

**SCHEDULE "C" PRO FORMA FINANCIAL STATEMENTS OF THE COMPANY**

**Pro forma financial statements for the Company upon completion of the  
Transaction.**

# **0924891 B.C. Ltd.**

## **PRO FORMA COMBINED FINANCIAL STATEMENTS**

**AS AT JUNE 30, 2014**

**(Unaudited)**

**(Expressed in Canadian dollars)**

UNAUDITED FINANCIAL STATEMENTS: In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended June 30, 2014.

**0924891 B.C. Ltd**

## Pro Forma Combined Statement of Financial Position

As at June 30, 2014

(Unaudited)

(Expressed in Canadian dollars)

	0924891 B.C. Ltd. (audited)	Pro Forma Adjustment (Note 2)	Pro Forma Combined
<b>Assets</b>			
<b>Current</b>			
Cash	\$ -	\$ 107,146	\$ 107,146
Deferred Charges	24,325	-	24,325
Due from related party	1	-	1
Prepaid expenses	-	3,000	3,000
Product License	-	1	1
	\$ 24,326	\$ 110,147	\$ 134,473
<b>Liabilities</b>			
<b>Current</b>			
Accrued liabilities	\$ 4,500	\$ 2,500	\$ 7,000
Due to 1005796 B.C. Ltd.	24,325	(24,325)	-
	28,825	(21,825)	7,000
<b>Shareholders' equity / (deficiency)</b>			
Share capital	1	522,410	522,411
Deficit	(4,500)	(390,438)	(394,938)
Total shareholders' equity / (deficiency)	(4,499)	131,972	127,473
Total shareholders' equity and liabilities	\$ 24,326	\$ 110,147	\$ 134,473

See accompanying notes to the pro forma combined financial statements

**0924891 B.C. Ltd.****Pro Forma Combined Statement of Cash Flows**

For the period ended June 30, 2014

(Unaudited)

(Expressed in Canadian dollars)

	<b>0924891 B.C. Ltd.</b>	<b>Pro Forma Adjustment (Note 2)</b>	<b>Pro Forma Combined</b>
<b>Operating Activities</b>			
Net loss for the period	\$ -	\$ (390,438)	\$ (390,438)
<b>Items not affecting cash</b>			
Write off of product license	-	279,999	279,999
<b>Changes in non-cash working capital item</b>			
Prepaid expense	-	(3,000)	(3,000)
Accrued liabilities	-	2,500	2,500
Deferred charges	(24,325)	-	(24,325)
Due to (from) related party	24,325	(24,325)	-
Cash used in operating activities	-	(135,264)	(11,500)
<b>Financing Activities</b>			
Shares issued for cash	-	252,910	252,910
Share Issuance cost	-	(10,500)	(10,500)
	-	242,410	242,410
 Increase in cash during the period	-	107,146	107,146
 Cash, beginning of the period	-	-	-
 Cash, end of the period	-	107,146	107,146

See accompanying notes to the pro forma combined financial statements

**0924891 B.C. Ltd.****Notes to Pro Forma Combined Financial Statements**

For the period ended June 30, 2014

(Unaudited)

(Expressed in Canadian dollars)

**1. Basis of Presentation**

The unaudited pro forma combined financial statements of 0924891 B.C. Ltd. (the "Company") have been prepared by management from the audited financial statements of 0924891 B.C. Ltd. and 1005796 B.C. Ltd. for the period ended on June 30, 2014. In management's opinion, the pro forma combined statements include all material adjustments necessary for the fair presentation in accordance with International Financial Reporting Standards.

These unaudited pro forma combined financial statements are not necessarily indicative of the financial position and financial results of the Company that would have occurred if the transaction described therein had taken place on the dates indicated nor of the financial position or results of operation, which may be obtained in the future. They should be read in conjunction with the historical financial statements referred to above.

These unaudited pro forma combined financial statements have been prepared for inclusion in a Management Information Circular.

