SHELBY VENTURES INC.

Condensed Interim Financial Statements

For the Three Months Ended December 31, 2017

(Unaudited)

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

The accompanying notes are an integral part of these condensed interim financial statements

SHELBY VENTURES INC.
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

As at		December 31, 2017		September 30, 2017
ASSETS				
CURRENT ASSETS				
Cash	**$**	**411,902**	$	444,274
Interest receivable		**2,139**		1,034
GST receivable		**487**		249
Prepaid expenses		**30,433**		2,628
TOTAL ASSETS	**$**	**444,961**	$	448,185
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	**$**	**94,089**	$	89,725
Due to related parties (Note 8)		**90,872**		45,979
TOTAL LIABILITIES		**184,961**		135,704
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		**1,255,209**		1,255,209
Contributed surplus (Notes 5 and 6)		**241,302**		241,302
Deficit		**(1,236,511)**		(1,184,030)
TOTAL SHAREHOLDERS' EQUITY		**260,000**		312,481
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**444,961**	$	448,185

Nature and continuance of operations (Note 1)

These condensed interim financial statements were authorized for issue by the Board of Directors on February 28, 2018. They are signed on the Board's behalf by:

"Tony Ricci"
Director

"Desmond Balakrishnan"
Director

The accompanying notes are an integral part of these condensed interim financial statements

SHELBY VENTURES INC.
Condensed Interim Statements of Operations and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

		For the three months ended December 31, 2017		For the three months ended December 31, 2016
Expenses				
Office and general administration (Note 8)	**$**	**1,580**	$	3,736
Professional fees (Note 8)		**48,636**		2,637
Transfer agent, regulatory and listing fees		**3,472**		1,130
Total expenses		**53,688**		7,503
Loss from operations		**(53,688)**		(7,503)
Interest income		**1,207**		696
Net loss and comprehensive loss for the period	**$**	**(52,481)**	$	(6,807)
Basic and diluted loss per share for the period	**$**	**(0.004)**	$	(0.000)
Weighted average number of common shares outstanding		**14,706,101**		14,706,101

The accompanying notes are an integral part of these condensed interim financial statements

SHELBY VENTURES INC.
Condensed Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Share capital							
	Number of common shares		**Amount**		**Contributed surplus**		**Deficit**		**Shareholders' equity**
Balance, October 1, 2016	**14,706,101**	**$**	**1,255,209**	**$**	**235,230**	**$**	**(1,129,910)**	**$**	**360,529**
Net loss for the period	-		-		-		(6,807)		(6,807)
Balance, December 31, 2016	**14,706,101**	**$**	**1,255,209**	**$**	**235,230**	**$**	**(1,136,717)**	**$**	**353,722**
Balance, October 1, 2017	**14,706,101**	**$**	**1,255,209**	**$**	**241,302**	**$**	**(1,184,030)**	**$**	**312,481**
Net loss for the period	-		-		-		(52,481)		(52,481)
Balance, December 31, 2017	**14,706,101**	**$**	**1,255,209**	**$**	**241,302**	**$**	**(1,236,511)**	**$**	**260,000**

The accompanying notes are an integral part of these condensed interim financial statements

SHELBY VENTURES INC.
Condensed Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

		For the three months ended December 31, 2017		For the three months ended December 31, 2016
Cash used in operating activities:				
Net loss for the period	**$**	**(52,481)**	$	(6,807)
Items not affecting operating cash:				
Accrued interest income		**(1,105)**		649
Changes in non-cash working capital:				
Interest receivable		**-**		(1,344)
GST receivable		**(238)**		(355)
Prepaid expenses		**(27,805)**		912
Trade and other payable		**4,364**		4,156
Due to related parties		**44,893**		452
Net cash used in operating activities		**(32,372)**		(2,337)
Change in cash		**(32,372)**		(2,337)
Cash, beginning of the period		**444,274**		493,442
Cash, end of the period	**$**	**411,902**	$	491,105

The accompanying notes are an integral part of these condensed interim financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Shelby Ventures Inc. ("Shelby" or the "Company") was incorporated under the Business Corporations Act (*British Columbia*) on February 27, 2007. The Company is in the development stage and was originally classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("TSXV"). On December 6, 2007, the Company's shares commenced trading on the TSXV.

