A M E N D E D

FORM 51-102F4
BUSINESS ACQUISITION REPORT

Item 1: Identity of Company

1.1 Name and Address of Company

Mission Ready Solutions Inc. (the "**Company**" or "**Mission Ready**")
Suite 804 - 750 West Pender Street
Vancouver, BC V6C 2T7

1.2 Executive Officer

Jeffery L. Schwartz, President & CEO
Tel: 1.877.479.7778

Item 2: Details of Acquisition

April 22, 2019.

2.1 Nature of Business Acquired

Further to the Company's news releases dated February 12, 2019 and April 23, 2019, the Company completed the acquisition of Unifire, Inc. ("**Unifire**") effective April 22, 2019, pursuant to which a wholly-owned subsidiary of the Company acquired all of the issued and outstanding shares of Unifire (the "**Acquisition**"). Unifire was founded in 1987 and is based in Spokane, Washington, which is a specialized solutions provider to the US Defense Logistics Agency and one of six companies worldwide that is authorized to provide equipment and designated services under the multi-billion dollar Tailored Logistics Support framework.

2.2 Acquisition Date

April 22, 2019.

2.3 Consideration

The TSX Venture Exchange (the "**Exchange**") has accepted the Acquisition for filing. The consideration for the Acquisition includes the following:

1. The issuance of an aggregate of 26,315,790 common shares in the capital of the Company ("**Shares**"), which are subject to a four-month statutory hold period and escrow restrictions whereby the Shares will be released incrementally up to the final release date of January 1, 2022; and

2. Cash payments in the aggregate of USD$4,000,000, payable quarterly, with the final payment to be remitted on January 1, 2022. The cash consideration is subject to adjustment within seventy-five (75) calendar days after the closing date based on an unaudited balance sheet of the Company as of the effective time of closing of the Acquisition and the Company's good faith determination of (i) the net working capital of the Company, to the extent that the net working capital of Unifire on the effective date of the Acquisition is greater or less than USD $1,856,798, and (ii) the amount of the sellers' expenses as of the closing. The sellers have the opportunity to dispute such adjustments with thirty (30) days of receiving a closing statement from the Company. Any such adjustments, whether positive or negative, are on a dollar-for dollar basis.

Financing Sources Associated with Acquisition

Credit Facility:

On February 12, 2019, the Company announced that, further to its July 31, 2018 news release stating that the Company had received a term sheet for a USD$20 million credit facility (the "**Credit Facility**") from Zenith Insured Credit, LLC ("**Zenith**"), the Company has received and was reviewing the formal agreements related to the Credit Facility which were expected to be executed prior to the close of the Acquisition. Coordinated by Zenith following extensive in-house and third-party due diligence on the Acquisition, the scalable Credit Facility is being offered through an arm's length strategic partner of Zenith, Capstone Capital Group, LLC ("**Capstone**"). Capstone was selected, by Zenith, as the funding partner for the Credit Facility following the development of a dynamic and flexible financing structure to meet Unifire's immediate and future requirements. There are no finder's fees payable to Zenith by the Company in connection with the Credit Facility. Following the execution of the Credit Facility, the Company intends to immediately begin leveraging the newly-available capital to meet the Company's ambitious growth strategies for 2019 through 2022.

The borrowing base for the Credit Facility will be an amount equal to 100% of the aggregate fair market value of all unsold eligible inventory of Unifire at the time of calculation. The Credit Facility is for an initial 24 month term and automatically renews each year thereafter unless otherwise terminated and will a.) be secured by a security interest granted over the assets of Unifire, as well as a stock pledge made by the Company over the common stock of Unifire and a corporate guarantee made by the Company and each of its subsidiaries in favour of Capstone, b.) carry an annual servicing fee ("**Annual Servicing Fee**") and c.) carry a capital advance fee ("**Capital Advance Fee**") payable on the line amount of each capital advance, both of which are set at commercially competitive rates. The Annual Servicing Fee will be reduced incrementally by the fees payable on each capital advance over the course of the annual term. The Company anticipates that the Credit Facility utilization for each annual term will effectively eliminate the Annual Servicing Fee in its entirety.

On April 23, 2019, the Company announced that, further to its February 12, 2019 news release related to the status of the Credit Facility, the Company elaborated on the Credit Facility fee structure which is being provided at commercially competitive rates. The duration of time between funding each purchase order and the receipt of payment from a purchaser (the "**Advance Duration**") varies from 30 to 60 days, with a few exceptions. Based on the volume-weighted Advance Duration averaged over the course of a fiscal year, the Company expects to pay between 2% and 3% in aggregate financing fees on purchase orders that are not directly funded by the Company.

Private Placement:

On April 2, 2019, the Company announced the completion of a non-brokered private placement (the "**Private Placement"**) described in its news release of March 8, 2019. In connection with the closing of the Private Placement, the Company issued an aggregate of 10,889,500 units (the "**Units**") at a price of CDN$0.25 per Unit for gross proceeds of CDN$2,722,375. Each Unit consists of one common share in the capital of the Company (a "**Share**") and one whole transferable common share purchase warrant (a "**Warrant**"). Each whole Warrant is exercisable to acquire one Share at an exercise price of CDN$0.40 per Share until April 2, 2020 which is 12 months from the date of issuance. The Private Placement remained subject to final Exchange approval.

On April 23, 2019, the Company announced that it had received final acceptance from the Exchange for its Private Placement. The Company paid aggregate finder's fees of CDN$92,970.00 and 371,880 Warrants to each of Leede Jones Gable Inc. ($5,000; 1,600 Warrants), Jadon Archer Sommer ($6,840; 27,360 Warrants), Keith Nixon ($15,100; 60,400 Warrants), Haywood Securities Inc. ($62,230; 248,920 Warrants), Echelon Wealth Partners ($2,000; 8,000 Warrants) and Randy Norton ($6,400; 25,600 Warrants). Each Warrant issued to the finders are exercisable to acquire one Share at an exercise price of CDN$0.40 per Share until April 2, 2020. The securities issued pursuant to the Private Placement, including any Shares that are issued on exercise of the Warrants, will be subject to a statutory hold period expiring four months and one day from the date of issuance of such Shares.

Insiders of the Company acquired an aggregate of 320,000 Units in the Private Placement, which participation constituted a "related party transaction" as defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-10**1”). Such participation is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the Units acquired by the insiders, nor the consideration for the Units paid by such insiders, exceed 25% of the Company's market capitalization. As required by MI 61-101, on April 30, 2019, the Company filed a material change report relating to the Private Placement.

2.4 Effect on Financial Position

Mission Ready has no plans for material changes in the business or affairs of Unifire that may have a significant effect on the financial performance or financial position of Mission Ready.

2.5 Prior Valuations

Not applicable.

2.6 Parties to Transaction

The Agreement and Plan of Merger dated January 18, 2019 is among Mission Ready Holdings USA Inc. (a wholly-owned subsidiary of the Company), MRS Merger Sub, Inc. (a wholly-owned subsidiary of the Company), the Company, Unifire, Darrell Siria and Daniel Raczykowski.

2.7 Date of Report

July 4, 2019.

Item 3: Financial Statements and Other Information

The following financial statements are attached hereto:

Schedule “A” – Unifire, Inc. unaudited comparative financial statements for the quarter ended March 31, 2019

Schedule “B” – Unifire, Inc. audited financial statements for the year ended December 31, 2018

Schedule “C” – Unifire, Inc. unaudited financial statements for the year ended December 31, 2017

Schedule "A"

UNIFIRE, INC.

