# BeWhere Holdings Inc.
# (Formerly Greenock Resources Inc.)

## CONSOLIDATED FINANCIAL STATEMENTS

**For the Periods Ended September 30,**

**2016 & 2015**

**(Expressed in Canadian Dollars)**

## Notice of Non-review of Interim Consolidated Financial Statements

The attached condensed interim financial statements for the period ended September 30, 2016 have been prepared by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim financial statements.

**BEWHERE HOLDINGS INC.**
(formerly Greenock Resources Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

| | | As at September 30, 2016 | | As at December 31, 2015 |
|---|---|---|---|---|
| ASSETS | | | | |
| **Current Assets** | | | | |
| Cash | $ | 1,986,903 | $ | 117,075 |
| Accounts receivable (Note 5) | | 127,023 | | 36,879 |
| Prepaid expenses (Note 6) | | 51,150 | | 12,251 |
| Inventory (Note 7) | | 20,342 | | 1,167 |
| Total current assets | | 2,185,418 | | 167,372 |
| Patents | | 20,283 | | 3,730 |
| Development costs (Note 8) | | 181,929 | | 165,250 |
| Property Plant & Equipment | | 21,265 | | - |
| Total assets | $ | 2,408,895 | $ | 336,352 |
| LIABILITIES | | | | |
| **Current Liabilities** | | | | |
| Accounts payable and accrued liabilities (Note 9) | $ | 236,661 | $ | 246,509 |
| Due to related parties (Note 10) | | 18,111 | | 170,603 |
| Total current liabilities | | 254,772 | | 417,112 |
| Total liabilities | | 254,772 | | 417,112 |
| **Shareholders’ equity** | | | | |
| Capital stock (Note 11) | | 3,135,300 | | 144 |
| Equity settled share-based reserves | | 360,227 | | - |
| Reserves for warrant | | 685,988 | | - |
| Retained earnings (deficit) | | (2,027,391) | | (80,904) |
| Total shareholders' equity (deficit) | | 2,154,123 | | (80,760) |
| Total liabilities and shareholders' equity | $ | 2,408,895 | $ | 336,352 |

These financial statements are authorized for issue by the Board of Directors on November 28, 2016. They are signed on the Company's behalf by:

"*Chris Panczuk*" — Chris Panczuk

"*Owen Moore*" — Owen Moore

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

**BEWHERE HOLDINGS INC.**
(formerly Greenock Resources Inc.)
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian Dollars)
(Unaudited)

| | | Three months ended | | Nine months ended | |
|---|---|---|---|---|---|
| | | **September 30 2016** | September 30 2015 | **September 30 2016** | September 30 2015 |
| | | **$** | $ | **$** | $ |
| Revenue | | **41,538** | 100,051 | **137,551** | 100,021 |
| Cost of sales | | **27,004** | 10,390 | **87,030** | 10,893 |
| Gross profit | | **21,752** | 89,661 | **50,521** | 89,158 |
| Expenses | | | | | |
| Amortization and depreciation | | **23,053** | - | **55,125** | - |
| Consulting fees | | **91,094** | - | **238,605** | - |
| General and office expenses | | **11,306** | 5,839 | **47,111** | 17,886 |
| Insurance | | **1,556** | 601 | **4,357** | **601** |
| Marketing | | **51,339** | 10,241 | **81,654** | 17,263 |
| Professional fees | | **6,876** | 6,800 | **24,017** | 7,500 |
| Rent | | **13,447** | - | **21,048** | - |
| Salaries and wages | | **148,323** | 7,998 | **367,099** | 23,994 |
| Share-based payments | | **5,964** | - | **244,627** | - |
| Listing expense | | **-** | - | **954,103** | - |
| | | **352,957** | 31,4790 | **2,037,746** | 67,274 |
| Income (loss) before income taxes | | **(331,205)** | 58,182 | **(1,987,225)** | 21,914 |
| Other items: | | **-** | | | |
| Gain from write-down of debt | | **-** | - | **40,738** | - |
| **Total comprehensive income (loss) for the period** | $ | **(338,422)** | 58,182 | **(1,946,487)** | 21,914 |
| **Basic income (loss) per share** | $ | **(0.01)** | 0.05 | **(0.05)** | 0.02 |
| **Fully diluted income (loss) per share** | **$** | **(0.01)** | 0.05 | **(0.05)** | 0.02 |
| **Weighted average shares outstanding** | | **40,754,492** | 1,235,005 | **40,256,324** | 1,235,005 |

