TOWER THREE SAS

FINANCIAL STATEMENTS

Year Ended December 31, 2016 and
Period from Incorporation on December 30, 2015 to December 31, 2015
(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Directors of
Tower Three SAS

We have audited the accompanying financial statements of Tower Three SAS which comprise the statement of financial position as at December 31, 2016, and the statements of comprehensive loss, changes in deficiency and cash flows for the year then ended, and the related notes comprising 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 as issued by the International Accounting Standards Board, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider 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 based on our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tower Three SAS as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Tower Three SAS to continue as a going concern.

Other Matter

The financial statements of Tower Three SAS for the period from incorporation on December 30, 2015 to December 31, 2015 were audited by another auditor who expressed an unmodified opinion on those statements on January 12, 2017.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
May 1, 2017

TOWER THREE SAS

Statements of Financial Position
As at December 31, 2016 and 2015
(Expressed in Canadian Dollars)

	Note	2016	2015
		$	$
Current Assets			
Cash		9,864	-
Due from related parties	5	-	4,300
Prepaid expenses and deposits		114,032	-
		123,896	4,300
Equipment	6	248,478	-
		372,374	4,300
Current Liabilities			
Accounts payable and accrued liabilities		70,406	-
Deferred revenue		4,480	-
Due to related parties	5	615,522	21,151
		690,408	21,151
Shareholders' Deficiency			
Share capital	7	4,300	4,300
Deficit		(313,155)	(21,151)
Accumulated other comprehensive loss		(9,179)	-
		(318,034)	(16,851)
		372,374	4,300

Nature of operations and going concern (Note 1)

Subsequent event (Note 12)

Approved on behalf of the Board of Directors:

"Name" *"Name"*

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

TOWER THREE SAS

Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended December 31, 2016	Period from incorporation on December 30, 2015 to December 31, 2015
	$	$
Revenues	19,403	-
Expenses		
Amortization	3,440	-
Bank charges and interest	4,491	-
Commission	7,125	-
Insurance	1,081	-
Lease	1,911	-
Office and miscellaneous	54,472	-
Permits and licenses	2,046	-
Professional fees	204,561	21,151
Telephone and utilities	2,649	-
Travel	29,631	-
	311,407	21,151
Net loss	(292,004)	(21,151)
Other comprehensive loss		
Item that will not be reclassified to profit or loss:		
Foreign exchange translation adjustment	(9,179)	-
Comprehensive loss	(301,183)	(21,151)
Loss per common share – basic and diluted	(29.20)	(2.12)
Weighted average number of common shares outstanding	10,000	10,000

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

TOWER THREE SAS

Statement of Changes in Deficiency
(Expressed in Canadian Dollars)

	Number of Common shares	Share capital	Deficit	Accumulated other comprehensive income	Total
		$	$	$	$
Balance at December 30, 2015	**-**	**-**	**-**	**-**	**-**
Shares issued on incorporation	10,000	4,300	-	-	4,300
Comprehensive loss	-	-	(21,151)	-	(21,151)
Balance at December 31, 2015	**10,000**	**4,300**	**(21,151)**	**-**	**(16,851)**
Net loss	-	-	(292,004)	-	(292,004)
Comprehensive loss	-	-	-	(9,179)	(9,179)
Balance at December 31, 2016	**10,000**	**4,300**	**(313,155)**	**(9,179)**	**(318,034)**

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

TOWER THREE SAS
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2016	Period from incorporation on December 30, 2015 to December 31, 2015
	$	$
Cash flows from operating activities		
Net loss	(292,004)	(21,151)
Item not affection cash:		
Amortization of intangible assets	3,440	-
	(288,564)	(21,151)
Changes in non-cash working capital items:		
Prepaid expenses	(110,723)	-
Accounts payable and accrued liabilities	68,363	-
Deferred revenue	4,350	-
Due to related parties	(32,841)	21,151
	(359,415)	-
Cash flows from financing activities		
Equipment	(244,708)	-
Loans payable	34,800	-
	(209,908)	-
Cash flows from financing activities		
Advances from (to) related parties	578,901	-
Effect of changes in exchange rates on cash	286	-
Change in cash	9,864	-
Cash, beginning	-	-
Cash, ending	9,864	-
Supplemental disclosure of cash flow information:		
Cash paid for interest	-	-
Cash paid for income taxes	-	-

1. NATURE OF OPERATIONS AND GOING CONCERN

Tower Three SAS (the “Company") was incorporated on December 30, 2015 under the Business Corporation Act of Colombia. The Company’s head office is located at Carrera 8A #99-22 Unit 903, Bogota, Colombia.