Interim Financial Statements

For the three months ended March 31, 2019

(Unaudited)

(Expressed in U.S. dollars)

NOTICE TO READER

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

The accompanying condensed consolidated 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 consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

UNIFIRE, INC.
Statements of Financial Position
As at March 31, 2019 and December 31, 2018
(Unaudited)
(Expressed in U.S. dollars)

	Notes	March 31, 2019	December 31, 2018 (Audited)
		$	$
ASSETS			
Current Assets			
Cash		**138,505**	80,746
Trade and other receivables		**642,049**	528,939
Inventories	4	**745,945**	443,363
Prepaid expenses		**16,826**	17,120
		1,543,325	1,070,168
Property and equipment	5	**98,178**	102,030
Intangible assets	6	**881,613**	913,463
		2,523,116	2,085,661
LIABILITIES			
Current Liabilities			
Trade and other payables		**3,245,064**	3,074,734
Customer prepayments		**-**	155,250
Current portion of notes payable	7	**1,058,723**	462,132
		4,303,787	3,692,116
Notes payable	7	**138,833**	169,983
Due to related parties	8	**1,881,358**	1,881,358
		6,323,978	5,743,457
SHAREHOLDERS' DEFICIENCY			
Share capital	9	**22,500**	22,500
Contributed surplus	9	**223,323**	223,323
Deficit		**(4,046,685)**	(3,903,619)
Total shareholders' deficiency		**(3,800,862)**	(3,657,796)
		2,523,116	2,085,661

Nature of operations and going concerns	1
Subsequent event	15

Approved and authorized for issuance by the Board of Directors on July 3, 2019:

Approved on Behalf of the Board of Directors:

"*Jeffery Schwartz*" — Director

"*Mark Bishop*" — Director

UNIFIRE, INC.
Statements of Loss and Comprehensive Loss
For the three months ended March 31, 2019 and 2018
(Unaudited)
(Expressed in U.S. dollars)

	Notes	2018	2017
		$	$
Revenue		**2,475,942**	13,769,880
Cost of goods sold		**(2,070,912)**	(12,491,244)
Gross profit		**405,030**	1,278,636
General and administrative expenses			
Advertising		**-**	13,617
Amortization and depreciation	5 and 6	**35,702**	34,981
Bad debt (recovery)		**(47,330)**	-
Consulting fees		**119,685**	159,873
Commissions		**12,820**	26,750
Dues and subscriptions		**6,117**	30
Financing fees		**42,389**	30,144
Insurance		**1,903**	11,563
Legal and accounting		**90,742**	6,655
Meals and entertainment		**60**	3,013
Medical insurance		**15,322**	22,649
Office and miscellaneous		**32,949**	24,627
Postage and freight		**-**	7,969
Rent and utilities		**20,408**	15,121
Sales promotion		**685**	-
Shop		**-**	2,123
Taxes and licenses		**1,845**	-
Telephone		**4,719**	5,856
Travel		**2,502**	13,958
Truck		**2,277**	17,535
Wages and benefits		**137,898**	185,201
Total expenses		**(480,693)**	(581,665)
Other items			
Interest expense		**(67,403)**	(25,035)
Recovery of expenses		**-**	20,375
Total other items		**(67,403)**	(4,660)
Net income (loss) and comprehensive income (loss)		**(143,066)**	692,311
Basic and diluted earnings (loss) per common share		**(6.36)**	30.77
Weighted average number of common shares outstanding		**22,500**	22,500

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

UNIFIRE, INC.
Statements of Changes in Shareholders' Equity
(Unaudited)
(Expressed in U.S. dollars)

	Share Capital				
	Number of Shares	Amount	Contributed Surplus	Accumulated Deficit	Total
		$	$	$	$
Balance, December 31, 2017	**22,500**	**22,500**	**223,323**	**(2,712,677)**	**(2,466,854)**
Net income	-	-	-	692,311	692,311
Balance, March 31, 2018	**22,500**	**22,500**	**223,323**	**(2,020,366)**	**(1,774,543)**
Net loss	-	-	-	(1,883,253)	(1,883,253)
Balance, December 31, 2018	**22,500**	**22,500**	**223,323**	**(3,903,619)**	**(3,657,796)**
Net loss	-	-	-	(143,066)	(143,066)
Balance, March 31, 2019	**22,500**	**22,500**	**223,323**	**(4,046,685)**	**(3,800,862)**

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

UNIFIRE, INC.
Statements of Cash Flows
For the three months ended March 31, 2019 and 2018
(Unaudited)
(Expressed in U.S. dollars)

	2018	2017
	$	**$**
Operating activities		
Net loss	**(143,066)**	692,311
Adjustments for non-cash items:		
Amortization and depreciation	**35,702**	34,980
Change in non-cash working capital components:		
Trade and other receivables	**(113,110)**	(1,076,170)
Inventories	**(302,582)**	(45,507)
Prepaid expenses and deposits	**294**	(70,714)
Trade and other payables	**170,330**	403,661
Customer prepayments	**(155,250)**	-
Accrued interest payable	**67,403**	25,035
Net cash used in operating activities	**(440,279)**	(36,404)
Financing activities		
Net proceeds (repayments) on notes payable	**498,038**	-
Net cash provided by financing activities	**498,038**	-
Increase (decrease) in cash	**57,759**	(36,404)
Cash, beginning	**80,746**	401,755
Cash, ending	**138,505**	365,351
Cash paid for interest expense	**34,658**	-
Cash paid for income taxes	**-**	-

Supplemental Information with Respect to Cash Flows (Note 11)

1. NATURE OF OPERATIONS AND GOING CONCERNS

Unifire, Inc. (the "Company") is a Washington corporation which was incorporated in 1987. The head office is located at Suite 200 – 9515 N. Division, Spokane, Washington, USA, 99218.

The Company provides a complete range of mission critical equipment and services to military, law enforcement, tactical groups, fire and rescue, utilities, power generation nuclear and hydro power plants as well as to the general public.

The Company's ability to continue as a going concern is dependent upon its ability to generate profits from its operations and the continuing financial support of its shareholders and related parties to finance its operations and expansion activities. From inception to March 31, 2019, the Company has incurred losses from operations and has net accumulated losses of $4,046,685 and working capital deficit of $2,760,462 as at March 31, 2019. Although the Company has raised funds in the past, there can be no assurance the Company will be able to secure sufficient debt or equity financing for its working Capital and expansion activities, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable level of operations.

The current cash resources are not adequate to pay the Company's current liabilities and to meet its minimum commitments at the date of these financial statements; accordingly, there is significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts or classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. BASIS OF PRESENTATION

These interim financial statements are prepared in accordance with International Accounting Standards 34 – Interim Financial Reporting of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"). The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at and for the year ended December 31, 2018.

These interim financial statements are prepared on a historical cost basis except for certain financial instruments as described at Note 12, which are stated at their fair value. In addition, these interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of these interim financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the 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 the revision affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement 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:

i) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

ii) Impairment of property and equipment and intangible assets

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. In addition, when determining the applicable discount rate, estimation is involved in determining the appropriate adjustments to market risk and asset specific risk factors. These assumptions relate to future events and circumstances. Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

iii) Useful lives of property and equipment and intangible assets

Management reviews the useful lives of property and equipment and intangible assets at each reporting date, based on the expected utility of these assets to the Company. The useful lives of these assets may be shortened due to future technological developments.

Foreign currency

These interim financial statements are presented in U.S. dollars, which is also the functional currency of the Company.

i) Transactions and Balances in Foreign Currencies

Foreign currency transactions are translated into the functional currency of the respective entity, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and are not retranslated. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recorded to the extent that collection is reasonably assured.

Revenues from the sale of protective services gear are recognized when the products are shipped.

Inventories

Inventories are valued at the lower of cost and net realizable value (“NRV”). Cost is determined using the first-in, first-out method. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. As at March 31, 2019 and December 31, 2018, the Company has no material provisions.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized to write off the cost of the property and equipment less their residual values over their useful lives using the following rates:

Vehicle	20%
Furniture and equipment	20%
Leasehold improvements	10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets include a patent in a proprietary technology (Note 6). Intangible assets acquired are measured on initial recognition at cost, while the cost of intangible assets acquired in a business combination is initially recorded at their fair values as at the date of acquisition.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss.

The useful life of the Company's patent to a proprietary technology in its chainsaws and is being amortized on a straight-line basis over 15 years and the Company's acquired rights is being amortized on a straight-line basis over 10 years.

Impairment of property and equipment, intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Where the carrying amount of a cash generating unit exceeds its recoverable amount, the cash generating unit is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital and share subscriptions

Share capital includes cash consideration received for share issuances, net of commissions and issue costs. Share subscriptions represent proceeds received for shares that have not yet been issued as at the reporting date.

Loss per share

Loss per share is calculated using the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive.

Income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Debt instruments

Subsequent measurement of debt instrument depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(Expressed in U.S. dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current period. These reclassifications have no effect on the net loss for the year ended December 31, 2018.

Changes in accounting policies

IFRS 16 – Leases

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for reporting periods beginning on or after January 1, 2019, with early application permitted.

The Company has no lease commitment and, as a result, had no impact on the adoption of IFRS 16.

4. INVENTORIES

As at March 31, 2019 and December 31, 2018, inventory consists of firefighting equipment, blowers, saws, miscellaneous mechanical parts, pumps and military supplies.