The Company was required to complete a Qualifying Transaction on or before December 6, 2009, and received an extension from the TSXV setting the new deadline to March 31, 2010. However, this deadline could not be met, and the TSXV halted and then suspended the trading of the Company's shares for failure to complete the Qualifying Transaction by such date. Pursuant to an extraordinary shareholders meeting on May 31, 2010 shareholder approval was obtained to list the Company on the NEX Board of the TSXV. The Company's shares were listed on the NEX Board on July 5, 2010 and the trading symbol changed from "SLY.P" to "SLY.H". The Company completed its reinstatement process and resumed trading on October 6, 2010.

The address of the Company's corporate office and principal place of business is Suite 303, 750 West Pender Street, Vancouver, British Columbia, Canada V6C 2T7.

These condensed interim financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. During the three months ended December 31, 2017, the Company generated a net loss of $52,481 (2016 – $6,807) and had working capital of $260,000 as at December 31, 2017 (September 30, 2017 – $312,481). These condensed interim financial statements do not include any adjustments to the recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

The Company's ability to continue as a going concern and realize its assets is dependent on its ability to raise capital through public equity financing, or upon the generation of income from the disposition of its investments, the outcome of which cannot be predicted at this time.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with the International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They do not include all of the information required for annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the fiscal year ended September 30, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These condensed interim financial statements were approved by the Company's Board of Directors on February 28, 2018.

(b) Basis of preparation

These condensed interim financial statements have been prepared on a historical cost basis using the accrual basis of accounting, except for statement of cash flows.

The presentation and functional currency of the Company is Canadian dollars ("CDN").

(c) Significant accounting judgements and estimates

The preparation of these condensed interim financial statements requires management to make judgements, accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and expenses during the reporting period. Actual outcomes could differ from these estimates.

2. BASIS OF PREPARATION (Continued)

(c) Significant accounting judgements and estimates (Continued)

The condensed interim financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout these condensed interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Significant assumptions about the future and other sources of estimation uncertainty and judgments that management has made at the statements of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in these condensed interim financial statements include, but are not limited to:

Going concern assumption

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

For the three months ended December 31, 2017 and 2016, the Company did not need to apply any critical judgments in applying accounting policies that would have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in these condensed interim financial statements within the next financial year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements were prepared using accounting policies described in the note 3 of the Company’s audited financial statements for the year ended September 30, 2017.

4. RECENT ACCOUNTING PRONOUNCEMENTS

New Standards Not Yet Effective

The following new standards, amendments and interpretations that have not been early adopted in these annual financial statements:

- **IFRS 9** *Financial Instruments* – This standard provides added guidance on the classification and measurement of financial liabilities. The standard is effective for annual periods beginning on or after January 1, 2018. The Company does not expect that the new standard will have an impact on these condensed interim financial statements.

4. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

New Standards Not Yet Effective (Continued)

- **IFRS 15** *Revenue from Contracts with Customers* – The new standard proposes to replace **IAS 18** *Revenue*, **IAS 11** *Construction contracts*, and some revenue-related interpretations. 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. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company does not expect that the new standard will have an impact on these condensed interim financial statements.

- **IFRS 16** *Lease* – This standard was issued in January 2016 and replaces **IAS 17** *Leases* as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied. The Company does not expect that the new standard will have an impact on these condensed interim financial statements.

- **IFRIC 22** *Foreign Currency Transactions and Advance Consideration* – This standard was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognized in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company does not expect that the new standard will have an impact on these condensed financial statements.

5. FORGIVENESS OF DEBT

On March 29, 2017, the Company signed the Acknowledgement and Release agreement (“Settlement Agreement”) with Great Bear Resources Ltd. (“GBR”) to settle the balance of $6,072 owing to GBR. GBR, an entity with an officer and a director in common with the Company, entered into the Lease Agreement (“Agreement”) with Cadillac Fairview (“CF”), and pursuant to this Agreement, GBR paid office rent to CF that was to be partially reimbursed by the Company in the amount of $6,072.

During the year ended September 30, 2017, the Company requested GBR to be released from the liability, the related debt was extinguished pursuant to the settlement agreement and recorded as addition to contributed surplus.

6. SHARE CAPITAL

(a) Authorized

There are an unlimited number of common shares without par value authorized for issue, and unlimited number of preferred shares without par value.

6. SHARE CAPITAL (Continued)

(b) Common shares issued

No common shares were issued during the three months ended December 31, 2017 and the year ended September 30, 2017.

