
CT Developers Ltd.
Interim Financial Statements
March 31, 2017
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited 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 financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

CT Developers Ltd.

Interim Statement of Financial Position

(Expressed in Canadian dollars)

	Mar 31, 2017 \$	June 30, 2016 \$
Assets		
Current assets		
Cash	23,812	64,221
Amounts receivable	<u>-</u>	<u>4,528</u>
	23,812	68,749
Liabilities		
Current liabilities		
Amounts payable and accrued liabilities	<u>2,825</u>	<u>8,839</u>
Shareholders' equity		
Common shares (Note 3)	736,909	736,909
Share-based payments reserve (Note 3)	79,183	79,183
Retained earnings (deficit)	<u>(795,105)</u>	<u>(756,182)</u>
	<u>20,987</u>	<u>59,910</u>
	23,812	68,749

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

These financial statements were approved for issue by the Board of Directors on May 30, 2017 and are signed on its behalf by:

Approved by the Board "Norman Eyolfson", Director "Richard Buzbuzian", Director

CT Developers Ltd.

Interim Statement of Comprehensive Loss

Period Ended March 31st, 2017

	Nine months ended Mar 31st		Three months ended Mar 31st	
	2017	2016	2017	2016
			\$	\$
Expenses				
Bank charges	95	94	19	58
Legal and accounting fees	26,714	38,847	12,793	11,190
Office	-	8,475	-	5,085
Regulatory Fees	5,652	4,887	2,826	1,512
Transfer agent	<u>6,462</u>	<u>5,397</u>	<u>1,230</u>	<u>3,518</u>
Net (loss)	(38,923)	(57,700)	(16,868)	(21,363)
Retained earnings (deficit), beginning of period	<u>(756,182)</u>	<u>(692,275)</u>	<u>(778,237)</u>	<u>(728,612)</u>
Retained earnings (deficit), end of period	(795,105)	(749,975)	(795,105)	(749,975)
Net income (loss) per share, basic and diluted	(.01)	(.01)	(-)	(-)
Weighted average number of common shares outstanding	4,827,500	4,827,500	4,827,500	4,827,500

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

CT Developers Ltd.

Interim Statement of Changes in Equity

(Expressed in Canadian dollars)

	<u>Common shares</u>		Share-based payments reserve	Retained earnings (deficit)	Total equity
	Number of shares	Amount \$			
		\$	\$	\$	\$
Balance at June 30, 2015	4,827,500	736,909	79,183	(692,275)	123,817
Net income (loss) for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,700)</u>	<u>(57,700)</u>
Balance at Mar 31, 2016	4,827,500	736,909	79,183	(749,975)	66,117
Balance at June 30, 2016	4,827,500	736,909	79,183	(756,182)	59,910
Net Income (loss) for the period				(38,923)	(38,923)
Balance at Mar 31, 2017	4,827,500	736,909	79,183	(795,105)	20,987

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

CT Developers Ltd.

Interim Statement of Cash Flows

(Expressed in Canadian dollars)

	Nine Months Ended March 31	
	2017 \$	2016 \$
Cash flows used in operating activities		
Net income (loss) for the period	(38,923)	(57,700)
Changes in non-cash working capital		
Decrease (increase) in		
Amounts receivable	4,528	23,803
Increase (decrease) in		
Amounts payable and accrued liabilities	<u>(6,014)</u>	<u>(37,609)</u>
	<u>(40,409)</u>	<u>(71,506)</u>
Increase (decrease) in cash during the period	(40,409)	(71,506)
Cash, beginning of period	<u>64,221</u>	<u>152,061</u>
Cash, end of period	<u>23,812</u>	<u>80,055</u>

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

CT Developers Ltd.

Notes to the Interim Financial Statements

Period Ended March 31, 2017

(Expressed in Canadian dollars)

1. Nature of operations

CT Developers Ltd. (the "Company") was incorporated under the *Canada Business Corporations Act* (Canada) on April 1, 2011. On November 17, 2011 the Company completed its initial public offering and on November 23, 2011 the Company listed its common shares on the TSX Venture Exchange ("TSXV") as a capital pool company. On November 26, 2013 trading of the Company's common shares on the TSXV were suspended for failure to complete a Qualifying Transaction within the prescribed time. Effective August 19, 2014 the Company's common share listing was transferred to the NEX Board of the TSXV. Upon transition, the Company's trading symbol was changed from DEV.P to DEV.H. The head office of the Company is located at 155 Vine Avenue, Toronto, Ontario, Canada, M6P 1V9.

As at March 31 the Company had no business operations. As a CPC, the Company's business objective is to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction (as defined in Exchange Policy 2.4) subject, in certain cases, to shareholder approval and acceptance by the Exchange. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to pay dividends or enjoy earnings in the immediate or foreseeable future. There is no assurance that the Company will identify and successfully acquire businesses or assets that will produce a profit. Moreover, if a potential business or asset is identified which warrants acquisition or participation, additional funds may be required to complete the acquisition or participation and the Company may not be able to obtain such financing on terms which are satisfactory to the Company.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2017, the Company has no working capital, incurred accumulated losses amounting to \$795,105, has not completed a Qualifying Transaction, and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to complete or develop a business, generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These financial statements do not give effect to adjustments that would be necessary to their reported carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

Statement of compliance

These condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), and in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements should be read in conjunction with the audited financial statements for the years ended June 30, 2016 and 2015, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed interim financial statements are consistent with those applied in the Company's financial statements for the years ended June 30, 2016 and 2015.

CT Developers Ltd.