5. PROPERTY AND EQUIPMENT

	Vehicles	Fixtures, tools and equipment	Leasehold Improvements	TOTAL
	$	$	$	$
COSTS				
Balance, December 31, 2017	**8,200**	**42,535**	**63,867**	**114,602**
Additions	-	40,349	-	40,349
Disposition	(1,288)	-	-	(1,288)
Balance, December 31, 2018 and March 31, 2019	**6,912**	**82,884**	**63,867**	**153,663**
ACCUMULATED DEPRECIATION				
Balance, December 31, 2017	**4,018**	**33,723**	**1,364**	**39,105**
Depreciation	836	5,305	6,387	12,528
Balance, December 31, 2018	**4,854**	**39,028**	**7,751**	**51,633**
Depreciation	167	2,088	1,597	3,852
Balance, March 31, 2019	**5,021**	**41,116**	**9,348**	**55,485**
NET BOOK VALUE				
Balance, December 31, 2018	2,058	43,856	56,116	102,030
Balance, March 31, 2019	**1,891**	**41,768**	**54,519**	**98,178**

(Expressed in U.S. dollars)

6. INTANGIBLE ASSETS

	Patents	Rights	TOTAL
	$	$	$
COSTS			
Balance, December 31, 2018 and March 31, 2019	**35,931**	**1,250,000**	**1,285,931**
ACCUMULATED AMORTIZATION			
Balance, December 31, 2017	**26,324**	**218,750**	**245,074**
Amortization	2,394	125,000	127,394
Balance, December 31, 2018	**28,718**	**343,750**	**372,468**
Amortization	600	31,250	31,850
Balance, December 31, 2018	**29,318**	**375,000**	**404,318**
NET BOOK VALUE			
Balance, December 31, 2018	7,213	906,250	913,463
Balance, March 31, 2019	**6,613**	**875,000**	**881,613**

On March 25, 2016, the Company purchased various assets and rights from Source One Distributors, Inc. for $1,253,600. These assets were purchased to expand access to military contracts and vendor relationships. A shareholder provided a loan of $1,250,000 to the Company for this purchase (Note 8).

7. NOTES PAYABLE

On December 15, 2017, the Company entered into a promissory note agreement with Pring Corporation in the amount of $250,000. The promissory note bears interest at 9.25% per annum, matures on June 15, 2018 and secured by all the assets of the Company not otherwise pledged prior to the date of the promissory note. During the year ended December 31, 2018, the maturity date has been extended to January 17, 2019. Each monthly extension after the original maturity date is subject to a $10,000 extension fee. During the three months ended March 31, 2019, this note was repaid in full.

On October 24, 2017, the Company entered into a promissory note agreement with Triumph Business Capital in the amount of $500,000. The promissory note is repayable in a weekly instalment of $3,820.25 per week starting January 1, 2018 and ending on December 31, 2020 and bears interest at 12% per annum. The note is secured by all assets of the Company. Future principal repayments are summarized as follows:

	$
Within 1 year	183,886
1 year – 2 years	138,833
	322,719

As at March 31, 2019, the Company has $867,093 due to Mission Ready Solutions Inc., E-Merchant and Capstone Capital Group, LLC (collectively, “Creditors”) for short-term loans received for working capital purposes.

(Expressed in U.S. dollars)

8. RELATED PARTIES

Details of transactions between the Company and other related parties, in addition to those transactions disclosed elsewhere in these financial statements, are described as follows.

a) Compensation of Key Management Personnel

The compensation paid or payable to directors and/or key management personnel during the three months ended March 31, 2019 and 2018 are as follows:

	March 31, 2019 $	March 31, 2018 $
Salaries and other short-term employee benefits	30,218	30,218
	30,218	30,218

All related party transactions were in the ordinary course of business and were measured at their exchange amount as agreed between the related parties

b) Related Party Balances

As at March 31, 2019 and December 31, 2018, the Company has the following amounts owed to related parties that are noninterest bearing, unsecured, and have no specified terms of repayment which has been included in trade and other payables.

	March 31, 2019 $	December 31, 2018 $
Due to a shareholder	125,599	144,058
	125,599	144,058

c) Loans from shareholder

The Company entered into a promissory note agreement with a shareholder of the Company in the amount of $300,000. The promissory note is unsecured, bears interest at 5.5% per annum and due on demand. On January 1, 2018, the interest rate was amended to 3% per annum and subsequently amended to non-interest bearing as of November 1, 2018. During the three months ended March 31, 2019, the Company accrued interest of $Nil (2018 - $4,125). As at December 31, 2018, the outstanding balance was $25,375 (December 31, 2018 – $25,375).

The Company entered into a promissory note agreement with a shareholder of the Company in the amount of $1,250,000 related to the purchase of assets from Source One Distributors, Inc. (Note 7). The promissory note is unsecured, bears interest at 6% per annum and matures on April 6, 2026. On January 1, 2018, the interest rate was amended to 3% per annum and subsequently amended to non-interest bearing as of November 1, 2018. During the three months ended March 31, 2019, the Company accrued interest of $Nil (2018 - $7,812). As at December 31, 2018, the outstanding balance was $864 (December 31, 2018 – $864).

8. RELATED PARTIES (continued)

c) Loans from shareholder (continued)

During the year ended December 31, 2017, the Company entered into a promissory note agreement with a shareholder of the Company in the amount of $299,041. The promissory note is unsecured, bears interest at 1.12% per annum and due on demand. On November 1, 2018, the interest rate was amended to non-interest bearing. During the three months ended March 31, 2019, the Company accrued interest of $Nil (2017 - $691). As at December 31, 2018, the outstanding balance was $6,077 (2017 – $6,077).

9. SHARE CAPITAL

a) Authorized Share Capital

The Company is authorized to issue 50,000 common shares with par value of $1.

b) Issued and Outstanding Common Shares

There was no share capital activity during the three months ended March 31, 2019 and the year ended December 31, 2018.

10. SEGMENTED INFORMATION

The assets and operations of the Company are located in the United States. The Company has one reportable business segment being the manufacturing of mission critical equipment and services to military, law enforcement, tactical groups, fire and rescue, utilities, power generation nuclear and hydro power plants as well as to the general public.

11. SUPPLEMENTAL INFORMATION IN RESPECT TO CASH FLOWS

There were no non-cash investing and financing activities for the three months ended March 31, 2019 and 2018.

(Expressed in U.S. dollars)

12. FINANCIAL INSTRUMENTS

Classification of financial instruments

As at March 31, 2019	Financial assets – FVTPL	Financial assets – amortized costs	Financial liabilities – amortized costs
	$	$	$
Cash	138,505	-	-
Trade and other receivables	-	642,049	-
Trade and other payables	-	-	3,245,064
Notes payable	-	-	1,197,556
Due to related parties	-	-	1,881,358

As at December 31, 2018	Financial assets - FVTPL	Financial assets – amortized costs	Financial liabilities – amortized costs
	$	$	$
Cash	80,746	-	-
Trade and other receivables	-	528,939	-
Trade and other payables	-	-	3,074,734
Notes payable	-	-	632,115
Due to related parties	-	-	1,881,358

The fair value of the Company’s financial assets and liabilities approximates the carrying amount.

Management of Industry and Financial Risk

The Company is exposed to various risks in relation to financial instruments. The Company’s risk management is coordinated at its head office in Canada in close cooperation with the board of directors and focuses on actively securing the Company’s short to medium-term cash flows and raising finances for the Company’s capital expenditure program. The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

Credit risk
Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions and for trade receivables by performing standard credit checks. The credit risk for cash and trade receivables is considered negligible since the counterparties are reputable banks with high quality external credit ratings and customers with no history of default.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company’s holdings of cash. The Company has working capital deficit of $2,760,462 as at March 31, 2019. There can be no assurance that the Company will be successful with generating and maintaining profitable operations or will be able to secure future debt or equity financing for its working capital and expansion activities.

12. FINANCIAL INSTRUMENTS (continued)

Foreign exchange risk
The Company operates mainly in the United States, and conducts business mainly in U.S. dollars. The Company's cash, trade and other payables, and various loans are denominated in U.S. dollars. The Company's exposure to currency risk is currently considered insignificant.

Interest Rate Risk
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interests on the Company's notes payable are based on fixed rates, and as such, the Company is not exposed to significant interest rate risk.

13. CAPITAL DISCLOSURES

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 and expansion of its business and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk level.

The Company manages its 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 its capital structure, the Company may attempt to issue new shares or debt, dispose of assets, or adjust the amount of cash and cash equivalents. There can be no assurance that the Company will be able to obtain debt or equity capital in the case of operating cash deficits

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company does not pay out dividends in order to conserve cash reserves and to maximize ongoing development efforts. The Company's share capital is not subject to external restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future.

14. INCOME TAX

Federal and State income taxes
The Company is a US corporation, incorporated in the State of Washing, USA and is an S corporation for the purposes of US federal income taxes. An S corporation is a special structure of corporate ownership; whereby, all the profits/losses are passed on directly to the shareholders of the Company. Accordingly, the Company is not required to pay corporate income tax on the profits of the company.