Tower Three has secured 4G LTE cellular tower development contracts in Colombia. The Company focuses primarily on building cellular towers in municipalities where there currently is very limited or no cellular coverage, which enhances the probability of multiple carriers sharing the tower and minimizes competitive risk.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, and accordingly, do not purport to give effect to adjustments which may be required should the Company be unable to achieve the objectives above as a going concern. The net realizable value of the Company’s assets may be materially less than the amounts recorded in these financial statements should the Company be unable to realize its assets and discharge its liabilities in the normal course of business. At December 31, 2016, the Company had an accumulated deficit of $313,155 which has been funded primarily by the funding from related parties. Ongoing operations of the Company are dependent upon the Company’s ability to receive continued financial support, complete equity financings and ultimately the generation profitable operations in the future. These factors raise significant doubt about the Company’s ability to continue as a going concern.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

(a) Statement of Compliance

These financial statements of the Company for the year ended December 31, 2016 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These financial statements were approved and authorized for issue by the Board of Directors on May 1, 2017.

(b) Basis of Presentation

These financial statements were prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The financial statements are presented in Canadian dollars. The Company’s functional currency is the Colombian Peso.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION (CONTINUED)

(c) Use of Estimates

The preparation of these financial statements in accordance with IFRS requires management to make estimates and assumptions about the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the results of operations. Significant areas requiring the use of management estimates include the recognition of revenue, useful lives and impairment of long-lived assets, deferred income tax assets and liabilities. Actual results could differ from the estimates made.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Use of judgements
Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgements or assessments with a significant risk of material adjustment in the year:

(i) Going concern
The assessment of the Company's ability to execute its strategy by effectively operating the Company involves judgement. Management closely monitors the operations and cash flows in the Company. Further information regarding going concern is outlined in Note 1.

(ii) Income taxes
Management exercises judgment to determine the extent to which deferred tax assets are recoverable, and can therefore be recognized in the statements of financial position and comprehensive income or loss.

3. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of these financial statements:

(a) Loss per share

Basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. To compute diluted loss per share, adjustments are made to common shares outstanding. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the period or at time of issuance, all options and warrants were exercised. The proceeds from exercise are assumed to be used to purchase the Company's common shares at their average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue recognition

The Company's revenue is derived from leasing of towers to various telecommunication companies. Leasing revenue is recognized on a straight-line basis over the terms of the leases. The term of existing lease agreements is between five to thirteen years.

(c) Foreign currency translation

The reporting currency of the Company is the Canadian dollar. The functional currency of the Company is Columbian Peso.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the profit or loss.

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated at the year end rates of exchange, and the results of their operations are translated at average rates of exchange for the year. The resulting translation adjustments are included in accumulated other comprehensive income in shareholders' equity.

For the year ended December 31, 2016, an unrealized foreign exchange translation loss of $9,179 was recorded under accumulated other comprehensive loss as a result of changes in the value of the Columbian Peso with respect to the Canadian dollar.