(c) Preferred shares

The Company is authorized to issue an unlimited number of preferred shares without par value. The holders of the preferred shares are entitled to receive, before any distribution shall be made to holders of Common shares or any other shares of the Company ranking junior to the preferred shares, with respect to repayment of capital the amount required to be paid together with the fixed premium, an amount equal to all accrued and unpaid cumulative dividends. After payment to holders of preferred shares of the amounts payable to them, they are not entitled to share in any further distribution of the property or assets of the Company. The Company did not issue any preferred shares.

(d) Escrow shares

As at December 31, 2017, 1,200,002 (September 30, 2017 – 1,200,002) common shares are held in escrow pending the completion of the Company's qualifying transaction as required by the British Columbia Securities Commission and the TSXV.

(e) Stock option plan

The Company has a stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant.

The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSXV). Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as a director or officer of the Company and, in the case of death, expire within one year thereafter. Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option. Any shares issued upon exercise of the options prior to the Company entering into a qualifying transaction will be subject to escrow restrictions. Unless otherwise stated, the options fully vest when granted.

As at December 31, 2017, Nil (2016 – Nil) stock options were outstanding and exercisable.

(f) Contributed surplus

Contributed surplus is used to record the fair value of items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital and warrants issued with respect to financings and not classified as liabilities until such time as the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

7. FINANCIAL INSTRUMENTS

The Company manages its exposure to financial risks that arise from its use of financial instruments, including market risk, credit and interest rate risk, liquidity risk and foreign exchange risk.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

The Board of Directors oversees the Company's risk management objectives and policies, and whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these polices are set out below.

(a) Market Risk

Market risk is comprised of foreign currency risk and interest rate risk. These are discussed further below.

Currency Risk

Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar.

The Company has not entered into any foreign currency contracts to mitigate this risk, but manages the risk by minimizing the value of financial instruments denominated in foreign currency. The Company is not exposed to significant currency risk.

Interest Rate Risk

Interest rate risk consists of two components:

i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not subject to significant interest rate risk as at December 31, 2017 and September 30, 2017.

(b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand. Potential loss due to credit risk is believed to be minimal.

7. FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due. The Company has not generated any revenue but incurred losses since inception.

As at December 31, 2017, the Company had cash of $411,902 (September 30, 2017 - $444,274) and current liabilities of $184,961 (September 30, 2017 - $135,704).

8. RELATED PARTY TRANSACTIONS

As at December 31, 2017, $90,872 (September 30, 2017 - $45,979) was due to related parties.

During the three months ended December 31, 2017 the Company incurred $44,886 (2016 - $nil) in professional fees from a company where a director and officer of the Company is a partner.

During the three months ended December 31, 2017, the Company incurred $1,500 (2016 - $nil) for provision of chief financial officer services from a management company.

The amounts due to related parties are unsecured, do not bear interest and have no fixed repayment terms.

9. MANAGEMENT OF CAPITAL

The Company manages and adjusts its capital structure based on available funds in order to support its operations. The Company's primary objectives in managing capital are to:

- Safeguard the entity's ability to continue as a going concern
- Maintain an optimal capital base in order to support the capital requirements of its operations, including growth opportunities and maintaining investor confidence

As at December 31, 2017, the Company had equity of $260,000 (September 30, 2017 - $312,481). The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is not subject to any externally imposed capital requirements. The Company relies on capital markets to support continued growth. No changes were made to capital management during the three months ended December 31, 2017 and year ended September 30, 2017.

10. SIGNIFICANT EVENTS

On August 24, 2017, Shelby entered into a letter agreement with Solution Auto (the "Letter Agreement"), pursuant to which Shelby and Solution Auto intend to complete a business combination (the "Proposed Transaction") by way of a plan of Transaction, merger, amalgamation or other similar transaction which will result in Shelby acquiring all of the issued and outstanding shares of Solution Auto (the "Solution Auto Shares") in exchange for shares of Shelby (each, a "Shelby Share") and Solution Auto becoming a wholly-owned subsidiary of Shelby.

The Proposed Transaction will constitute Shelby's qualifying transaction pursuant to Policy 2.4 – Capital Pool Companies (the "Policy") of the TSX Venture Exchange (the "Exchange"). The Letter Agreement is to be superseded by a definitive agreement (the "Definitive Agreement") between Shelby and Solution Auto with such agreement to include representations, warranties, conditions and covenants typical for a transaction of this nature.