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

**BEWHERE HOLDINGS INC.**
(formerly Greenock Resources Inc.)
CONSOLIDATED STATEMENT OF CASH FLOW
(Expressed in Canadian Dollars)
(Unaudited)

| CASHFLOWS FROM OPERATING ACTIVITIES | | September 30, 2016 | | September 30, 2015 |
|---|---|---|---|---|
| Net income (loss) for the period | $ | (1,946,487) | $ | 21,914 |
| Items not affecting cash: | | | | |
| Amortization | | 55,125 | | - |
| Share-based payments | | 244,627 | | - |
| Listing expense | | 954,103 | | - |
| Gain on write-off | | (40,738) | | - |
| Foreign exchange gain | | (570) | | - |
| Consolidation adjustment | | (5.704) | | - |
| Changes in non-cash working capital items: | | | | |
| Accounts receivable | | (90,144) | | (67,800) |
| Inventory | | (19,175) | | (6,640) |
| Prepaid expenses | | (38,899) | | (1,802) |
| Accounts payable and accrued liabilities | | (9,488) | | 136,542 |
| Net cash provided by (used in) operating activities | | (897,709) | | 82,214 |
| **CASHFLOWS FROM INVESTING ACTIVITIES** | | | | |
| Patents | | (16,553) | | (3,370) |
| Property, plant and equipment | | (23,993) | | - |
| Development costs | | (69,076) | | (119,955) |
| Net cash provided by (used in) investing activities | | (109,622) | | (123,325) |
| **CASHFLOWS FROM FINANCING ACTIVITIES** | | | | |
| Proceeds from issuance of shares | | 3,394,449 | | - |
| Share issuance costs | | (364,799) | | - |
| Loan from related party | | (152,492) | | 158,694 |
| Net cash provided by financing activities | | 2,877,158 | | 158,694 |
| Increase in cash and cash equivalents | | 1,869,828 | | 117,582 |
| Cash and cash equivalents, beginning of period | | 117,075 | | - |
| Cash and cash equivalents, ending of period | | 1,986,903 | | 117,582 |

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

## BEWHERE HOLDINGS INC.

(formerly Greenock Resources Inc.)
CONSOLIDATED STATEMENTS CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

| | Share capital | Share capital | Equity settled share-based reserves | Reserves for warrant | Accumulated deficit | Total |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ |
| **Balance at December 31, 2015** | **14,256,100** | **144** | | | **(80,904)** | **(80,760)** |
| Shares issued on RTO - BeWhere | 4,743,896 | - | - | - | - | - |
| Shares issued on RTO - Greenock | 6,526,659 | 978,999 | - | - | - | **978,999** |
| Shares issued on private placement | 13,563,003 | 2,034,450 | - | - | - | **2,034,450** |
| Share issue costs – finder units | 1,166,667 | (175,000) | - | 103,093 | | **(71,907)** |
| Value of attached warrants | - | (139,894) | - | 139,894 | - | - |
| Share issuance costs paid in cash, net | - | (283,589) | - | - | - | **(283,589)** |
| Salary related share costs | - | - | 142,930 | - | - | **142,930** |
| Net loss for the quarter | - | - | - | - | (1,246,713) | **(1,246,713)** |
| **Balance at March 31, 2016** | **40,256,325** | **2,415,110** | **142,930** | **242,987** | **(1,327,617)** | **1,473,410** |
| Salary related share costs | - | - | 95,733 | - | - | **95,733** |
| Net loss for the quarter | - | - | - | - | (368,569) | **(368,569)** |
| **Balance at June 30, 2016** | **40,256,325** | **2,415,110** | **238,663** | **242,987** | **(1,696,186)** | **1,200,574** |
| Shares issued on private placement | 8,533,332 | 1,280,000 | | | | **1,280,000** |
| Shares issued in settlement of debt | 533,333 | 80,000 | | | | **80,000** |
| Value of attached warrants | | (401,939) | | 401,939 | | **-** |
| Share issuance costs paid in cash, net | | (81,210) | | | | **(81,210)** |
| Value of issuance costs paid in options | | (115,600) | 115,600 | | | **-** |
| Value of issuance costs paid in warrants | | (41,062) | | 41,062 | | **-** |
| Salary related share costs | | | 5,964 | | | **5,964** |
| Net loss for the quarter | | | | | (331,205) | **(331,205)** |
| **Balance at September 30, 2016** | **49,322,990** | **3,135,300** | **360,227** | **685,988** | **(2,027,391)** | **2,154,123** |