Distributions
The Company makes distributions of profits to the shareholders. The Company must allocate profits and losses to the shareholders every year so the amounts can be taxed at the individual level, but the S corporation is not required to actually distribute the profits. Accordingly, S corporation shareholders pay tax on all income earned by the S corporation when it is earned, regardless of whether it was received as a distribution. Accordingly, no provision has been made in these financial statements for income taxes which may or may not be payable by the shareholders of the Company.

15. SUBSEQUENT EVENT

On July 31, 2018, Mission Ready Solutions Inc. ("Mission Ready") has entered into a non-binding letter of intent to acquire (the "Acquisition") the Company. On February 12, 2019, Mission Ready received conditional approval from the TSXV for its Acquisition of the Company. Mission Ready subsequently closed the Acquisition in escrow pending regulatory approvals. The Acquisition has been structured as a merger between the Company and a wholly-owned subsidiary of Mission Ready. On April 23, 2019, Mission Ready closed the Acquisition of the Company following the receipt of the Final Acceptance from the TSXV.

Schedule "B"

UNIFIRE, INC.

Financial Statements

For the year ended December 31, 2018

(Expressed in U.S. dollars)

UNIT 114B (2nd Floor) – 8988 FRASERTON COURT
BURNABY, BC V5J 5H8

A CHAN AND COMPANY LLP
CHARTERED PROFESSIONAL ACCOUNTANT

T: **604.239.0868**
F: **604.239.0866**

INDEPENDENT AUDITORS' REPORT

To: the Shareholders of
Unifire, Inc.

Opinion
We have audited the financial statements of Unifire, Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2018, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in shareholders' equity for the year ended December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flow for the year ended December 31, 2018 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net comprehensive loss of $1,190,942 during the year ended December 31, 2018 and, as of that date, the Company had not yet achieved profitable operations, had accumulated losses of $3,903,619 since its inception, and expects to incur further losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement practitioner on the audit resulting in this independent auditors' report is Anthony Chan, CPA, CA.

"A Chan & Company LLP"
Chartered Professional Accountant

Unit# 114B (2nd floor) – 8988 Fraserton Court
Burnaby, BC, Canada V5J 5H8
July 2, 2019

UNIFIRE, INC.
Statements of Financial Position
As at December 31, 2018 and 2017
(Expressed in U.S. dollars)

	Notes	December 31, 2018	December 31, 2017 (Unaudited)
		$	$
ASSETS			
Current Assets			
Cash		**80,746**	401,755
Trade and other receivables		**528,939**	1,154,249
Inventories	4	**443,363**	1,605,063
Prepaid expenses		**17,120**	83,487
		1,070,168	3,244,554
Property and equipment	5	**102,030**	75,497
Intangible assets	6	**913,463**	1,040,857
		2,085,661	4,360,908
LIABILITIES			
Current Liabilities			
Trade and other payables		**3,074,734**	4,230,773
Customer prepayments		**155,250**	-
Current portion of notes payable	7	**462,132**	251,014
		3,692,116	4,481,787
Notes payable	7	**169,983**	500,000
Due to related parties	8	**1,881,358**	1,845,975
		5,743,457	6,827,762
SHAREHOLDERS' DEFICIENCY			
Share capital	9	**22,500**	22,500
Contributed surplus	9	**223,323**	223,323
Deficit		**(3,903,619)**	(2,712,677)
Total shareholders' deficiency		**(3,657,796)**	(2,466,854)
		2,085,661	4,360,908

Nature of operations and going concerns	1
Subsequent events	15

Approved and authorized for issuance by the Board of Directors on July 2, 2019:

Approved on Behalf of the Board of Directors:

"Jeffery Schwartz"
Director

"*Mark Bishop*"
Director

UNIFIRE, INC.
Statements of Loss and Comprehensive Loss
For the years ended December 31, 2018 and 2017
(Expressed in U.S. dollars)

	Notes	2018	2017 (Unaudited)
		$	$
Revenue		**22,355,626**	24,723,212
Cost of goods sold		**(20,029,042)**	(23,685,017)
Gross profit		**2,326,584**	1,038,195
General and administrative expenses			
Advertising		**4,886**	45,029
Amortization and depreciation	5 and 6	**139,922**	156,373
Bad debt		**104,409**	21,940
Consulting fees		**522,260**	802,346
Commissions		**113,211**	236,766
Dues and subscriptions		**7,980**	-
Financing fees		**100,430**	6,548
Insurance		**17,064**	23,232
Legal and accounting		**140,478**	193,991
Meals and entertainment		**6,879**	22,262
Medical insurance		**67,860**	106,459
Office and miscellaneous		**183,454**	94,440
Postage and freight		**26,347**	104,006
Rent and utilities		**58,501**	95,394
Sales promotion		**65,505**	193,286
Shop		**7,944**	13,001
Taxes and licenses		**67,828**	97,637
Telephone		**21,482**	28,247
Travel		**71,359**	187,850
Truck		**48,106**	107,079
Wages and benefits		**687,912**	905,700
Total expenses		**(2,463,817)**	(3,441,586)
Other items			
Gain (loss) from disposal of assets	8	**25,712**	(10,924)
Interest income		**-**	944
Interest expense		**(243,273)**	(203,047)
Write-down of inventory		**(836,148)**	(131,061)
Total other items		**(1,053,709)**	(344,088)
Net loss and comprehensive loss		**(1,190,942)**	(2,747,479)
Basic and diluted loss per common share		**(52.93)**	(125.67)
Weighted average number of common shares outstanding		**22,500**	21,863

The accompanying notes are an integral part of these financial statements

UNIFIRE, INC.
Statements of Changes in Shareholders' Equity
(Expressed in U.S. dollars)

	Share Capital				
	Number of Shares	Amount	Contributed Surplus	Accumulated Deficit	Total
		$	$	$	$
Balance, December 31, 2016 (Unaudited)	**15,000**	**15,000**	**204,823**	**34,802**	**254,625**
Shares for services	7,500	7,500	18,500	-	26,000
Net loss	-	-	-	(2,747,479)	(2,747,479)
Balance, December 31, 2017 (Unaudited)	**22,500**	**22,500**	**223,323**	**(2,712,677)**	**(2,466,854)**
Net loss	-	-	-	(1,190,942)	(1,190,942)
Balance, December 31, 2018	**22,500**	**22,500**	**223,323**	**(3,903,619)**	**(3,657,796)**

UNIFIRE, INC.
Statements of Cash Flows
For the years ended December 31, 2018 and 2017
(Expressed in U.S. dollars)

	2018	2017 (Unaudited)
	$	**$**
Operating activities		
Net loss	**(1,190,942)**	**(2,747,479)**
Adjustments for non-cash items:		
Amortization and depreciation	**139,922**	**156,373**
Accrued bonus	**127,968**	**26,000**
(Gain) loss on sale of assets	**(25,712)**	**10,924**
Write-down of inventory	**836,148**	**131,061**
Change in non-cash working capital components:		
Trade and other receivables	**422,098**	**4,927,463**
Inventories	**325,552**	**(226,673)**
Prepaid expenses and deposits	**66,367**	**(67,732)**
Trade and other payables	**(1,062,990)**	**(1,857,827)**
Customer prepayments	**155,250**	**-**
Accrued interest payable	**107,431**	**111,373**
Net cash used in operating activities	**(98,908)**	**463,483**
Investing activities		
Acquisition of property and equipment	**(40,349)**	**(53,524)**
Disposition of property and equipment	**-**	**56,646**
Net cash used in investing activities	**(40,349)**	**3,122**
Financing activities		
Net repayments on notes payable	**(184,818)**	**698,609**
Net proceeds (repayments) on related parties	**3,066**	**295,975**
Net repayments on bank line of credit	**-**	**(1,078,117)**
Net cash provided by financing activities	**(181,752)**	**(83,533)**
Increase (decrease) in cash	**(321,009)**	**383,072**
Cash, beginning	**401,755**	**18,683**
Cash, ending	**80,746**	**401,755**
Cash paid for interest expense	**65,919**	**91,674**
Cash paid for income taxes	**-**	**-**

Supplemental Information with Respect to Cash Flows (Note 11)

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERNS

Unifire, Inc. (the "Company") is a Washington corporation which was incorporated in 1987. The head office is located at Suite 200 – 9515 N. Division, Spokane, Washington, USA, 99218.

The Company provides a complete range of mission critical equipment and services to military, law enforcement, tactical groups, fire and rescue, utilities, power generation nuclear and hydro power plants as well as to the general public.

The Company's ability to continue as a going concern is dependent upon its ability to generate profits from its operations and the continuing financial support of its shareholders and related parties to finance its operations and expansion activities. From inception to December 31, 2018, the Company has incurred losses from operations and has net accumulated losses of $3,903,619 and working capital deficit of $2,621,948 as at December 31, 2018. Although the Company has raised funds in the past, there can be no assurance the Company will be able to secure sufficient debt or equity financing for its working Capital and expansion activities, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable level of operations.