**2. Share Purchase and Share Exchange Transactions**

The breakdown of the Pro Forma Adjustment consists of the following:

**0924891 B.C. Ltd.****As at June 30, 2014****Pro Forma Adjustment for Combined Statement of Financial Position**

	1005796 B.C. Ltd. (Audited) (Note 3b)	Adjustment per Amalgamation Agreement (Note 3a)	Adjustment for \$50,000 Private Placement (Note 5)	Adjustment for Consolidation (Note 3c)	Pro Forma Adjustment
Cash	\$ 57,146	\$ -	\$ 50,000	\$ -	\$ 107,146
Due from related party	24,325	-	-	(24,325)	-
Prepaid expenses	3,000	-	-	-	3,000
Product License	1	-	-	-	1
	84,472	-	50,000	(24,325)	110,147
Investment	-	472,410	-	(472,410)	-
<b>Total assets</b>	<b>\$ 84,472</b>	<b>\$ 472,410</b>	<b>\$ 50,000</b>	<b>-\$ 496,735</b>	<b>\$ 110,147</b>
Accrued liabilities	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500
Due to 1005796 b.C. Ltd.	-	-	-	(24,325)	(24,325)
	2,500	-	-	(24,325)	(21,825)
Share capital	472,410	472,410	50,000	(472,410)	522,410
Deficit	(390,438)	-	-	-	(390,438)
Total shareholder's deficiency	81,972	472,410	50,000	(472,410)	131,972
<b>Total liabilities and equity</b>	<b>\$ 84,472</b>	<b>\$ 472,410</b>	<b>\$ 50,000</b>	<b>-\$ 496,735</b>	<b>\$ 110,147</b>

**0924891 B.C. Ltd.****Notes to Pro Forma Combined Financial Statements**

For the period ended June 30, 2014

(Unaudited)

(Expressed in Canadian dollars)

**0924891 B.C. Ltd.**

For the period ended June 30, 2014

**Pro Forma Adjustment for Combined Statement of Cash Flow**

	<b>1005796 B.C. Ltd. (Audited) (Note 3b)</b>	<b>Adjustment per Amalgamation Agreement (Note 3a)</b>	<b>Adjustment for \$50,000 Private Placement (Note 5)</b>	<b>Adjustment for Consolidation (Note 3c)</b>	<b>Pro Forma Adjustment</b>
<b>Operating Activities</b>					
Net loss for the period	\$ (390,438)	\$ -	\$ -	\$ -	\$ (390,438)
<b>Items not affecting cash</b>					
Write down of product license	279,999	-	-	-	279,999
<b>Changes in non-cash working capital item</b>					
Prepaid expense	(3,000)	-	-	-	(3,000)
Accrued liabilities	2,500	-	-	-	2,500
Due from related party	-	-	-	(24,325)	(24,325)
Cash used in operating activities	(110,939)	-	-	(24,325)	(135,264)
<b>Financing Activity</b>					
Share issued for cash	202,910	-	50,000	-	252,910
Share issuance cost	(10,500)	-	-	-	(10,500)
Due to (from) related party	(24,325)	-	-	24,325	-
	168,085	-	50,000	24,325	242,410
Increase in cash during the period	57,146	-	50,000	-	107,146
Cash, beginning of the period	-	-	-	-	-
Cash, end of the period	\$ 57,146	\$ -	\$ 50,000	-	\$ 107,146

**0924891 B.C. Ltd.****Notes to Pro Forma Combined Financial Statements**

For the period ended June 30, 2014

(Unaudited)

(Expressed in Canadian dollars)

