

EASY TECHNOLOGIES INC.

INTERIM FINANCIAL STATEMENTS

(Unaudited)

Six Months Ended April 30, 2017

(Expressed In Canadian Dollars)

NOTICE OF NO AUDIT OR REVIEW

The accompanying financial statements for Easy Technologies Inc. (the “Company”) have been prepared by management in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). These interim financial statements, which are the responsibility of management, are unaudited and have not been reviewed by the Company’s auditors. Management believes the financial statements are free of material misstatement and present fairly, in all material respects, the financial position of the Company as at April 30, 2017 and the results of its operations and its cash flows for the six months ended April 30, 2017.

Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	April 30, 2017 (Unaudited) \$	October 31, 2016 (Audited) \$
ASSETS			
Current			
Cash		7,003	3,022
GST receivable		3,029	-
		10,032	3,022
LIABILITIES			
Current			
Accounts payable and accrued liabilities		58,252	42,187
Due to related parties	6	121,195	47,338
Note payable	8	185,000	185,000
		364,447	274,525
SHARE HOLDERS' DEFICIENCY			
Capital stock	7	3,013,845	3,013,845
Subscription received	7	26,000	-
Obligation to issue shares	6	13,400	-
Reserves	7	2,533,455	2,533,455
Deficit		(5,941,115)	(5,818,803)
		(354,415)	(271,503)
Total liabilities and deficiency		10,032	3,022

Nature of operations and going concern (Note 1)
Subsequent events (Note 10)

Approved for issuance

"Rupert Shore"

Director

"Dennis Petke "

Director

The accompanying notes are an integral part of these financial statements

Interim Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Note	Three months ended April 30,		Six months ended April 30,	
		2017	2016	2017	2016
		\$	\$	\$	\$
Operating Expenses					
General and administration		28,285	16,828	36,412	39,747
Management and consulting fees	6	32,580	9,467	61,780	12,685
Director fees	6	6,900	-	13,620	-
Professional fees		2,500	-	6,000	-
Share based compensation		-	22,500	-	22,500
Operating loss		(70,265)	(48,795)	(117,812)	(74,932)
Other Items					
Interest and finance charge	8	(2,250)	(3,854)	(4,500)	(6,383)
Net and comprehensive loss		(72,515)	(52,649)	(122,312)	(81,315)
Loss per share, basic and diluted		(0.01)	(0.01)	(0.01)	(0.01)
Weighted average number of shares outstanding		8,843,332	7,217,353	8,843,332	5,993,539

The accompanying notes are an integral part of these financial statements

Easy Technologies Inc.
Statement of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

	Capital Stock		Subscription received	Reserves	Obligation to issue shares	Deficit	Total
	Number of Common Shares	Amount					
	#	\$	\$	\$	\$	\$	\$
Balance, October 31, 2015 (Audited)	4,796,329	2,538,805	-	2,529,705	-	(5,283,965)	(215,455)
Shares issued for private placement	3,572,003	250,040	-	-	-	-	250,040
Stock based compensation	-	-	-	22,500	-	-	22,500
Net loss for the period	-	-	-	-	-	(81,315)	(81,315)
Balance, April 30, 2016 (Unaudited)	8,368,332	2,788,845	-	2,552,205	-	(5,365,280)	(24,230)
Shares issued for warrant exercise	350,000	175,000	-	-	-	-	175,000
shares issued for option exercise	125,000	50,000	-	(18,750)	-	-	31,250
Net loss for the period	-	-	-	-	-	(453,523)	(453,523)
Balance, October 31, 2016 (Audited)	8,843,332	3,013,845	-	2,533,455	-	(5,818,803)	(271,503)
Subscriptions received	-	-	26,000	-	-	-	26,000
Obligation to issue shares for service	-	-	-	-	13,400	-	13,400
Net loss for the period	-	-	-	-	-	(122,312)	(122,312)
Balance, April 30, 2017 (Unaudited)	8,843,332	3,013,845	26,000	2,533,455	13,400	(5,941,115)	(354,415)

The accompanying notes are an integral part of these financial statements

Easy Technologies Inc.
Interim Statements of Cash Flow
(Expressed in Canadian Dollars)
(Unaudited)

	Six months ended April 30,	
	2017	2016
	\$	\$
Operating Activities		
Net loss for the period	(122,312)	(81,315)
Shares to be issued for services	13,400	-
Stock based compensation	-	22,500
Change in working capital		
Accounts payable and accrued liabilities	16,065	(72,053)
Due to related parties	73,857	-
GST receivable	(3,029)	(2,202)
Cash used in operating activities	(22,019)	(133,070)
Financing Activities		
Repayment of related party loans	-	(105,833)
Proceeds from share subscriptions	26,000	-
Proceeds from private placement	-	250,040
Cash provided by financing activities	26,000	144,207
Change in cash	3,981	11,137
Cash - beginning	3,022	1,175
Cash - ending	7,003	12,312
Cash paid for interest	-	-
Cash paid for income taxes	-	-