The current cash resources are not adequate to pay the Company's current liabilities and to meet its minimum commitments at the date of these financial statements; accordingly, there is significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts or classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. BASIS OF PRESENTATION

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretation Committee ("IFRIC").

These financial statements are prepared on a historical cost basis except for certain financial instruments as described at Note 14, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of these financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the 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 the revision affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement 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:

i) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

ii) Impairment of property and equipment and intangible assets

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. In addition, when determining the applicable discount rate, estimation is involved in determining the appropriate adjustments to market risk and asset specific risk factors. These assumptions relate to future events and circumstances. Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

iii) Useful lives of property and equipment and intangible assets
Management reviews the useful lives of property and equipment and intangible assets at each reporting date, based on the expected utility of these assets to the Company. The useful lives of these assets may be shortened due to future technological developments.

Foreign currency

These financial statements are presented in U.S. dollars, which is also the functional currency of the Company.

i) Transactions and Balances in Foreign Currencies

Foreign currency transactions are translated into the functional currency of the respective entity, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and are not retranslated. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recorded to the extent that collection is reasonably assured.

Revenues from the sale of protective services gear are recognized when the products are shipped.

Inventories

Inventories are valued at the lower of cost and net realizable value (“NRV”). Cost is determined using the first-in, first-out method. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. As at December 31, 2018 and 2017, the Company has no material provisions.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized to write off the cost of the property and equipment less their residual values over their useful lives using the following rates:

Vehicle	20%
Furniture and equipment	20%
Leasehold improvements	10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets include a patent in a proprietary technology (Note 6). Intangible assets acquired are measured on initial recognition at cost, while the cost of intangible assets acquired in a business combination is initially recorded at their fair values as at the date of acquisition.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss.

The useful life of the Company's patent to a proprietary technology in its chainsaws and is being amortized on a straight-line basis over 15 years and the Company's acquired rights is being amortized on a straight-line basis over 10 years.

Impairment of property and equipment, intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Where the carrying amount of a cash generating unit exceeds its recoverable amount, the cash generating unit is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital and share subscriptions

Share capital includes cash consideration received for share issuances, net of commissions and issue costs. Share subscriptions represent proceeds received for shares that have not yet been issued as at the reporting date.

Loss per share

Loss per share is calculated using the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive.

Income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Debt instruments

Subsequent measurement of debt instrument depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

<u>Impairment</u>

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current period. These reclassifications have no effect on the net loss for the year ended December 31, 2017.

Changes in accounting policies

i) IFRS 9 – Financial Instruments

The Company adopted IFRS 9, which replaced IAS 39 – Financial Instruments: Recognition and Measurement, in its financial statements beginning January 1, 2018. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities, however it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Under IFRS 9 there are three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and lost ("FVTPL"). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. IFRS replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model applies to financial assets measure at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The adoption of IFRS 9 did not have a material impact on the Company's financial statements.

ii) IFRS 15 – Revenue from contracts with customers

On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations.

The adoption of IFRS 15 did not impact the cumulated revenue recognized or the related assets and liabilities on the transition date.

(Expressed in U.S. dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Future changes in accounting policies

i) IFRS 16 – Leases

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for reporting periods beginning on or after January 1, 2019, with early application permitted.

The Company is currently assessing the impact of the adoption of IFRS 16.

4. INVENTORIES

As at December 31, 2018, inventory consists of firefighting equipment, blowers, saws, miscellaneous mechanical parts, pumps and military supplies.

5. PROPERTY AND EQUIPMENT

	Vehicles	Fixtures, tools and equipment	Leasehold Improvements	TOTAL
	$	$	$	$
COSTS				
Balance, December 31, 2017 (Unaudited)	**8,200**	**42,535**	**63,867**	**114,602**
Additions	-	40,349	-	40,349
Disposition	(1,288)	-	-	(1,288)
Balance, December 31, 2018	**6,912**	**82,884**	**63,867**	**153,663**
ACCUMULATED DEPRECIATION				
Balance, December 31, 2017 (Unaudited)	**4,018**	**33,723**	**1,364**	**39,105**
Depreciation	836	5,305	6,387	12,528
Balance, December 31, 2018	**4,854**	**39,028**	**7,751**	**51,633**
NET BOOK VALUE				
Balance, December 31, 2017 (Unaudited)	4,182	8,812	62,503	75,497
Balance, December 31, 2018	**2,058**	**43,856**	**56,116**	**102,030**

(Expressed in U.S. dollars)

6. INTANGIBLE ASSETS

	Patents	Rights	TOTAL
	$	$	$
COSTS			
Balance, December 31, 2018 and 2017	**35,931**	**1,250,000**	**1,285,931**
ACCUMULATED AMORTIZATION			
Balance, December 31, 2017 (Unaudited)	**26,324**	**218,750**	**245,074**
Amortization	2,394	125,000	127,394
Balance, December 31, 2018	**28,718**	**343,750**	**372,468**
NET BOOK VALUE			
Balance, December 31, 2017 (Unaudited)	9,607	1,031,250	1,040,857
Balance, December 31, 2018	**7,213**	**906,250**	**913,463**

On March 25, 2016, the Company purchased various assets and rights from Source One Distributors, Inc. for $1,253,600. These assets were purchased to expand access to military contracts and vendor relationships. A shareholder provided a loan of $1,250,000 to the Company for this purchase (Note 9).

7. NOTES PAYABLE

	Pring Corporation	Triumph Business Capital	TOTAL
	$	$	$
Balance, December 31, 2017 (Unaudited)	**251,014**	**500,000**	**751,014**
Payments	-	(184,818)	(184,818)
Interest expense	12,466	53,453	65,919
Balance, December 31, 2018	**263,480**	**368,635**	**632,115**
Less: Current portion of promissory notes	(263,480)	(198,652)	462,132
Non-current portion of promissory notes	**-**	**169,983**	**169,983**

On December 15, 2017, the Company entered into a promissory note agreement with Pring Corporation in the amount of $250,000. The promissory note bears interest at 9.25% per annum, matures on June 15, 2018 and secured by all the assets of the Company not otherwise pledged prior to the date of the promissory note. During the year ended December 31, 2018, the maturity date has been extended to January 17, 2019. Each monthly extension after the original maturity date is subject to a $10,000 extension fee.

On October 24, 2017, the Company entered into a promissory note agreement with Triumph Business Capital in the amount of $500,000. The promissory note is repayable in a weekly instalment of $3,820.25 per week starting January 1, 2018 and ending on December 31, 2020 and bears interest at 12% per annum. The note is secured by all assets of the Company. Future principal repayments are summarized as follows:

	$
2019	198,653
2020	169,984
	368,637

(Expressed in U.S. dollars)

8. RELATED PARTIES

Details of transactions between the Company and other related parties, in addition to those transactions disclosed elsewhere in these financial statements, are described as follows.

a) Compensation of Key Management Personnel

The compensation paid or payable to directors and/or key management personnel during the years ended December 31, 2018 and 2017 are as follows:

	December 31, 2018 $	(Unaudited) December 31, 2017 $
Salaries and other short-term employee benefits	236,974	145,374
	236,974	145,374

All related party transactions were in the ordinary course of business and were measured at their exchange amount as agreed between the related parties

b) Related Party Balances

As at December 31, 2018 and 2017, the Company has the following amounts owed to related parties that are noninterest bearing, unsecured, and have no specified terms of repayment which has been included in trade and other payables.

	December 31, 2018 $	(Unaudited) December 31, 2017 $
Due to a shareholder	144,058	55,987
	144,058	55,987

c) Loans from shareholder

The Company entered into a promissory note agreement with a shareholder of the Company in the amount of $300,000. The promissory note is unsecured, bears interest at 5.5% per annum and due on demand. On January 1, 2018, the interest rate was amended to 3% per annum and subsequently amended to non-interest bearing as of November 1, 2018. During the year ended December 31, 2018, the Company accrued interest of $7,500 (2017 - $16,500). As at December 31, 2018, the outstanding balance was $25,375 (2017 – $17,875).

The Company entered into a promissory note agreement with a shareholder of the Company in the amount of $1,250,000 related to the purchase of assets from Source One Distributors, Inc. (Note 7). The promissory note is unsecured, bears interest at 6% per annum and matures on April 6, 2026. On January 1, 2018, the interest rate was amended to 3% per annum and subsequently amended to non-interest bearing as of November 1, 2018. During the year ended December 31, 2018, the Company accrued interest of $31,250 (2017 - $75,000). As at December 31, 2018, the outstanding balance was $864 (2017 – $71,859).

