CASCADIA CONSUMER ELECTRONICS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JANUARY 31, 2015 and 2014

(Expressed in Canadian Dollars)

MANNING ELLIOTT
ACCOUNTANTS & BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Cascadia Consumer Electronics Corp.

We have audited the accompanying consolidated financial statements of Cascadia Consumer Electronics Corp. which comprise the consolidated statements of financial position as at January 31, 2015 and 2014, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Cascadia Consumer Electronics Corp. as at January 31, 2015 and 2014, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

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

Manning Elliott LLP

CHARTERED ACCOUNTANTS
Vancouver, British Columbia
May 22, 2015

CASCADIA CONSUMER ELECTRONICS CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JANAURY 31, 2015 AND 2014
(Expressed in Canadian dollars)

	2015	2014
ASSETS		
Current assets		
Cash	**$ 250,911**	$ 82,639
GST receivable	**3,710**	6,367
Prepaid expense	**1,430**	-
	256,051	89,006
Deferred financing costs	**1,000**	-
Total assets	**$ 257,051**	$ 89,006
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 23,305**	$ 19,296
Equity		
Share capital (Note 4)	**503,774**	482,573
Shares subscribed (Note 4)	**240,000**	-
Contributed surplus	**44,228**	38,410
Deficit	**(554,256)**	(451,273)
Total equity	**233,746**	69,710
Total liabilities and equity	**$ 257,051**	$ 89,006

NATURE OF BUSINESS AND GOING CONCERN (NOTE 1)
SUBSEQUENT EVENTS (NOTE 11)

The consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 22, 2015 and were signed on its behalf by:

/s/ "Ying Zhou"
____________________ Director

/s/ "Yan Zhang"
____________________ Director

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

CASCADIA CONSUMER ELECTRONICS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED JANUARY 31, 2015 AND 2014
(Expressed in Canadian dollars)

		2015		2014
Expenses				
Salaries and benefits (Note 5)	$	**43,289**	$	36,675
Professional fees		**22,006**		40,227
Listing and transfer agent expenses		**12,906**		19,253
Share-based compensation (Note 4)		**10,889**		32,072
Rent (Note 5)		**7,926**		7,800
Office and miscellaneous		**4,575**		532
Interest expense and bank charges (Note 3)		**1,392**		-
Net loss and comprehensive loss for the year	$	**(102,983)**	$	(136,559)
Loss per common share, basic and diluted	$	**(0.01)**	$	(0.01)
Weighted average number of common shares outstanding		**14,620,555**		14,074,418

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

CASCADIA CONSUMER ELECTRONICS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED JANUARY 31, 2015 AND 2014
(Expressed in Canadian dollars)

	Number of Old Common Shares (Note 4)	Number of New Common Shares (Note 4)	Number of Class 1 Reorganization Shares (Note 4)	Share Capital (Note 4)	Shares Subscribed	Contributed Surplus	Deficit	Total Equity
				$	$	$	$	$
Balance, January 31, 2013	**13,790,000**	-	**-**	**372,573**	-	**6,338**	**(314,714)**	**64,197**
Common shares issued for cash	687,500	-	-	110,000	-	-	-	110,000
Stock options granted	-	-	-	-	-	32,072	-	32,072
Loss for the year	-	-	-	-	-	-	(136,559)	(136,559)
Balance, January 31, 2014	**14,477,500**	-	**-**	**482,573**	**-**	**38,410**	**(451,273)**	**69,710**
Stock options exercised	240,000	-	-	29,071	**-**	(5,071)	-	24,000
Exchange of existing common shares for one new common share and one Class 1 reorganization share (Note 4)	(14,717,500)	14,717,500	14,717,500	-	**-**	-	-	-
Redemption of Class 1 reorganization shares from P2P (Note 4)	-	-	(14,717,500)	(58,870)	**-**	-	**-**	(58,870)
Stock options granted	-	-	-	-	**-**	10,889	**-**	10,889
Issuance of shares on conversion of convertible debt	-	398,437	-	51,000	**-**	-	**-**	51,000
Share subscription received	-	-	-	-	240,000	-	**-**	240,000
Loss for the year	-	-	-	-	-	-	(102,983)	(102,983)
Balance, January 31, 2015	**-**	**15,115,937**	**-**	**503,774**	**240,000**	**44,228**	**(554,256)**	**233,746**

