	2	–	12,032
Salaries and wages	–	5	–	21,921
Subcontract services	–	1,444	–	15,698
Travel expense	–	2	–	11,240
Total expenses	–	12,604	–	176,054
Net loss from discontinued operations	–	(5,171)	–	(148,286)

Cash flows:

	Nine Months Ended October 31, 2017 $	Nine Months Ended October 31, 2016 $
Operating activities		
Net loss from discontinued operations	–	(148,286)
Items not involving cash:		
Amortization of equipment	–	566
Amortization of intangible assets	–	29,502
Changes in non-cash operating working capital:		
Accounts receivable	–	45,692
Accounts payable and accrued liabilities	–	2,042
Due to related parties	–	15,502
Net cash used in operating activities – discontinued operations	–	(54,982)

15. Subsequent Events

a) On November 2, 2017, the Company granted 5,000,000 stock options to officers, directors, and consultants of the Company, of which 4,000,000 stock options are exercisable at $0.24 per share for a period of 3 years and 1,000,000 stock options are exercisable at $0.24 per share for a period of 5 years.

b) On November 10, 2017, the Company cancelled 3,150,000 stock options exercisable at $0.13 per share.

15. Subsequent Events (continued)

c) On November 16, 2017, the Company signed a non-binding Letter of Intent (the "LOI") to acquire 1Linx Blockchain Technologies Corp., a New York-based blockchain technology company, for their proprietary blockchain authentication platform and suite of blockchain security services. Under the terms of the LOI, it is intended that the Company and 1Linx will enter into a business opportunity by way of a share exchange, share purchase, amalgamation or arrangement or other similar form of transaction (such transaction, together with any related transaction, the "Transaction") which will result in the Company acquiring all of the outstanding securities of 1Linx, such that 1Linx will become a direct wholly-owned subsidiary of the Company, in exchange for the issuance by the Company to the shareholders of 1Linx, on a pro rata basis, of (i) 4,000,000 common shares without par value in the capital of the Company (each, a "Common Share"), (ii) 500,000 Common Shares, upon dissemination of a press release pertaining to the transaction, the form of which is satisfactory to both the Company and 1Linx, and (iii) 500,000 Common Shares upon 1Linx earning net profit for one calendar month of $15,000. The parties agree, however, that the final structure of the business opportunity is subject to receipt by the parties of tax, corporate and securities law advice. If a definitive agreement is signed, it will be considered a fundamental change under Policy 8 of the CSE and will be subject to shareholders and exchange approval.

d) On December 4, 2017, the Company granted a total of 850,000 stock options to officers, directors and consultants of the Company, which are exercisable at $0.50 per share for a period of 5 years.

e) On December 5, 2017, the Company granted 100,000 stock options to an advisor of the Company, which are exercisable at $0.50 per share for a period of 5 years.

f) Subsequent to October 31, 2017, the Company settled a total of $1,512,445 of amounts owing to related parties and $137,489 of promissory notes through the issuance of 10,999,563 common shares.