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**3. Plan of Arrangement**

- a) Pursuant to an arrangement agreement among 0924891 B.C. Ltd. ("BC0924891"), 1006397 B.C. Ltd. ("Subsidiary"), and 1005796 B.C. Ltd. ("TargetCo") dated July 14, 2014 (the "Agreement") and the statutory plan of arrangement to be effected thereunder (the "Amalgamation Agreement"), TargetCo and Subsidiary shall amalgamate to form Amalco and shall continue as one corporation under the Act and with the effect set out in section 279 of the Business Corporation Act of British Columbia.
- b) 0924891 B.C. Ltd. will acquire all issued and outstanding shares and warrants of 1005796 B.C. Ltd. in exchange for 0924891 B.C. Ltd. shares and purchase warrants on the basis of one BC0924891 Share and one share purchase warrant of BC0924891 for each TargetCo Share and each TargetCo Warrant. The TargetCo Shares and warrants exchanged will immediately be cancelled.
- c) The issued and outstanding Subsidiary Shares will be exchanged for Amalco Shares on the basis of one Amalco Share for each Subsidiary Share held immediately before the Effective Date, and the Subsidiary Shares so exchanged will immediately be cancelled. BC 0924891 will continue to hold the Amalco Shares. After the amalgamation, the Amalco will continue its operation as 1006397 B.C. Ltd.
- d) As a result of this transaction, 0924891 B.C. Ltd. will have purchased the net assets of 1005796 B.C. Ltd. These net assets consist of cash, accounts payable and accrued liabilities, prepaid expenses, intangible assets, due to related party, and shares subscribed. The Statement of Financial Position and Statement of Cash Flows for 1005796 B.C. Ltd. as at June 30, 2014 are provided in Note 2.
- e) 0924891 B.C. Ltd. and 1005796 B.C. Ltd. shall exchange of securities on a 1:1 basis. This transaction has no net impact on share capital. The end result of this transaction is that 0924891 B.C. Ltd. becomes the parent company of 1005796 B.C. Ltd. by owning 100% of the shares of 1005796 B.C. Ltd. A consolidation adjustment has been prepared to eliminate the investment in 1005796 B.C. Ltd.

**0924891 B.C. Ltd.****Notes to Pro Forma Combined Financial Statements**

For the period ended June 30, 2014

(Unaudited)

(Expressed in Canadian dollars)

**4. Pro Forma Assumptions**

The unaudited pro forma financial statements were prepared based on the following pro forma assumptions:

- a) The Plan of Arrangement is assumed to close on or about July 25, 2014.
- b) For the purpose of determining the value of the purchase consideration, the total number of outstanding shares, options and warrants were based on its fair value of net assets acquired which amounts to \$81,972 as at June 30, 2014.

For the purposes of these pro forma financial statements, the purchase consideration has been allocated on a preliminary basis to the fair value of assets acquired and liabilities assumed, based on their book value as at June 30, 2014, which represents management's best estimates at the time these unaudited pro forma consolidated financial statements were prepared. The consideration issued and the fair value of the net assets of 1005796 B.C. Ltd. to be acquired will ultimately be determined after the closing of the transaction. Therefore, it is likely that the consideration and the fair values of assets and liabilities acquired will vary from those shown below and the differences may be material. The preliminary purchase price allocation is subject to change and is summarized as follows:

Net assets acquired		
Cash	\$	57,146
Prepaid expenses		3,000
Product license		1
Due from related parties		24,325
Accrued liabilities		(2,500)
	\$	<u>81,972</u>

- c) Transaction costs incurred amounted to \$24,325 and have been capitalized.



**0924891 B.C. Ltd.****Notes to Pro Forma Combined Financial Statements**

For the period ended June 30, 2014

(Unaudited)

(Expressed in Canadian dollars)

**5. Share Capital**

As at June 30, 2014, the share capital in the unaudited pro forma combined statement of financial position comprised the following:

Authorized:

Unlimited common shares without par value

Outstanding:

	Number of Common Shares	Total Consideration \$
Common shares issued November 9, 2011 on incorporation	1	1
Common shares to be issued to the parent and then cancelled under the Amalgamation Agreement assumed to close on July 25, 2014	28,182,000 (28,182,000)	NIL
Common shares to be issued to 1005796 B.C. Ltd. under the Amalgamation Agreement assumed to close on July 25, 2014	28,182,000	472,410
Common shares issued July 31, 2014 to various investors by private placement at \$0.10 per share	500,000	50,000*
<b>Balance as at June 30, 2014</b>	<b>28,682,001</b>	<b>\$522,411</b>

\* The Company is in the process of raising \$50,000 funds through private placement as at June 30, 2014. It is assumed to be closed by July 31, 2014.

Warrants:

As at June 30, 2014, the total issued and outstanding warrants are 8,800,000, which resulted from 1:1 exchange outstanding warrants of 1005696 B.C. Ltd. to 0924891 B.C. Ltd per Plan of Arrangement (see Note 3(e)).