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

CASCADIA CONSUMER ELECTRONICS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JANUARY 31, 2015 AND 2014
(Expressed in Canadian dollars)

		2015		2014
Cash flows from (used) in operating activities				
Net loss for the year	$	(102,983)	$	(136,559)
Items not involving cash				
Share-based compensation		10,889		32,072
Interest expense (Note 3)		1,000		-
		(91,094)		(104,487)
Changes in non-cash working capital items:				
Decrease in HST/GST receivable		2,657		21,987
Increase in prepaid expenses		(1,430)		-
Increase (decrease) in accounts payable and accrued liabilities		3,009		(30,130)
Net cash used in operating activities		(86,858)		(112,630)
Cash flows from (used in) financing activities				
Cash received from exercising stock options		24,000		-
Cash received from issuance of convertible debt		50,000		-
Cash received from share subscriptions		240,000		-
Proceeds from share issuances		-		110,000
Redemption of Class 1 Reorganization Shares from P2P		(58,870)		-
Net cash provided by financing activities		255,130		110,000
Increase (decrease) in cash		168,272		(2,630)
Cash, beginning of the year		82,639		85,269
Cash, end of the year	$	250,911	$	82,639

SUPPLEMENTAL CASH FLOW INFORMATION (NOTE 6)

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

1. NATURE OF BUSINESS AND GOING CONCERN

Cascadia Consumer Electronics Corp. (the "Company" or "Cascadia") was incorporated on November 10, 2011 under the laws of British Columbia, Canada. Its head office and registered office is located at Suite 800 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1. The Company is a reporting issuer in the province of British Columbia, Alberta and Ontario. In September 2013, the Company was approved for listing on the Canadian Securities Exchange ("CSE"). The Company's common shares commenced trading on the CNSX at the opening of markets on September 12, 2013 under the symbol "CK".

The Company's intended business operations are to design, manufacture and distribute desktop digital display devices that can be connected with a multitude of global users in homes, institutions and office conference environments. As at January 31, 2015, the Company is in the process of developing its intended business and has not commenced operations.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company has incurred losses since its inception and has an accumulated deficit of $554,256 as at January 31, 2015. The Company's ability to continue as a going concern and to realize assets and discharge its liabilities in the normal course of business is dependent upon the successful development of its desktop display equipment for production and sale, obtaining additional financing or maintaining continued support from its shareholders and creditors, identifying and acquiring businesses or assets, and generating profitable operations in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

Plan of Arrangement – Spin Off

On September 29, 2014, the Company incorporated a wholly owned subsidiary P2P Info Inc. ("P2P") under the laws of British Columbia, Canada.

On November 28, 2014, the Company and P2P completed a Plan of Arrangement ("POA"), and the Company's shareholders received one new common share and one Class 1 Reorganization Share of the Company. Pursuant to the POA, all of the Class 1 Reorganization Shares were automatically transferred by the Company's shareholders to P2P in exchange for 2,943,500 common shares of P2P which were issued to the Company's shareholders. Immediately following this, the Company redeemed all of the Class 1 Reorganization Shares by the transfer of $58,870 in cash to P2P. As at January 31, 2015, the Company had no ownership interest in P2P.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by International Accounting Standards Board ("IASB").

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiary, 0945081 B.C. Ltd. All inter-company transactions, balances, income and expenses have been eliminated in full on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

Use of estimates and judgements

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses for the periods reported. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Significant areas requiring the use of management estimates include the recognition of deferred income tax assets and liabilities, assumptions used in valuing options in share-based compensation calculations and assumptions used in determining the value of the convertible debentures. Actual results could differ from these estimates.