The accompanying notes are an integral part of these financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Easy Technologies Inc., (the “Company”) was incorporated under the Business Corporations Act of British Columbia on May 19, 2009. The Company, through its then wholly owned Swiss subsidiary, provided a range of medical and health technology services and applications based on an internet and mobile phone platform until March 5, 2015 when the Company disposed this Swiss subsidiary (Note 6) and is currently looking for new business opportunities. The Company’s common shares are traded on the Canadian Securities Exchange (“CSE”) under the symbol EZM. The Company’s registered office is located at Suite 500 – 666 Burrard Street, Vancouver BC, V6C 3P6.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at April 30, 2017, the Company is not able to finance its day to day activities through operations. The Company’s continuation as a going concern is dependent upon the identification of a new business and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. 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. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

These unaudited interim financial statements (“interim financial statements”) are in compliance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), have been omitted. These interim financial statements should be read in conjunction with the Company’s financial statements for the year ended October 31, 2016.

These interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on June 30, 2017.

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, the functional currency of the Company.

Basis of Consolidation

These financial statements included the accounts of the Company and its wholly-owned subsidiary, EasyMed Services S.A. (incorporated in Switzerland) until its time of disposition on March 5, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include fair value measurements for financial instruments, and the recoverability and measurement of deferred tax assets.

Significant Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments;
- the determination of the functional currency of the parent company and its subsidiaries

Foreign Currency Translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The Company's functional currency is the Canadian dollar.

Effective November 1, 2014, the Company changed its presentation currency from Swiss francs to Canadian dollars. In accordance with IAS 1 Presentation of financial statements, comparative information is also stated in Canadian dollars.

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss..

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

The Company classifies its financial instruments in the following categories:

- a) fair value through profit or loss;
- b) loans and receivables;
- c) held-to-maturity;
- d) available-for-sale financial assets, and
- e) financial liabilities.

The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. Unrealized gains and losses are recognized in other comprehensive income, except for the impairment losses and foreign exchange gains and losses on monetary financial assets.

Loans and receivable and available-for-sale financial assets are included in current assets, except for maturities greater than 12 months after the end of the reporting period.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. Regular purchases and sales of financial assets are recognized on the trade date, the date on which the Company commits to purchase the asset.

The Company does not have any derivative financial assets and liabilities.

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 prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Standards and Interpretations

New standard IFRS 9 “Financial Instruments”

This new standard is a partial replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

New standard IFRS 15 “Revenue from Contracts with Customers”

This new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

Comparative Figures

Certain comparative figures have been reclassified to conform to the current period’s presentation.

3. CHANGE IN PRESENTATION CURRENCY

As stated in note 2, effective November 1, 2014, the Company changed its presentation currency of its financial statements from Swiss franc to Canadian dollar. The change in presentation currency is to better reflect the Company’s business activities and to improve investors’ ability to compare the Company’s financial results with other publicly traded business in the similar industry. As the Company disposed of its only operating subsidiary located in Switzerland on March 5, 2015 and has been operating in Canada since then, the Company believes that Canadian dollar financial reporting provides more relevant presentation of the Company’s financial position, operating performance and cash flow activities.

In making the change to a Canadian dollar presentation currency, the Company followed the guidance in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (“IAS 8”) and has applied the change retrospectively as if the reporting currency of Canadian dollars had always been the Company’s presentation currency. The financial statements for all the periods presented have been translated into the presentation currency in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates* (“IAS 21”).

Easy Technologies Inc.
Notes to the interim financial statements
Six months ended April 30, 2017
(Expressed in Canadian dollars)
(Unaudited)

3. CHANGE IN PRESENTATION CURRENCY (continued)

The Company has translated the financial information to Canadian dollars as follows:

- The November 1, 2014 statement of financial position was translated using the period-end Canadian dollar / Swiss franc exchange rate;
- Statement of comprehensive loss for the year ended October 31, 2015 and the six months ended April 30, 2016 was translated using the average Canadian dollar / Swiss franc exchange rate for the respective periods;
- Assets and liabilities included in the statement of financial position as at October 31, 2015 and April 30, 2016 were translated using the period-end Canadian dollar / Swiss franc exchange rate and items included in equity were translated using historical Canadian dollar / Swiss franc exchange rates; and
- The resulting cumulative foreign translation difference was reclassified and included in net loss on the disposal of the subsidiary in the statement of comprehensive loss.