(d) Impairment

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that an asset's carrying amount may be less than its recoverable amount. Management uses judgment to estimate these inputs and any changes to these inputs could have a material impact on the impairment calculation. For impairment testing, non-financial assets that do not generate independent cash flows are grouped together into cash-generating units (CGUs), which represent the levels at which largely independent cash flows are generated. An impairment loss is recognized in earnings to the extent that the carrying value of an asset, CGU or group of CGU's exceeds its estimated recoverable amount. The recoverable amount of an asset, CGU or group of CGU's is the greater of its value in use and its fair value less cost to sell. Value in use is calculated as the present value of the estimated future cash flows discounted at appropriate pre-tax discount rates. An impairment loss relating to a specific asset reduces the carrying value of the asset. An impairment loss relating to a group of CGU's is allocated on a pro-rata basis to reduce the carrying value of the assets in the units comprising the group. A previously recognized impairment loss related to non-financial assets is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss related to non-financial assets is reversed if there is a subsequent increase in the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying value does not exceed the carrying value that would have been determined, net of depreciation or amortization, if no loss had been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

(f) 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 the 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 amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to warrants and options reserve. Consideration received on the exercise of stock options is recorded as share capital and the related amount in warrants and options reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from share-based payments reserve. For those options that expire or are forfeited after vesting, the recorded value is transferred to deficit.

(g) Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets result from unused loss carry-forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Long-lived assets

Long-lived assets are stated at cost which includes the acquisition price and any direct costs to bring the asset into productive use at its intended location.

Amortization for equipment is recognized using the straight line method over their estimated useful lives at a rate of 5% per year.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resourced embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(j) Financial instruments

(a) Financial assets

The Company classifies its financial assets in the following categories: held-to-maturity, fair value through profit or loss (“FVTPL”), loans and receivables, and available-for-sale (“AFS”). The classification depends on the purpose for which the financial assets were acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized through profit or loss.

Available-for-sale

Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from other comprehensive income (loss) and recognized in profit or loss.

The Company has classified its cash at fair value through profit or loss. The Company’s due from related parties are classified as loans and receivables.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

(a) Financial assets (continued)

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset could be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, this reversal is recognized in profit or loss.

(b) Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method.

The Company’s accounts payable and due to related parties are classified as other financial liabilities.

(k) Adoption of new pronouncements

The Company did not adopt any new or amended accounting standards during the year ended December 31, 2016 which had a significant impact on the Financial Statements.

4. RECENT ACCOUNTING PRONOUNCEMENTS

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

Standard effective for annual periods beginning on or after January 1, 2018

IFRS 9 *Financial Instruments* - In November 2009, as part of the IASB project to replace IAS 39 *Financial Instruments: Recognition and Measurement*, the IASB issued the first phase of IFRS 9, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013 the standard was revised to add the new general hedge accounting requirements. The standard was finalized in July 2014 and was revised to add a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income ("FVOTCI") category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test.

IFRS 15 - *Revenue from Contracts with Customers* - On May 28, 2014 the IASB issued IFRS 15, "Revenue from contracts with customers". IFRS 15 will replace IAS 11, "Construction contracts", IAS 18, "Revenue", IFRIC 13, "Customer loyalty programmes", IFRIC 15, "Agreements for the construction of real estate", IFRIC 18, "Transfers of assets from customers" and SIC 31, "Revenue – barter transactions involving advertising services". The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time; or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs.

Standard effective for annual periods beginning on or after January 1, 2019

IFRS 16 – *Leases* - On January 13, 2016 the IASB issued IFRS 16, "Leases". This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease.

The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, "Revenue from contracts with customers" at or before the date of initial adoption of IFRS 16.

The extent of the impact of adoption of these above standards on the financial statements of the Company has not yet been determined.

(Expressed in Canadian Dollars)

5. RELATED PARTY TRANSACTIONS AND BALANCES

Due from (to) related Parties

Due from (to) related parties consists of short term amounts advanced to, services rendered and expenses paid on behalf of the Company by shareholders of the Company. These amounts are unsecured, non-interest bearing, and payable on demand. As at December 31, 2016 and 2015, the Company has the following balances with related parties:

	2016	2015
Due to related parties:	$	$
Tower One Wireless Corp.	189,589	-
Amounts owing to a company controlled by a director	356,268	21,151
Amounts owing to the parent of the CEO	69,665	-
	615,522	21,151

Included in accounts payable was the commission payables in the amount of $6,531 to the officers of the company (2015 - $nil).

As at December 31, 2015, there was $4,300 due fro related parties for the issuance of common shares..