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

Critical accounting judgements are accounting policies that have been identified as being complex or involve subjective judgments or assessments with a significant risk of material adjustment in the next year. A significant use of judgement is the ability of the Company to continue as a going concern.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position is comprised of cash in banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

Financial instruments

i) 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 ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company's cash is classified as a financial asset at FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income or loss except for losses in value that are considered other than temporary which are recognized in earnings. The Company has no financial instruments classified under loans and receivables, held to maturity and available for sale at January 31, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

i) Financial assets (continued)

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

ii) Financial liabilities

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

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings. The Company has no financial instruments classified as financial liabilities at FVTPL at January 31, 2015.

Provisions

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

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that the shares are issued.

Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based compensation

Share-based compensation to employees and others providing similar services are measured at the grant date fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if the fair value of the goods or services received cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of options expected to vest. The offset to the recorded cost is to contributed surplus. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized as an expense is based on the number of options that eventually vest. Consideration received on the exercise of stock options is recorded as share capital and the related amount of contributed surplus is transferred to share capital.

The fair value of the stock options is determined using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience), expected dividends, expected forfeiture rates and the risk-free interest rate (based on government bonds).

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the consolidated statement of financial position date, and includes any adjustment to tax payable or receivable in respect of previous years.

Deferred taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the end of each reporting period. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affect neither accounting nor taxable profit nor loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in accounting policy

Effective February 1, 2014, the Company adopted the following new accounting standards and interpretations. The Company determined that the adoption of these standards and interpretations did not result in any material changes in the consolidated financial statements.

IFRS 7 *Financial Instruments: Disclosures* - In December 2011, the IASB issued an amendment to this standard, which requires entities to provide additional information about offsetting of financial assets and financial liabilities that will enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognized financial assets and recognized financial liabilities, on the entity's financial position.

IFRS 10 *Consolidated Financial Statements* - IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

IFRS 13 *Fair Value Measurement* - IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement.

IAS 32 *Financial Instruments: Presentation* – In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7.

IAS 1 *Presentation of Financial Statements* – IAS 1 has been amended to require entities to separate items presented in other comprehensive income ("OCI") into two groups, based on whether or not items may be recycled to net income in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately including prior year comparatives.

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

The following standard will be effective for annual periods beginning on or after January 1, 2016:

IAS 1 *Presentation of Financial Statements* – In December 2014, the IASB issued an amendment to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The changes clarify that materiality considerations apply to all parts of the financial statements and the aggregation and disaggregation of line items within the financial statements.

The following standard will be effective for annual periods beginning on or after January 1, 2018:

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

The extent of the impact of adoption of these standards and interpretations on the consolidated financial statements of the Company has not been determined.

(Expressed in Canadian dollars)

3. CONVERTIBLE DEBENTURE

On October 17, 2014, the Company closed a private placement of unsecured convertible debentures (the “Debentures”) in the principal amount of $50,000. The Debentures matured on December 16, 2014 and bore interest at 8% per annum. The principal amount and the accrued but unpaid interest were convertible to common shares of the Company at a price of $0.128 per share.

On January 16, 2015, the debenture holders exercised the conversion option and converted the principal amount of $50,000 and accrued interest of $1,000 into common shares of the Company (see Note 4),

4. SHARE CAPITAL

Authorized:

The Company has authorized an unlimited number of common and preferred shares with no par value.