8. RELATED PARTIES (continued)

c) Loans from shareholder (continued)

During the year ended December 31, 2017, the Company entered into a promissory note agreement with a shareholder of the Company in the amount of $299,041. The promissory note is unsecured, bears interest at 1.12% per annum and due on demand. On November 1, 2018, the interest rate was amended to non-interest bearing. During the year ended December 31, 2018, the Company accrued interest of $2,762 (2017 - $3,315). As at December 31, 2018, the outstanding balance was $6,077 (2017 – $3,315).

d) Other transactions

During the year ended December 31, 2018, a shareholder of the Company was assigned the rights to trade receivables and assumed the liability of trade payables between the Company and General Fire Equipment Company, Inc., a company controlled by the shareholder. The net effect was an asset of $75,244 being assigned to the shareholder which has been applied against the interest due to the loans from the shareholder.

During the year ended December 31, 2018, a shareholder of the Company acquired a vehicle from the Company with a value of $27,000 (2017 - $9,406). The $27,000 (2017 - $9,406) value was applied against interest that had accrued on a promissory note resulting in a gain of $25,712 (loss of $10,924) for the year.

During the year ended December 31, 2018, the Company settled a loan of $127,968 receivable from an officer of the Company which was declared as a bonus to the individual for the year.

9. SHARE CAPITAL

a) Authorized Share Capital

The Company is authorized to issue 50,000 common shares with par value of $1.

b) Issued and Outstanding Common Shares

There was no share capital activity during the year ended December 31, 2018.

During the year ended December 31, 2017, the Company issued 7,500 common shares valued at $26,000 to an officer of the Company for his services.

(Expressed in U.S. dollars)

10. SEGMENTED INFORMATION

The assets and operations of the Company are located in the United States. The Company has one reportable business segment being the manufacturing of mission critical equipment and services to military, law enforcement, tactical groups, fire and rescue, utilities, power generation nuclear and hydro power plants as well as to the general public.

11. SUPPLEMENTAL INFORMATION IN RESPECT TO CASH FLOWS

Non-cash investing and financing activities for the years ended December 31, 2018 and 2017 are as follows:

	December 31, 2018	(Unaudited) December 31, 2017
	$	$
Sale of vehicle to shareholder applied to interest payable	27,000	9,406
Remove related company activity	75,245	-
Bonus shareholder receivable	127,968	-

12. FINANCIAL INSTRUMENTS

Classification of financial instruments

As at December 31, 2018	Financial assets – FVTPL	Financial assets – amortized costs	Financial liabilities – amortized costs
	$	$	$
Cash	80,746	-	-
Trade and other receivables	-	528,939	-
Trade and other payables	-	-	3,074,734
Notes payable	-	-	632,115
Due to related parties	-	-	1,881,358

As at December 31, 2017 (Unaudited)	Financial assets - FVTPL	Financial assets – amortized costs	Financial liabilities – amortized costs
	$	$	$
Cash	401,755	-	-
Trade and other receivables	-	1,154,249	-
Trade and other payables	-	-	4,230,773
Notes payable	-	-	751,014
Due to related parties	-	-	1,845,975

The fair value of the Company’s financial assets and liabilities approximates the carrying amount.

12. FINANCIAL INSTRUMENTS (continued)

Management of Industry and Financial Risk

The Company is exposed to various risks in relation to financial instruments. The Company's risk management is coordinated at its head office in Canada in close cooperation with the board of directors and focuses on actively securing the Company's short to medium-term cash flows and raising finances for the Company's capital expenditure program. The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

Credit risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions and for trade receivables by performing standard credit checks. The credit risk for cash and trade receivables is considered negligible since the counterparties are reputable banks with high quality external credit ratings and customers with no history of default.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company has working capital deficit of $2,621,948 as at December 31, 2018. There can be no assurance that the Company will be successful with generating and maintaining profitable operations or will be able to secure future debt or equity financing for its working capital and expansion activities.

Foreign exchange risk
The Company operates mainly in the United States, and conducts business mainly in U.S. dollars. The Company's cash, trade and other payables, and various loans are denominated in U.S. dollars. The Company's exposure to currency risk is currently considered insignificant.

Interest Rate Risk
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interests on the Company's notes payable are based on fixed rates, and as such, the Company is not exposed to significant interest rate risk.

13. CAPITAL DISCLOSURES

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 and expansion of its business and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk level.

The Company manages its 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 its capital structure, the Company may attempt to issue new shares or debt, dispose of assets, or adjust the amount of cash and cash equivalents. There can be no assurance that the Company will be able to obtain debt or equity capital in the case of operating cash deficits.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company does not pay out dividends in order to conserve cash reserves and to maximize ongoing development efforts. The Company's share capital is not subject to external restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future.

14. INCOME TAX

Federal and State income taxes
The Company is a US corporation, incorporated in the State of Washing, USA and is an S corporation for the purposes of US federal income taxes. An S corporation is a special structure of corporate ownership; whereby, all the profits/losses are passed on directly to the shareholders of the Company. Accordingly, the Company is not required to pay corporate income tax on the profits of the company.

Distributions
The Company makes distributions of profits to the shareholders. The Company must allocate profits and losses to the shareholders every year so the amounts can be taxed at the individual level, but the S corporation is not required to actually distribute the profits. Accordingly, S corporation shareholders pay tax on all income earned by the S corporation when it is earned, regardless of whether it was received as a distribution. Accordingly, no provision has been made in these financial statements for income taxes which may or may not be payable by the shareholders of the Company.

15. SUBSEQUENT EVENTS

In 2018, the shareholders of the Company entered into a non-binding letter of intent to sell all of their shares of the capital stock of Unifire, Inc. Effective January 18, 2019, the parties involved signed an agreement and a plan of merger. As part of the plan, the new shareholders (subject to TSX Venture approval) will arrange for equity financing which will be used to pay the existing debt of the Company (not to exceed $6,000,000). The Company will remain as the surviving company.

On July 31, 2018, Mission Ready Solutions Inc. (“Mission Ready”) has entered into a non-binding letter of intent to acquire (the “Acquisition”) the Company. On February 12, 2019, Mission Ready received conditional approval from the TSXV for its Acquisition of the Company. Mission Ready subsequently closed the Acquisition in escrow pending regulatory approvals. The Acquisition has been structured as a merger between the Company and a wholly-owned subsidiary of Mission Ready. On April 23, 2019, Mission Ready closed the Acquisition of the Company following the receipt of the Final Acceptance from the TSXV.

OMLIN, GUNNING & ASSOCIATES, P.S.
Certified Public Accountants

Schedule "C"

UNIFIRE, INC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

9515 N. Division • Suite 200 • Spokane, Washington 99218-1231 • (509) 467-2000 • Fax (509) 466-0537
Member: American Institute of Certified Public Accountants • Washington Society of Certified Public Accountants

TABLE OF CONTENTS

OMLIN, GUNNING & ASSOCIATES, P.S.
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Mr. Darrell Siria, President
Unifire, Inc.
Spokane, WA

We have reviewed the accompanying financial statements of Unifire, Inc., (a Washington S corporation), which comprise the balance sheet as of December 31, 2017, and the related statements of income, shareholders' equity, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility
Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion
Based on our review, except for the issues noted in the Known Departures From Accounting Principles Generally Accepted in the United States of America paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America

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Known Departures From Accounting Principles Generally Accepted in the United States of America

As disclosed in the Notes to the Financial Statements, accounting principles generally accepted in the United States of America require that manufactured inventory costs consist of material, labor and overhead. Management has informed us that the inventory cost of finished goods and work in process in the accompanying financial statements does not include labor and overhead. Furthermore, as discussed in the Notes to the Financial Statements, accounting principles generally accepted in the United States of America require that a provision for uncollectible accounts receivable be recorded. The Company has not recorded such a provision for uncollectible accounts receivable in the accompanying balance sheet and follows a practice of expensing bad debts when written off. Management has also informed us that it has conducted business in multiple states and that it is possible that it has not reported all activity and possible related tax liabilities to those states. Management has not determined the effect of these departures on the financial statements.

Supplementary Information

The supplementary information included in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Income Taxes

The Company, with the consent of its shareholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporate income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

Omlin, Gunning + Assoc P.S.

Omlin, Gunning & Associates, P.S.
Certified Public Accountants
Spokane, WA
March 1, 2019

UNIFIRE, INC.

BALANCE SHEET
AS OF DECEMBER 31, 2017

ASSETS

Current Assets:		
Cash	$	401,755
Trade accounts receivable net of factored receivables		907,125
Trade accounts receivable - related party		119,156
Inventory		1,605,063
Prepaid expenses		83,487
Total Current Assets		3,116,586
Property and Equipment:		
Vehicles		76,802
Fixtures, tools and equipment		43,592
Leasehold improvements		63,867
Less: accumulated amortization and depreciation		(108,584)
Total Property and Equipment		75,677
Other Assets:		
Receivable - officer		127,968
Goodwill		1,250,000
Patent costs		35,931
Less: accumulated amortization		(245,254)
Total Other Assets		1,168,645
Total Assets	$	4,360,908

See Independent Accountants' Review Report and
Accompanying Notes to Financial Statements.