Related Party Transactions and Key Management and Personnel Compensation

During the year ended December 31, 2016, legal fees of $nil (2015 - $21,151) was paid to a director of the company.

6. EQUIPMENT

	$
Cost	
December 31, 2015	-
Construction	244,708
Foreign exchange movement	7,313
December 31, 2016	252,021
Accumulated amortization	
December 31, 2015	-
Additions	3,440
Foreign exchange movement	103
December 31, 2016	3,543
Net book value	
December 31, 2015	-
December 31, 2016	248,478

(Expressed in Canadian Dollars)

7. SHARE CAPITAL

Authorized:

10,000 common shares with a par value at COP$1,000 per common share.

Issued and outstanding:

On December 30, 2015 the Company issued 10,000 common shares at COP$1,000 ($0.43) per share for gross proceeds of COP$10,000,000 ($4,300). The proceeds were included in due from related parties at December 31, 2015 and 2016.

8. INCOME TAXES

Deferred taxes are recognized for the future income tax consequences attributable to differences between the carrying values of assets and liabilities and their respective income tax bases. Deferred tax assets are evaluated periodically and if realization is not considered likely, a valuation allowance is provided.

The reconciliation of income tax attributable to continuing operations computed at the statutory tax rate of 25% (2015 – 25%) to income tax expense is:

	For the years ended December 31,	
	2016	2015
Colombia statutory income tax rate	25%	25%
	$	$
Income tax recovery at statutory rate	73,000	5,000
Effect on income taxes of:		
Losses not recognized	(73,000)	(5000)
Income taxes recoverable	-	-

The nature and effect of the Company's unrecognized deferred tax assets is as follows:

	2016	2015
	$	$
Non-capital losses carried forward	78,000	5,000

As at December 31, 2016, the Company had non-capital losses carried forward of approximately $313,000 (2015 - $21,000) which may be applied to reduce future years' taxable income.

9. CAPITAL DISCLOSURE

The Company considers its capital under management to be comprised of shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to continue as a going concern and to maximize returns for shareholders over the long term. The Company is not subject to any capital restrictions. There has been no change in the Company's objectives in managing its capital.

10. FINANCIAL INSTRUMENTS AND RISK

As at December 31, 2016, the Company's financial instruments consist of cash, accounts payable and due to related parties. The carrying value of these financial instruments approximates their fair values because of the short term nature of these instruments.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. To minimize the credit risk the Company places cash with a high credit quality financial institution.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company uses cash to settle its financial obligations as they fall due. The ability to do this relies on the Company's ability to collect its revenue in a timely manner and maintain sufficient cash on hand.

Currency Risk

The Company generates revenues and incurs expenses and capital expenditures primarily in Colombia and is exposed to the resulting risk from changes in foreign currency exchange rates. Some administrative and head office related expenses are incurred in Canada. In addition, the Company holds financial assets and liabilities in foreign currencies that expose the Company to foreign exchange risks. A significant change in the currency exchange rates between the Canadian dollar relative to the Colombia Peso could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

Interest Rate Risk

Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. The Company is not exposed to interest rate risk as no financial instruments are interest-bearing. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from the financial statements.

Fair Value

The Company provides information about financial instruments that are measured at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

Cash is measured using level 1 fair value inputs.

11. ECONOMIC DEPENDENCE

For the year ended December 31, 2016, all the sales were generated by one customer. The loss of this customer could have a material adverse effect on the Company's financial position and results of operations.

12. SUBSEQUENT EVENT

On January 25, 2017, the Company was acquired by Tower One Wireless Corp. ("Tower One"), a Company incorporated under the Province of British Columbia, Canada and listed in the Canadian Securities Exchange ("CSE"). As the consideration for the acquisition, Tower One will issue 30,000,000 common shares to the Tower Three shareholders. The transaction will result in a reverse take-over for accounting purposes and Tower Three will be the continuing entity, Tower Oned effected a change in directors, management and business whereby the shareholders of the Company will be the controlling shareholders. On January 26, 2017, its common shares resumed trading in Canadian Securities Exchange under the symbol "TO".