Issued and outstanding:

i) On January 16, 2015, 398,437 common shares were issued on the conversion of the unsecured convertible debentures (see Note 3).

ii) On January 9, 2015, the Company announced a non-brokered private placement at $0.12 per unit (“Unit”). Each Unit will be comprised of one common share and one transferable common share purchase warrant (each, a “Warrant”). Each Warrant will entitle the holder to acquire one common share of the Company at a price of $0.16 per common share for five years from the closing of the private placement. The closing shall occur on the date as may be determined by the Company in its sole discretion. Up to January 31, 2015, a total of 2,000,000 units are subscribed for with resulting proceeds of $240,000. The private placement closed subsequent to year-end (see Note 11).

iii) On November 28, 2014, the Company and its former wholly owned subsidiary P2P Info Inc. (“P2P”), completed a POA. Pursuant to the POA, the Company exchanged each issued and outstanding common share prior to the POA of 14,717,500 common shares for one new common share and one Class 1 Reorganization Share. All of the 14,717,500 Class 1 Reorganization Shares thus issued were automatically transferred by the Company’s shareholders to P2P in exchange for 2,943,500 common shares of P2P to be issued to the Company’s shareholders. Immediately following this, the Company redeemed all of the Class 1 Reorganization Shares by the transfer of $58,870 in cash to P2P.

iv) On July 26, 2014 and on August 5, 2014, a total of 240,000 stock options were exercised at $0.10 per share.

v) On September 3, 2013, 687,500 shares were issued at $0.16 per share to subscribers.

Escrow Shares

As at January 31, 2015, the Company has 5,401,500 shares (January 31, 2014 – Nil) held in escrow. The remaining escrow securities will be released as follows:

March 12, 2015	1/4 of the remaining escrow shares
September 12, 2015	1/3 of the remaining escrow shares
March 12, 2016	1/2 of the remaining escrow shares
September 12, 2016	All of the remaining escrow shares

(Expressed in Canadian dollars)

4. SHARE CAPITAL (continued)

Stock options

The Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in their discretion, and in accordance with the requirements of the CSE (the "Exchange"), grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options will be exercisable for a period of up to five years from the date of grant.

There were 300,000 options granted on August 6, 2012 to directors and officers of the Company at an exercise price of $0.10 per share expiring August 5, 2014. On July 26, 2014, 220,000 of these options were exercised; and on August 5, 2014, another 20,000 of these options were exercised. The remaining 60,000 expired on August 5, 2014.

On December 8, 2014, the Company granted 100,000 stock options to a director. The options are exercisable at a price of $0.16 per share for a period of five years and vested immediately.

	Number of options	Weighted average exercise price
Balance, January 31, 2013	300,000	$0.10
Granted, October 7, 2013	300,000	$0.16
Balance, January 31, 2014	600,000	$0.13
Exercised	(240,000)	$0.10
Expired, August 5, 2014	(60,000)	$0.10
Granted, December 8, 2014	100,000	$0.16
Balance, January 31, 2015	**400,000**	**$0.16**

The Company uses the Black-Scholes option valuation model to value stock options. The Black-Scholes model estimates fair value of stock options that have no vesting restrictions and are fully transferrable. For the purposes of the calculations, the following weighted average assumptions were used under the Black-Scholes model:

	2015	2014
Share price at grant date	**$0.16**	$0.16
Risk free interest rate	**1.38%**	1.90%
Expected dividend yield	**0%**	0%
Expected forfeiture rate	**0%**	0%
Expected stock price volatility	**87%**	87%
Expected life of options	**5 years**	5 years

The fair value of the options on the grant date was $0.11 (2014 – $0.11).

(Expressed in Canadian dollars)

4. SHARE CAPITAL (continued)

Stock options (continued)

The following table summarizes information about stock options outstanding and exercisable at January 31, 2015.

	Options Outstanding			Options Exercisable	
Exercise Price $	Number of Shares	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price $	Number Exercisable	Weighted Average Exercise Price $
0.16	300,000	3.68	0.16	300,000	0.16
0.16	100,000	4.85	0.16	100,000	0.16
	400,000	3.97	0.16	400,000	0.16

Stock options outstanding at January 31, 2015 will expire between October 7, 2018 and December 7, 2019.