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

## 1. Nature of Business and Going Concern

### Nature of business

BeWhere Holdings Inc. (formerly Greenock Resources Inc.) (the “Company” or “BeWhere Holdings”) was incorporated on October 28, 2003 under the Ontario Business Corporations Act. On September 29, 2009, the Company received approval from the TSX Venture Exchange to change its name from Simberi Gold Corporation to Greenock Resources Inc. The Company was engaged in the exploration and evaluation of mining projects in the United States of America and in the Democratic Republic of Congo. On September 18, 2015, the Company entered into a letter of intent to acquire all the issued and outstanding securities of BeWhere Inc. (“Acquisition). The Acquisition is an arm's-length transaction and constitutes a reverse takeover pursuant to the policies of the TSX Venture Exchange (Note 5). After the year-end, on February 2, 2016 the Company received approval from the TSX Venture Exchange to change its name from Greenock Resources Inc. to BeWhere Holdings Inc.

The primary office of the Company is located at 3264 Lakeshore Blvd West Etobicoke, Ontario M8V 1M4.

### Going concern assumptions

The Company is in an early development stage and is subject to risks and challenges like other companies in comparable operations. These risks include, but are not limited to, dependence on key individuals, and the ability to secure adequate financing to meet the minimum capital required to successfully and continue as a going concern. The Company must raise additional funds to continue operations and to complete its intended Acquisition. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company.

Operating losses to date, together with the challenges of securing requisite funding beyond the next twelve months, may lend significant doubt as to the Company’s ability to continue as a going concern and accordingly use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and presentation that would be necessary should the going concern assumption be inappropriate, and those adjustments could be material.

### Reverse Takeover Transaction

On February 4, 2016, the Company closed its agreement with Greenock Resources Inc. (TSXV: GKR) to acquire a 100% of the issued and outstanding common shares of BeWhere in exchange for common shares in the capital of Greenock (the “Transaction”).

The Acquisition was be completed by way of a Reverse Takeover Transaction (RTO) pursuant to Policy 5.2 of the Exchange. The shareholders of BeWhere was receive 18,999,994 common shares in the capital of Greenock (the "Greenock Shares") in exchange for the Class shares of BeWhere (the "BeWhere Shares") at a deemed price of $0.15 per share (the "Share Exchange") on a pro-rata and post-consolidation basis.

As BeWhere is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on November 10, 2014 are included in the condensed consolidated interim financial statements at their historical carrying value. The condensed consolidated interim financial statements are a continuation of BeWhere in accordance with IFRS 3, Business Combinations. The Company’s results of operations are included from February 4, 2016 onwards.

Concurrent with the RTO, the Company completed a $2,034,450 private placement (the “Financing”) (Note) as required by the Shareholders Exchange Agreement.

## 2. Basis of Presentation and Statement of Compliance

The financial statements were authorized for issue on November 25th, 2016 by the directors of the Company.

### Statement of compliance

The financial statements of the Company comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee("IFRIC").

### Basis of measurement

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The functional and presentation currency of the Company is the Canadian dollar.

## 3. Significant accounting policies

### Significant accounting judgments and estimates

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 revenue and 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.

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

Critical accounting estimates:

I. The assessment of indications of impairment of property, plant, and equipment;
II. The assessment of indications of impairment of intangible assets;
III. The value of inventories carried at the lower of cost and net realizable value; and
IV. The measurement of deferred income tax assets and liabilities.

Critical accounting judgments:

I. The determination of categories of financial assets and financial liabilities; and
II. The evaluation of the Company's ability to continue as a going concern.