10. SIGNIFICANT EVENTS (Continued)

It is currently anticipated that the Proposed Transaction will be effected by way of a share exchange whereby Shelby will acquire all of the issued and outstanding Solution Auto Shares such that, in accordance with the Transaction, each shareholder of Solution Auto (each, a "Solution Auto Shareholder") will receive post–Consolidation Shelby Shares issued at a deemed issue price of $0.25 (the "Issue Price") in exchange for Solution Auto Shares. It is expected that 52,000,000 post-Consolidation Shelby Shares will be issued to Solution Auto Shareholders in connection with the Proposed Transaction.

As a result of the Proposed Transaction, Solution Auto will become a wholly-owned subsidiary of Shelby and Shelby will continue on with the business of Solution Auto. Upon Closing, it is anticipated that the name of the Resulting Issuer will be changed to such a name as may be acceptable to Solution Auto and the Exchange.

On August 31, 2017, the shares of the Company were placed on trading halt by the Investment Industry Regulatory Organization of Canada ("IIROC"), and are expected to remain halted until the completion of the Proposed Transaction.

On October 6, 2017, the Company entered into a definitive agreement (the "Share Exchange Agreement") concerning its proposed qualifying transaction involving a business combination with Solution Auto. Pursuant to the Share Exchange Agreement, Shelby will acquire all of the issued and outstanding common shares of the Solution Auto Shares in exchange for common shares of Shelby (each, a "Shelby Share") on a post-Consolidation basis and Solution Auto becoming a wholly-owned subsidiary of Shelby. The Proposed Transaction is subject to, among other things, receipt of the requisite shareholder approvals, final approval of the Exchange and standard closing conditions. For details of the Proposed Transaction please refer to the news release issued on October 17, 2017.

On October 11, 2017, Shelby entered into an engagement letter with Industrial Alliance Securities Inc. (the "Agent") pursuant to which the Agent will act as lead agent on a "best efforts" private placement of subscription receipts of Shelby (the "Subscription Receipts") for gross proceeds of up to $5,000,000 (the "Offering"). The Subscription Receipts will be offered at an issuance price of $0.25 per Subscription Receipt, and each Subscription Receipt shall automatically entitle the holder thereof, without payment of any additional consideration and without further action on the part of the holder, to acquire one unit (a "Unit") upon the satisfaction of certain escrow release conditions, all in accordance with terms and conditions of a subscription receipt indenture to be entered into by Shelby, the Agent and the subscription receipt agent, and until such time, no Subscription Receipts may be exercised by the holders thereof. Each Unit will be comprised of one common share in the capital of Shelby (a "Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable by the holder to acquire one additional Share at a price of $0.40 for a period of 18 months following the closing of the Offering.

On October 24, 2017, in connection with the Proposed Transaction, Shelby entered into an engagement letter with the Agent pursuant to which the Agent will act as lead agent on a "best efforts" private placement of securities of Shelby for gross proceeds of up to $5,000,000. The net proceeds of the Private placement are expected to be used to fund the costs of the Proposed Transaction and for general corporate purposes and to provide working capital to the resulting issuer.

In connection with the Offering, the Agent will be paid a cash commission equal to 7% of the Subscription Receipts sold (excluding Subscription Receipts sold to certain excluded purchasers in respect of which the Agent will be paid a cash commission of 3%). In addition, the Agent will also be issued broker warrants ("Broker Warrants") equal to 7% of the Subscription Receipts sold (excluding Subscription Receipts sold to certain excluded purchasers). Each Broker Warrant is exercisable for one Unit at an exercise price of $0.25 per Unit for a period of 18 months following the date of issuance thereof. In addition, the Agent will also be paid a corporate finance fee of $40,000 (plus applicable taxes) and will be reimbursed for reasonable expenses.

10. SIGNIFICANT EVENTS (Continued)

During the three months ended December 31, 2017, the Company paid $30,000 broker fees in connection with the proposed transaction, this amount includes $20,000 non – refundable fees.

11. SUBSEQUENT EVENTS

Subsequent to the period ended December 31, 2017 the Company entered into finders’ agreement with unrelated party. The finders’ agreement relates to the Qualifying Transaction described in the note 10.