UNIFIRE, INC.

BALANCE SHEET
AS OF DECEMBER 31, 2017

LIABILITIES AND EQUITY

Current Liabilities:	
Trade accounts payable	$ 4,031,664
Trade accounts payable - related party	55,987
Taxes payable and payroll liabilities	25,123
Note Payable - Pring Corporation	250,000
Accrued interest payable - notes payable	119,013
Current portion long-term debt	150,141
Total Current Liabilities	4,631,928
Long-Term Liabilities:	
Note payable - Triumph	500,000
Less: current portion long-term debt	(150,141)
Total Long-Term Liabilities	349,859
Other Liabilities:	
Related party payables - loans from shareholder	1,845,975
Total Liabilities	6,827,762
Equity:	
Common stock, par value $1.00; 50,000 shares authorized, 22,500 shares issued and outstanding	22,500
Paid in capital in excess of par	223,323
Retained earnings	(2,712,677)
Total Equity	(2,466,854)
Total Liabilities and Equity	$ 4,360,908

UNIFIRE, INC.

STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 Amount	% of Sales
Sales	$ 24,723,212	100.00
Cost of Goods Sold:		
Beginning inventory	1,509,451	6.11
Purchases	23,377,693	94.55
Less: ending inventory	(1,605,063)	(6.49)
Total Cost of Goods Sold	23,282,081	94.17
Gross Profit	1,441,131	5.83
General and administrative expenses	3,441,586	13.92
Operating Income (Loss)	(2,000,455)	(8.09)
Other Income (Expense):		
Loss from sale of assets	(10,924)	(0.04)
Interest income	944	0.00
Interest expense	(203,047)	(0.82)
Obsolete inventory adjustment	(361,270)	(1.46)
Total Other Income (Expense)	(574,297)	(2.32)
Net Loss	$ (2,574,752)	(10.41)

See Independent Accountants' Review Report and
Accompanying Notes to Financial Statements.

UNIFIRE, INC.

STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	Common Stock	Paid-in Capital	Retained Earnings	Total
Balance - 01/01/17	$ 15,000	$ 204,823	$ (60,624)	$ 159,199
Prior Period Adjustment	0	0	(77,301)	(77,301)
Shareholders' Beginning Equity as Restated	15,000	204,823	(137,925)	81,898
New Shares Issued	7,500	18,500	0	26,000
Shareholder Distributions	0	0	0	0
Net Loss	0	0	(2,574,752)	(2,574,752)
Balance - 12/31/17	$ 22,500	$ 223,323	$ (2,712,677)	$ (2,466,854)

See Independent Accountants' Review Report and
Accompanying Notes to Financial Statements.

UNIFIRE, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

Cash Flows from Operating Activities:	
Net loss	$ (2,574,752)
Adjustments to reconcile net income to net cash provided (used) by operating activity:	
Loss on sale of assets	10,924
Shares issued - bonus	26,000
Depreciation and amortization	156,373
Changes in operating assets and liabilities:	
Accounts receivable	4,762,180
Notes receivable - officer	(7,444)
Inventories	(95,612)
Prepaid expenses	(67,732)
Accounts payable	(1,842,021)
Taxes payable and payroll liabilities	(15,806)
Accrued interest payable	111,373
Net Cash Provided (Used) By Operating Activities	463,483
Cash Flows From Investing Activities:	
Proceeds from sale of assets	56,646
Fixed assets purchased	(53,524)
Net Cash Provided (Used) By Investing Activities	3,122
Cash Flows From Financing Activities:	
Proceeds - short-term loan	250,000
Net proceeds (payments) from bank line of credit	(1,078,117)
Net proceeds (payments) from officer loans	295,975
Payments on long-term debt	(51,391)
Proceeds from long-term debt	500,000
Net Cash Provided (Used) by Financing Activities	(83,533)
Net Increase (Decrease) in Cash	383,072
Cash at the Beginning of Year	18,683
Cash at the End of Year	$ 401,755
Supplemental Cash Flow Disclosure:	
Interest Paid	$ 91,674

See Independent Accountants' Review Report and Accompanying Notes to Financial Statements.

UNIFIRE, INC.

SCHEDULE 1 - GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 Amount	% of Sales
General and Administrative Expenses:		
Advertising	$ 45,029	0.18
Amortization	127,653	0.52
Bad debt expense	21,940	0.09
Contract labor	794,383	3.21
Consulting expense	7,963	0.03
Commissions	236,766	0.96
Depreciation	28,720	0.12
Factoring fees	6,548	0.03
Insurance	23,232	0.09
Legal and accounting	193,991	0.78
Meals and entertainment	22,262	0.09
Medical insurance	106,459	0.43
Miscellaneous expense	6,513	0.03
Office expense	87,927	0.36
Payroll expense	897,998	3.65
Pension expense	7,702	0.03
Postage and freight	104,006	0.42
Rent	74,548	0.30
Sales promotion	193,286	0.78
Shop expense	13,001	0.05
Taxes and licenses	97,637	0.39
Telephone	28,247	0.11
Travel expense	187,850	0.76
Truck expense	107,079	0.43
Utilities	20,846	0.08
Total General and Administrative Expenses	$ 3,441,586	13.92

See Independent Accountants' Review Report and
Accompanying Notes to Fnancial Statements.

Note 1: Summary of Significant Accounting Policies:

This summary of significant accounting policies of Unifire, Inc. (the Company), which is an S Corporation for income tax purposes, is presented to aid in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. Except as mentioned below, these accounting polices conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization and Operation

The Company is a Washington corporation which was incorporated in 1987. The Company provides a complete range of mission critical equipment and services to the military, law enforcement, tactical groups, fire and rescue, utilities, power generation nuclear and hydro power plants as well as to the general public.

In the prior year the Company was owned one hundred percent by Darrell Siria (15,000 shares issued). However, Dan Raczkowski became a 33.33% shareholder, effective February 1, 2017, with the issue of 7,500 shares to Mr. Raczkowski.

The Company has two related party affiliates, General Fire Equipment Company and GF Alarm Monitoring, Inc.; both owned one hundred percent by Darrell Siria. For 2017, accounts receivable includes an amount of $119,156 and accounts payable includes an amount of $55,987, both from General Fire Equipment Company.

Accounting principles generally accepted in the United States of America requires the consolidation of certain "variable interest entities". However, the two related party affiliates that are listed above are not considered variable interest entities. Therefore, these financial statements include only Unifire, Inc.

Revenue Recognition

In general, revenue is recognized upon shipment of products.

Estimates and Assumptions

In the course of preparing financial statements, management makes estimates which affect the reported amounts of assets, liabilities, revenues, costs, expenses, and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations of Cash and Credit Risks

The Company maintains its cash balances at two financial institutions. At times, such investments have been in excess of the FDIC insurance limit.

Note 1: Significant Accounting Policies: (Continued)

The Company grants credit to companies and local governments located throughout the United States and to the United States Government itself. U.S. Government contracts to various branches of the government account for the Company's ten largest customers. The Company's top ten suppliers account for approximately 45% of the cost of goods sold. The Company generally does not require collateral and its trade receivables are unsecured. The Company expects to incur no significant losses related to granting such credit.

Financial Instruments

Cash and equivalents consist of cash on hand and in banks, amounts due from banks and short term investments, generally with a maturity of three months or less.

Accounts receivable are due currently or, alternatively, bear an appropriate market rate of interest and accordingly, are carried at fair value.

Debt instruments bear an appropriate market rate of interest and accordingly, are carried at fair value.

Accounts Receivable

As revenue is billed, a receivable is recorded. The Company began factoring accounts receivable starting August, 2017. The Company factors the majority of its accounts receivable through Triumph Business Capital. At December 31, 2017 the accounts receivable balance was $1,681,483 less $655,202 factored receivables for a net accounts receivable of $1,026,281, including related Company accounts receivable of $119,156. Factored accounts receivable may need to be repurchased if they are nonperforming. Total short-term factoring fees to the Company were approximately $19,974.

The Company monitors outstanding balances in the various aging categories as well as the status of any significant past due accounts to determine the need to use the direct write-off method to recognize bad debt expense at year-end. Bad debt expense for the year ended December 31, 2017 was $21,940, using the direct write-off method. Accounting principles generally accepted in the United States of America require that, if material, a provision for uncollectable accounts receivable be recorded; such a provision has not been maintained and the effect of this departure from generally accepted accounting principles has not been determined.