**3. Significant accounting policies (continued)**

**Financial instruments**

Financial assets and financial liabilities are recognized on the statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

**Financial assets**

The company classifies its financial assets into one of the following categories, at initial recognition, depending on the purpose for which the asset was acquired for. The Company's accounting policy for each category is as follows:

*Fair value through profit or loss* – This category comprises derivatives or financial assets acquired or incurred principally for selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in profit or loss. The Company classifies its cash as fair value through profit or loss.

*Loans and receivables* - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

*Held-to-maturity* - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss. The Company does not have any assets classified as held-to-maturity.

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

Transaction costs associated with fair value through profit or loss 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.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered, to determine where impairment has arisen.

## 3. Significant accounting policies (continued)

### Financial liabilities

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

*Fair value through profit or loss* - This category comprises derivatives or liabilities acquired or incurred principally for selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in profit or loss. The Company does not have any financial liabilities classified as fair value through profit or loss.

*Other financial liabilities* - This category includes accounts payables. After initial recognition, other financial liabilities are measured at amortized cost using the effective interest rate method. The company classifies its accounts payable as other financial liabilities.

### Impairment of non-current assets

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value-in-use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

## 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

### Provisions

Provisions are recognized where a legal or constructive obligation has been incurred because of past events; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. Where the effect of the time value of money is material, provisions will be measured at the present value of the expenditures expected to be required to settle the obligation. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The increase in any provision due to the passage of time is recognized as accretion expense. Each provision will be reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

### Inventory

The Company values inventories at the lower of cost and net realizable value. Cost includes the costs of purchases net of vendor allowances plus other costs, such as transportation, that are directly incurred to bring the inventories to their present location and condition. The Company uses the weighted average method to determine the cost of inventories. The Company estimates net realizable value as the amount that inventories are expected to be sold while taking into consideration the estimated selling costs. Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage, or declining market prices. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is apparent evidence of an increase in selling price then the amount of the write-down previously recorded is reversed. Storage costs, indirect administrative overhead, and certain selling costs related to inventories are expensed in the period incurred.

### Intangible assets

Internally generated intangible assets include development costs and internally developed or modified application software. These costs are capitalized when certain criteria for deferral such as proven technical feasibility are met. The costs of internally generated intangible assets include the costs of materials, direct labour, and borrowing costs.

Acquired intangible assets include the cost of development activities carried out by vendors for which the Company controls the underlying output from the usage of the technology, as well as the cost related to externally acquired licenses, patents, and trademarks.

Intangible assets are recorded at cost less accumulated amortization and impairment losses and include goodwill as well as other intangible assets such as licenses, patents, and trademarks.

An intangible asset's residual value, useful life, and amortization method are reviewed on a regular basis, at least annually, and changes are accounted for prospectively

**3. Significant accounting policies (continued)**

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses; half year rule is applied to the first year of acquisition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income (loss) during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

**Impairment of long-lived assets**

Long-lived assets, including equipment and intangible assets are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

**Revenue recognition**

The Company derives revenue from the sale of beacons and their associated software, as well as professional services associated with customizing its products. Software revenue includes subscription, license and maintenance revenue derived from location-based software and software services. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

Revenue from hardware and software license sales is recognized when the hardware is shipped or the software is delivered and when all significant contractual obligations have been satisfied. Revenue from software license sales is recognized upon delivery where there is evidence of an arrangement, the selling price is fixed or determinable and there are no significant remaining performance obligations. Maintenance and support service revenues are recognized proportionately over the term of the contract. Revenue from professional services is recognized as earned, based on performance per specific terms of the contract or based on the percentage of completion method where the revenue is reconcilable to services performed as a proportion of total services to be completed. Foreseeable losses, if any, are recognized in the year or period in which the loss is determined.

**3. Significant accounting policies (continued)**

**Research and development costs**

Expenditure on internally developed products is capitalized if it can be demonstrated that:

- It is technically feasible to develop the product for it to be sold;
- Adequate resources are available to complete the development;
- There is an intention to complete and sell the product;
- The Company can sell the product;
- Sale of the product will generate future economic benefits; and
- Expenditure on the project can be measured reliably.

**Finance costs**

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

**Income taxes**

Income tax on profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized as equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable about prior years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying number of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## 3. Significant accounting policies (continued)

### Foreign currency translation

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, foreign currency monetary assets and liabilities are translated using the reporting date foreign exchange rate. Foreign currency non- monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non- monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the profit and loss.

### Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and common share warrants are recognized as a deduction from equity. Common shares issued for non-monetary consideration are measured based on their market value at the date the common shares are issued.

### Earnings (loss) per share

Basic earnings (loss) per share is determined by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the period after giving effect to potentially dilutive financial instruments.

### Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

### Warranty

The Company provides a warranty on its hardware devices against defects in material and workmanship, with the exception of defects caused by abuse, misuse, accident, alteration, modification, neglect or incorrect installation, operation or removal of the equipment, for a period of one (1) year from the date of installation or purchase. The Company's obligation during the warranty period is to either replace or repair a defective unit, at its sole option. Estimated costs (less re-imbursement from the equipment suppliers) associated with the repair or replacement are included in the Company's direct cost of sales.

## 3 Significant accounting policies (continued)

**Accounting standards issued but not yet effective**

*IFRS 7 – Financial Instruments: Disclosure*
IFRS 7 was amended to require additional disclosures on transition from IAS 39 to IAS 9. The standard is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. The company is currently evaluating the impact this standard is expected to have on its financial instruments.

*IFRS 9 - Financial Instruments*
The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which intends to reduce the complexity in the classification and measurement of financial instruments. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

*IFRS 15 - Revenue from Contracts with Customers*
In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfer of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

**Accounting standards issued but not yet effective (continued)**

*IFRS 16 - Leases*
IFRS 16 was issued on January 13, 2016, and will be effective for accounting periods beginning on or after January 1, 2019. Early adoption is permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. The Company is currently evaluating the impact the final standard is expected to have on its financial instruments.

## 4 Acquisition of BeWhere

The legal acquisition of BeWhere by the Company constitutes an asset acquisition as the Company does not meet the definition of a business, as defined in IFRS 3, Business Combinations. As a result of the RTO, statements of financial position have been adjusted for the elimination of the Company's share capital, reserves and accumulated deficit within shareholders' equity.

As a result of this asset acquisition, a listing expense of $954,103 has been recorded. This reflects the difference between the estimated fair value of the BeWhere shares to the Company's shareholders less the net fair value of the assets of the Company acquired.

In accordance with reverse acquisition accounting:

i) The assets and liabilities of BeWhere are included in the statement of financial position at their carrying values;

(Expressed in Canadian Dollars)

### 4 Acquisition of BeWhere (continued)

ii) The net assets of the Company are included at their fair value of $24,896.

iii) The net assets of the Company have been allocated as follows:

| | |
|---|---|
| Cash | $109,104 |
| Receivables | 26,162 |
| Receivable from BeWhere | 38,942 |
| Accounts payable and accrued liabilities | (149,311) |
| Fair value of net assets | $ 24,896 |

iv) The listing expense of $954,103 was determined as follows:

a. Number of Company common shares held by former BeWhere shareholders outstanding prior to the Financing is 18,999,996 or 74% of the combined entity.

b. The fair value of BeWhere is $2,849,999, which is based on the Financing price of $0.15 per common share.

c. Number of outstanding shares of the Company prior to the Financing is 6,526,659 or 26% of the combined entity.

d. The fair value of the shares issued to acquire the Company under reverse takeover accounting is $978,999 calculated as 6,526,659 shares at $0.15 per share.

e. The difference between the fair value of $978,999 being the consideration paid, and the estimated fair value of the net assets of the Company of $24,896 amounts to a listing expense of $954,103.

### 5 Accounts receivable

| | | September 30, 2016 | | December 31, 2015 |
|---|---|---|---|---|
| GST receivable | $ | 21,674 | $ | - |
| Due from customers | | 98,605 | | 36,879 |
| Total | $ | 120,279 | $ | 36,879 |

### 6 Prepaid expenses

| | | September 30, 2016 | | December 31, 2015 |
|---|---|---|---|---|
| Insurance | $ | 9,468 | $ | 1,201 |
| Inventory(1) | | - | | 10,500 |
| Professional fees | | 41,682 | | - |
| Rent | | | | 600 |
| Total | | 51,150 | | 12.251 |

(1) Prepaid inventory relates to inventory paid for but not yet received from the vendor; the Company expects the inventory to be received subsequent to year-end.