Notes to the Interim Financial Statements

Period Ended March 31, 2017

(Expressed in Canadian dollars)

2. Summary of significant accounting policies

Basis of measurement

The Company's financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

Income taxes

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

Share-based payments

The fair value, at the grant date, of equity-settled share awards is charged to comprehensive loss over the period from which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the share based payments reserve. The fair value of awards is calculated using an option pricing model which considers the following factors:

- Exercise price
- Expected volatility
- Risk-free interest rate
- Expected life of the award
- Current market price of the underlying shares
- Expected forfeitures

Financial instruments

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss.

Financial assets classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive income (loss). Cash is classified as fair value through profit or loss.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost. Amounts receivable and bridge loan are classified as loans and receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At March 31, 2017 the Company has not classified any financial assets as available-for-sale.

Transaction costs associated with fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

CT Developers Ltd.

Notes to the Interim Financial Statements

Period ended March 31, 2017

(Expressed in Canadian dollars)

2. Summary of significant accounting policies - continued

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Amounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive income (loss). At March 31, 2016 the Company has not classified any financial liabilities as fair value through profit or loss.

Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

Revenue recognition

Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

Related parties

Related parties are parties that have the ability to control or to exercise significant influence over the Company.

Critical judgments and sources of estimation uncertainty

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions 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 estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such 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 future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

CT Developers Ltd.

Notes to the Interim Financial Statements

Period Ended March 31, 2017

(Expressed in Canadian dollars)

2. Summary of significant accounting policies - continued

Estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- (i) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Loss per share

Basic and diluted loss per share is determined by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is not separately presented, as the effect of securities exercisable into common shares would reduce the amount presented as loss per share.

Adoption of Accounting Standards and Interpretations

The Company has adopted the following new accounting standards and interpretations effective July 1, 2013. These changes were made in accordance with the applicable transitional provisions and had no impact on the financial statements.

IFRS 10 - Consolidated Financial Statements. IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are special purpose entities in the scope of SIC 12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 - Joint Arrangements. IFRS 11 replaces the guidance in IAS 31 Interests in Joint Ventures. Under IFRS 11, joint arrangements are classified as either joint operations or joint ventures. IFRS 11 essentially carves out of previous jointly controlled entities, those arrangements through which, although structured through a separate vehicle, such separation is ineffective and the parties to the arrangement have rights to the assets and obligations for the liabilities and are accounted for as joint operations in a fashion consistent with jointly controlled assets/operations under IAS 31. In addition, under IFRS 11 joint ventures are stripped of the free choice of equity accounting or proportionate consolidation; these entities must now use the equity method.

Upon application of IFRS 11, entities which had previously accounted for joint ventures using proportionate consolidation shall collapse the proportionately consolidated net asset value (including any allocation of goodwill) into a single investment balance at the beginning of the earliest period presented. The investment's opening balance is tested for impairment in accordance with IAS 28 Investments in Associates and IAS 36 Impairment of Assets. Any impairment losses are recognized as an adjustment to opening deficit at the beginning of the earliest period presented.

IFRS 12 - Disclosure of Interests in Other Entities. This standard was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles, and off balance sheet vehicles.

CT Developers Ltd.

Notes to the Interim Financial Statements

Period Ended March 31, 2017

(Expressed in Canadian dollars)

2. Summary of significant accounting policies - continued

IFRS 13 - Fair Value Measurement. IFRS 13 converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used, but how it is measured. The focus will be on an exit price.

New IFRS standards not yet adopted

As at the date of these financial statements, the following standard has not been applied in these financial statements:

IFRS 9 - Financial Instruments. IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for the Company's accounting periods beginning on January 1, 2018. Management is currently assessing the impact of this new standard on the Company's accounting policies and financial statement presentation.

3. Capital and reserves

- (a) At March 31, 2017, the Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

During the period ended March 31, 2017 no share capital transactions occurred

- (b) As at March 31, 2017, 1,000,000 common shares were held in escrow. The escrow shares will be released over a thirty-six month period commencing upon completion of a Qualifying Transaction and may not be transferred assigned or otherwise dealt without consent of the securities regulatory authorities.
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CT Developers Ltd.

Notes to the Interim Financial Statements

Period Ended March 31, 2017

(Expressed in Canadian dollars)

4. Share-based compensation

The Company has adopted a share option plan (the “plan”), under which stock options may be awarded to directors, officers, employees and consultants at the discretion of the Board of Directors. The maximum number of share options that may be issued under the plan shall be 10% of the issued and outstanding common shares of the Company on the date of grant. Share options awarded under the plan may be exercisable for up to ten years at exercise prices determined by the Board of Directors at the time of award. The exercise prices shall not be less than market value.

As at March 31st, 2017 there were no options issued or outstanding.

5. Financial instruments

Financial instruments consist of cash, amounts receivable, bridge loan and amounts payable and accrued liabilities:

(a) **Fair value**

The carrying value of cash, amounts receivable, bridge loan and amounts payable and accrued liabilities approximate their fair value due to the short-term nature of these instruments.

(b) **Credit risk**

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations to the Company. The Company’s credit risk is primarily attributable to cash, amounts receivable, and bridge loan. The maximum potential loss on all financial instruments is equal to the carrying amount of those items.

6. Capital risk management

The Company manages, as capital, the components of shareholders’ equity and its cash. The Company’s objectives, when managing capital, are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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 common shares, borrow or adjust the amount of cash. The Company does not anticipate the payment of dividends in the foreseeable future.

CT Developers Ltd.

Notes to the Interim Financial Statements

Period Ended March 31, 2017

(Expressed in Canadian dollars)

6. **Capital risk management** - continued

The Company's policy is to invest its cash in highly liquid, short-term, interest-bearing investments with maturities of 90 days or less from the date of acquisition.

7. **Cash restriction**

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until the completion of a Qualifying Transaction by the Company, as defined under policy 2.4 of the Exchange.