Property and Equipment

Property and equipment are stated at cost. Repairs and maintenance expenditures which extend the useful life of an asset are capitalized. Minor expenditures for small tools and equipment are expensed as incurred. Property and equipment are depreciated over their useful lives, which range from 3 to 10 years.

Note 1: Significant Accounting Policies: (Continued)

Income Taxes

The Company and its shareholders filed a statement of election to be taxed as a Small Business Corporation under Subchapter S of the Internal Revenue Code effective January 1, 2005. In lieu of corporate income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. The financial statements, therefore, do not include a provision for income taxes.

Advertising

The Company expenses advertising costs as they are incurred. The total for 2017 was $45,029 for advertising and $193,286 for sales promotion.

Compensated Absences

Employees of the Company are entitled to paid vacation, depending on length of service. It is impractical to estimate the amount of compensation for absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Company policy is to recognize the costs of compensated absences when actually paid to employees.

Warranty

The Company performs warranty services on products that it produces. Related expenses are expensed at the time services are rendered. Management states that these services are infrequent and immaterial and no reserve is required.

Sales Tax

The Company's accounting policy for sales tax collected from non-exempt customers is to exclude the tax collected and remitted to the state from revenues and direct costs.

Note 2: Inventories:

Inventories at December 31, 2017 consist of firefighting equipment, blowers, saws, miscellaneous mechanical parts, pumps, and military supplies in the amount of $1,605,063. The Company's inventory is valued at the lower of cost or market. The cost of inventory is based on the first in, first out method. Accounting principles generally accepted in the United States of America require that manufactured inventory costs include materials, labor, and overhead allocated to such inventory. Management does not include labor and overhead costs in inventory but instead expenses these items as incurred. Management believes that manufactured inventory is immaterial to total inventory. The effect of this departure from generally accepted accounting principles has not been determined.

For the year ended December 31, 2017, inventory in the amount of $361,270 was written off due to inventory obsolescence. This amount is reported on the Statement of Income as a component of Other Income (Expense).

Note 3: Related Party Transactions:

Receivable – Officer

A receivable from officer Dan Raczykowski is a result of a $127,024 loan to him by the Company. Interest has been accrued in the amount of $944 at the AFR rate of 0.71%.	$ 127,968

Loans from Shareholder

A $300,000 note payable - shareholder arises from money that the Company's shareholder, Darrell Siria, loaned to the Company with a demand note bearing an interest rate of 5.5% interest. Interest only payment of $1,375 is due on the 9^{th} day of each month. Interest of $16,500 has been accrued for 2017 and is included in accrued interest payable.	$ 300,000
A $1,250,000 note payable - shareholder arises from money that the Company's shareholder, Darrell Siria, loaned to the Company for the purchase of assets from Source One Distributors, Inc. The note is due on April 6, 2026 and bears an interest rate of 6.0%. Interest only payment of $6,265 is due on the 1^{st} day of each month. Interest of $65,594 has been accrued for 2017 and is included in accrued interest payable.	1,250,000
A $295,975 note payable - shareholder arises from money that the Company's shareholder, Darrell Siria, loaned to the Company during 2017. The note is a demand note bearing an interest at a rate of 1.12%. Interest of $3,315 has been accrued for 2017 and is included in accrued interest payable.	295,975
Total Loans From Shareholder	$ 1,845,975

Unpaid interest has been accrued on the three loans above in the amount of $93,049.

Assets Sold to Shareholders

In 2017 the shareholders acquired two vehicles from the Company for a total price of $56,646. The losses recorded from these transactions were $10,924.

Business Credit Card Debt on Personal Credit Cards

Trade accounts payable includes debt incurred for business purposes but charged on credit cards that are in the name of Darrell Siria, a shareholder of the Company. The balance owed at December 31, 2017 is $119,124.

Note 4: Current Liabilities:

At December 31, 2017, the Company had no operating lines of credit.

A short term loan for $250,000 was issued by Pring Corporation. The promissory note was signed on December 15, 2017. The original maturity date of this loan is June 15, 2018. The interest rate of this loan is 9.25%. The note is secured by all assets not otherwise pledged prior to the date of the note.	$ 250,000

Interest of $964 has been accrued through 12/31/17 and is included in accrued interest payable.

Note 5: Long-Term Liabilities:

A promissory note for $500,000 was issued by Triumph Business Capital and signed on October 24, 2017 with a commencement date of July 31, 2017. The term of the loan is for 36 months with an interest rate of 12%. The loan payment is $3,820.25 per week starting 01/01/2018 and ending on 12/21/2020. The note is secured by all assets of the Company.	$ 500,000
Less: Current Maturities of Long-Term Debt	(150,141)
Net Long-Term Debt	$ 349,859

Estimated maturities of long-term debt are as follows:

2018	$ 150,141
2019	166,254
2020	183,605
Total Long-Term Debt	$ 500,000

Interest of $25,000 has been accrued through 12/31/17 and is included in accrued interest payable.

Note 6: Pension Plan:

The Company has a SIMPLE IRA retirement plan to which the Company contributes a maximum 3% of participating employees' compensation. Total Company contributions under the plan for the current year amount to $7,702.

Note 7: Commitments and Contingencies:

Rents

The Company leases its Spokane, Washington office and operating facilities from the shareholder, on a month-to-month basis. Rent paid to the shareholder on the Spokane, Washington facilities was $17,500. In addition, the Company leases its Wellington, Florida office and operating facilities from Ridge Building III, LLC, on a month-to-month basis. Rent paid on the Wellington, Florida facilities was $57,048.

Sales Tax

The Company has conducted business in multiple states and it is possible that it has not reported all activity and possible related tax liabilities to those states and could be subjected to sales and use tax liability under the South Dakota v. Wayfair Decision. The Company believes the majority of its sales are exempt government sales and the risk of additional state taxes thus is reduced.

Plan of Merger

As shown in the accompanying financial statements, the Company incurred a loss during the year ended December 31, 2017, and as of that date, the Company's current liabilities exceeded its current assets by $1,515,342. Management has evaluated these conditions and as mentioned in Note 10: Subsequent Events, has signed an agreement and plan of merger with another company potentially having access (pending TSX venture final approval) to equity financing significant enough to pay all current liabilities of the Company. Management has determined this plan of action, if successful, will alleviate any uncertainty about the Company's ability to satisfy its debt requirements or to operate as a going concern.

Note 8: Source One Asset Purchase/Goodwill:

On March 25, 2016, the Company purchased various assets and rights from Source One Distributors, Inc. for $1,253,600. These assets were purchased to expand access to military contracts and vendor relationships. The shareholder, Darrell Siria, loaned the company $1,250,000 for the purchase. (See related party note 3) $1,250,000 of the purchase price was allocated to Goodwill. During the year ended December 31, 2016, the Company adopted the accounting alternative for the subsequent measurement of goodwill provided in FASB ASC 350-20. Under this accounting alternative, the Company began amortizing goodwill on a straight-line basis over a 10 year useful life and only evaluates goodwill for impairment at the entity level when a triggering event occurs. During the year ended December 31, 2017, no triggering events occurred and thus, no impairment testing was performed and no impairment loss was recorded.

Goodwill presented in the balance sheet as of December 31, 2017 consists of the following:

Goodwill	$ 1,250,000
Less: Accumulated amortization	(218,750)
Goodwill, net	$ 1,031,250

Note 9: Prior Period Adjustment:

An error due to failure to remove assets after disposition or expiration resulting in an overstatement of previously reported assets was discovered. Accordingly, an adjustment to reduce previously stated assets, net of accumulated depreciation and amortization, and a corresponding reduction to retained earnings has been made in the amount of $77,301.

Note 10: Subsequent Events:

Subsequent events were evaluated through March 1, 2019, which is the date the financial statements were available to be issued. In 2018, the shareholders of the Company entered into a non-binding letter of intent to sell all of their shares of the capital stock of Unifire, Inc. Effective January 18, 2019 the parties involved signed an agreement and a plan of merger. As part of the plan the new shareholders (subject to TSX Venture approval) will arrange for equity financing which will be used to pay the existing debt of the Company (not to exceed $6,000,000). The Company will remain as the surviving company. An estimate of the financial effect of the sale of stock cannot be made until the sale and agreements are approved. There were no other material subsequent events that require recognition or additional disclosure in the financial statements.

Note 11: Debt Guarantee Released:

At December 31, 2016, the Company was a guarantor of a $950,000 line of credit incurred by General Fire, Inc., a related party affiliate previously mentioned in Note 1. In addition, the Company agreed to be a guarantor of two vehicle loans in the amount of $44,777 and $41,395 incurred by General Fire, Inc. In August, 2017 the creditors of General Fire, Inc., listed above, have released the Company of all guarantees.