(Expressed in Canadian Dollars)

## 7 Inventory

During the period ended September 30, 2016, the Company had inventory totaling $19,922 (December 31, 2015 - $1,167), which consists of finished goods.

## 8 Development costs

| | Development costs | Patents |
|---|---|---|
| Cost: | | |
| As at December 31, 2015 | $165,250 | $3,730 |
| Additions: | $69,076 | $16.553 |
| As at September 30, 2016 | $234,326 | $20,283 |
| | | |
| Accumulated amortization: | $52,397 | |
| As at September 30, 2016 | $181,929 | |
| | | |
| Net carrying amounts: | | |
| As at December 31, 2015 | $165,250 | $3,730 |
| As at September 30, 2016 | $181,929 | $20,283 |

The Company capitalized research and development costs of $234,326 for the period ended September 30, 2016 (December 31, 2015 - $165,250). The development costs are related to the development and testing of prototypes and software.

## 9 Accounts payable and accrued liabilities

| | | September 30, 2016 | | December 31, 2015 |
|---|---|---|---|---|
| Accounts payable | $ | 100,341 | $ | 13,652 |
| Taxes payable | | - | | 7,857 |
| Accrued liabilities | | 136,620 | | 225,000 |
| | $ | 236,661 | $ | 246,509 |

(Expressed in Canadian Dollars)

## 10 Related party balances

| | September 30, 2016 | December 31, 2015 |
|---|---|---|
| Loans (1) | 18,111 | 170,603 |
| | 18,111 | 170,603 |

(1) The loans from related parties are unsecured, non-interest bearing, and have no specific terms of repayment. The loans were provided to finance the Company's operations.

The company entered into the following transactions with related parties:

1) Paid management salaries of $55,138 (September 30, 2015 - $60,000) and accrued salary owing of $50,000 (September 30,2015 - $60,000) to the CEO and director of the Company.
2) Paid management salaries of $55,523 (September 30, 2015 - $40,000) and accrued salary owing of $50,000 (September 30,2015 - $60,000) to the COO and director of the Company.
3) Paid management salaries of $52,569 (September 30, 2015 - $Nil) to the CFO of the Company.

## 11 Shareholder's Equity/Deficiency

### (a) Share Capital

Authorized - 500,000,000 common shares, no par value.

During the period ended September 30, 2016, the Company completed the following share transactions:

(i) On February 4th 2016, the Company acquired all of the issued and outstanding shares of BeWhere, an arms' length private Ontario corporation carrying on the business of inventory management and control. As part of the Transaction, the shareholders of BeWhere received 18,999,996 common shares in the capital of the Company at a deemed price of $0.15 per share on a pro-rata and post-consolidation basis. In addition, the Company completed a consolidation of common shares of the Company at a ratio of one (1) post-consolidated common share for every 1.75 pre-consolidation common shares held. In connection with the common share consolidation, the number of shares of the Company's common stock was reduced from 11,421,653 to 6,526,659 without any change in the value of the common shares outstanding on this date. In addition, the Company also paid 1,166,667 shares pursuant to the Finder's Fee Arrangement

(ii) On February 8, 2016, the Company completed its non-brokered private placement whereby it received gross proceeds of $2,034,450.45 representing the issuance of 13,563,002 Units (a "Unit"). Each Unit consists of one common share of the Company and one-half of one common share purchase warrant with each warrant entitling the holder to purchase one share at an exercise price of $0.25 per share at any time up to 36 months following the escrow release date.

(iii) On September 15, 2016, the Company completed its non-brokered private placement whereby it received gross proceeds of $1,280,000 representing the issuance of 8,533,332 Units (a "Unit"). Each Unit consists of one common share of the Company and one-half of one common share purchase warrant with each warrant entitling the holder to purchase one share at an exercise price of $0.25 per share at any time up to 36 months following the escrow release date.

(iv) On September 15, 2016, the Company completed its share for debt exchange whereby it settled $80,000 of debt owed to Senior Executives of the Company in exchange for 533,333 common shares.