5. RELATED PARTY TRANSACTIONS AND BALANCES

a) For the year ended January 31, 2015, the Company incurred $3,250 (2014 - $7,800) in rent expenses from a company owned by the former Chief Financial Officer.

b) During the year ended January 31, 2015, P2P Info Inc. ("P2P") reimbursed the Company $63,808 in cash for salaries and expenses incurred in relation to the spinoff transaction as described in Note 1. P2P is related through common shareholders and management.

c) Included in accounts payable and accrued liabilities is $nil (2014 - $12,000) owing to directors and officers for management compensation.

d) The Company incurred the following compensation to key management personnel of the Company:

		2015	2014
		$	$
Salaries and benefits	Directors	**50,675**	36,675
Share-based compensation	Directors	**10,889**	32,072
Total remuneration		**61,564**	68,747

Key management includes directors, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company. Key management salaries and benefits incurred are presented gross of any reimbursements from P2P.

6. SUPPLEMENTAL CASH FLOW INFORMATION

	2015	2014
Cash paid for income taxes during the year	**$ -**	$ -
Cash paid for interest during the year	**$ -**	$ -

The Company issued 398,437 common shares for the settlement of convertible debt with a principal balance of $50,000 and accrued interest of $1,000 (see Note 4).

(Expressed in Canadian dollars)

7. INCOME TAXES

The following table reconciles the amount of deferred tax expense on application of the combined statutory Canadian federal and provincial income tax rates:

	2015	2014
	$	$
Combined statutory tax rate	26%	25.84%
Income tax recovery at combined statutory rate	(26,776)	(35,287)
Non-deductible expenses	3,140	8,288
Other	(2,935)	1,372
Change in deferred income tax assets not recognized	26,571	25,627
Deferred income tax (recovery) expense	**-**	-

The significant components of deferred tax assets not recognized as at January 31, 2015 and 2014 are as follows:

	2015	2014
	$	$
Non-capital losses	111,539	78,412
Intangible assets	-	5,207
Share issuance costs	309	1,658
Total deferred tax assets not recognized	111,848	85,277

As at January 31, 2015, the Company and its subsidiary had approximately $429,000 (2014 - $302,000) of non-capital loss carry forwards available to reduce taxable income for future years. The non-capital losses expire from 2032 to 2035:

2032	$	7,000
2033		222,000
2034		109,000
2035		91,000
	$	429,000

8. FINANCIAL INSTRUMENTS

The Company classifies its cash as a financial asset at FVTPL, and its accounts payable as other financial liabilities. The carrying amount of financial liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Fair value

Financial instruments measured at fair value on a recurring basis are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash of $250,911 is classified as Level 1. There were no transfers into or out of Level 2 or Level 3 during the year.

8. FINANCIAL INSTRUMENTS (continued)

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposure to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and its current exposure to exchange rate fluctuations is minimal. The Company does not have any foreign currency denominated monetary assets or liabilities.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. The Company's credit risk with respect to its cash is minimal as it is held with a large financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage, as outlined in Note 9. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at January 31, 2015, the Company had a working capital surplus of $232,746. All of the Company's financial liabilities are classified as current.

Interest rate risk

The Company has no interest-bearing debt. The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company does not have significant interest rate risk.

9. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders. 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. In management of capital, the Company's capital includes shareholders' equity.

The Company's objective is met by retaining adequate equity to provide for the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Board of Directors does not establish quantitative return on capital criteria for management. Currently, the Company is relying on private placements and advances from the directors and officers to continue its operations. The Company is not subject to any externally imposed capital requirements.

10. SEGMENTED INFORMATION

The Company operates in one industry segment, namely to design, manufacture and distribute desktop digital display devices and in one geographic region, Canada.

11. SUBSEQUENT EVENTS

a) On March 17, 2015, the Company completed its non-brokered private placement announced on January 9, 2015 and issued 2,000,000 units for proceeds of $240,000 (see Note 4). Each unit consists of one common share of the Company and one non-transferrable common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.16 per share for a period of five years.

b) On February 6, 2015, the Company dissolved its wholly owned subsidiary 0945081 BC Ltd. with approval of the Board of Directors. All of the subsidiary's assets and liabilities were transferred to the Company.