(Expressed in Canadian Dollars)

**11 Shareholder's Equity/Deficiency (continued)**

**(b) Equity settled share-based reserves**

**Stock Options**

The Company has an employee stock option plan under which the Board of Directors, or a committee appointed for such purpose, may from time to time grant to employees, officers, directors of, or consultants to the Company, options to acquire common shares in such numbers, for such terms, and at such exercise prices, as may be determined by the Board of Directors or such committee. The options granted to employees are valid for a maximum of 10 years from the date of the issue. Vesting is immediate. Options granted to consultants are valid for a maximum of three years' vesting terms are one-sixth after 3, 6, 9, 12, 15 and 18-month anniversaries of the date of the grant.

| | Share Purchase Warrants | | Stock Options | |
|---|---|---|---|---|
| | Number | Weighted Average Exercise Price | Number | Weighted Average Exercise Price |
| Outstanding, December 31, 2015 | 180,000 | $1.50 | - | - |
| Issued | 12,126,701 | $0.25 | - | - |
| Expired | (180,000) | $1.50 | - | - |
| Granted | - | - | 1,971,500 | $0.16 |
| Exercisable September 30, 2016 | 12,126,701 | $0.25 | 1,971,500 | $0.16 |

As at September 30, 2016, incentive stock options were outstanding as follows:

| | Number | Exercise price | Expiry Date |
|---|---|---|---|
| **Stock options** | 100,000 | $0.15 | Feb 3, 2018 |
| | 999,999 | $0.15 | Feb 22, 2026 |
| | 460,000 | $0.18 | April 4, 2019 |
| | 150,000 | $0.17 | April 29, 2026 |
| | 50,000 | $0.15 | May 16, 2019 |
| | 150,000 | $0.12 | June 6, 2019 |
| | 62,500 | $0.12 | June 15, 2026 |
| | 1,971,500 | | |

As at September 30, 2016, share purchase warrants were outstanding as follows:

| | Number | Exercise price | Expiry Date |
|---|---|---|---|
| **Share purchase warrants** | 7,561,368 | $0.25 | February 3, 2019 |
| | 4,565,333 | $0.25 | September 14, 2019 |
| | 12,126,701 | | |

## 12 Financial Instruments

The Company's financial instruments consist of cash, accounts receivable and accounts payable. The fair values of cash, accounts receivable, and accounts payable approximate their carrying values because of their current nature.

**Fair value**

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices 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 (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3: Inputs that are not based on observable market data.

The financial instruments recorded at fair value on the statements of financial position are comprised of cash which is measured using Level 1 of the fair value hierarchy. There were no significant transfers between Level 1 and Level 2. At September 30, 2016, the Company has no other financial instruments that require disclosure under the fair value hierarchy.

**Financial risk management**

The Company's activities potentially expose it to a variety of financial risks, including credit risk, liquidity risk, and market risk.

*Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at December 31, 2015, the Company's exposure is the carrying value of the financial instruments.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

*Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

*Market risk*

Market risk consists of currency risk and interest rate risk. These are discussed further below.

(Expressed in Canadian Dollars)

## 12 Financial Instruments (continued)

**Financial risk management (continued)**

*Foreign exchange risk*

Foreign currency exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has financial assets denominated in the American dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in American dollars:

| | | September 30, 2016 | | December 31, 2015 |
|---|---|---|---|---|
| Cash | $ | 9,308 | $ | 1,731 |

As at September 30, 2016, with other variables unchanged, a 10% change in the American dollar to Canadian dollar exchange rate would impact the Company's net income by $710.

*Interest rate risk*

Interest rate risk consists of two components:

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

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

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

## 13. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of share capital and working capital.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

**Classification of financial instruments**

Financial assets included in the statement of financial position are as follows:

(Expressed in Canadian Dollars)

These financial assets are classified as fair value through profit or loss

| | | September 30, 2016 | December 31, 2015 |
|---|---|---|---|
| Cash | $ | 1,986,903 | $117,075 |
| Receivables | | 120,279 | 36,879 |

Financial liabilities included in the statement of financial position are as follows:

These non-derivative financial liabilities are classified as fair value through profit or loss

| | | September 30, 2016 | | December 31, 2015 |
|---|---|---|---|---|
| Accounts payable | $ | 100,341 | $ | 21,509 |
| Accrued Liabilities | | 136,620 | | 225,000 |
| Due to related parties | | 18,111 | | 170,603 |