	October 31, 2015 Canadian dollar	October 31, 2015 Swiss franc	November 1, 2014 Canadian dollar	November 1, 2014 Swiss franc
	\$	\$	\$	\$
ASSETS				
Current				
Cash	1,175	887	8,975	7,575
GST receivable	7,323	5,528	-	-
	8,498	6,415	8,975	7,575
LIABILITIES				
Current				
Accounts payable and accrued liabilities	118,120	89,168	295,192	249,142
Note payable	-	-	26,620	22,467
Loans payable to related parties	105,833	79,893	551,530	465,491
Deferred revenue	-	-	17,002	14,350
	223,953	169,061	890,344	751,450
SHAREHOLDERS' DEFICIENCY				
Capital stock	2,538,805	2,180,060	1,838,805	1,671,720
Reserves	2,529,705	2,437,732	2,529,705	2,415,533
Accumulated other comprehensive loss	-	-	(159,814)	-
Deficit	(5,283,965)	(4,780,438)	(5,090,065)	(4,831,128)
Total shareholders' deficiency	(215,455)	(162,646)	(881,369)	(743,875)
Total liabilities and shareholders' deficiency	8,498	6,415	8,975	7,575

Easy Technologies Inc.
Notes to the interim financial statements
Six months ended April 30, 2017
 (Expressed in Canadian dollars)
 (Unaudited)

3. CHANGE IN PRESENTATION CURRENCY (continued)

	April 30	April 30
	2016	2016
	(Unaudited)	(Unaudited)
	Canadian Dollar	Swiss Franc
ASSETS		
Current		
Cash	12,312	8,974
GST receivable	9,525	6,943
	21,837	15,917
LIABILITIES		
Current		
Accounts payable and accrued liabilities	46,067	33,579
	46,067	33,579
SHARE HOLDERS' DEFICIENCY		
Capital stock	2,788,845	2,363,889
Reserves	2,552,205	2,459,669
Deficit	(5,365,280)	(4,841,220)
	(24,230)	(17,662)
Total liabilities and deficiency	21,837	15,917

Easy Technologies Inc.
Notes to the interim financial statements
Six months ended April 30, 2017
(Expressed in Canadian dollars)
(Unaudited)

3. CHANGE IN PRESENTATION CURRENCY (continued)

	October 31, 2015 Canadian dollar	October 31, 2015 Swiss franc
	\$	\$
Revenue	6,617	5,100
Operating Expenses		
Advertisement and promotion	-	-
Office and administration	71,100	55,460
Salaries and consultants	88,660	68,339
Share based compensation	-	-
Total operating expense	159,760	123,799
Other items	(153,143)	(118,699)
Loss on disposition of subsidiary	(219,604)	30,878
Gain on debt settlement	284,207	219,067
Foreign exchange gain	1,324	1,020
Impairment of advance	(100,000)	(77,080)
Interest and finance charges	(6,684)	(4,496)
Net loss	(193,900)	50,690
Other comprehensive income (loss):		
Foreign currency translation	(99,850)	22,199
Reclassification of translation adjustment on disposal of subsidiary	259,664	-
	159,814	22,199
Comprehensive loss	(34,086)	72,889
Loss per share, basic and diluted	(0.05)	0.01
Weighted average number of shares outstanding, basic and diluted	3,914,137	3,914,137

Easy Technologies Inc.
Notes to the interim financial statements
Six months ended April 30, 2017
(Expressed in Canadian dollars)
(Unaudited)

3. CHANGE IN PRESENTATION CURRENCY (continued)

	Six Months Ended	
	April 30 2016	April 30 2016
	(Unaudited)	(Unaudited)
	Canadian dollar	Swiss Franc
Operating Expenses		
Office and administration	39,747	28,021
Management and consulting fees	12,685	9,567
Stock based compensation	22,500	18,380
Operating Loss	(74,932)	(55,968)
Other Items		
Interest and finance charge	(6,383)	(4,814)
Net and comprehensive loss	(81,315)	(60,782)
Loss per share, basic and diluted	(0.01)	(0.01)
Weighted average number of shares outstanding	5,993,539	5,993,539

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2017 (Unaudited)	October 31, 2016 (Audited)
	\$	\$
Accounts payable	55,752	32,187
Accrued liabilities	2,500	10,000
	58,252	42,187

5. IMPAIRMENT OF ADVANCE

In March 2015, the Company entered into a memorandum of understanding with Infinia IT GmbH ("Infinia") a private Swiss Company that develops technologies in the renewable energy. The Company advanced \$100,000 for the exclusive worldwide distribution rights for all of Infinia's technology and an option to purchase 50% of Infinia for \$1,900,000. As at October 31, 2015, the Company decided not to proceed with the agreement and has requested repayment of this prepayment. During the year ended October 31, 2015, this advance had not been repaid and the Company recorded an impairment in full due to uncertainty of recoverability.

Easy Technologies Inc.
Notes to the interim financial statements
Six months ended April 30, 2017
(Expressed in Canadian dollars)
(Unaudited)

6. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

During the six months ended April 30, 2017 the Company incurred the following fees to related parties:

CEO management fees:

- Accrual of \$30,000 (2016 - \$Nil) cash based management fees, and
- Obligation to issue 30,000 (2016 - Nil) common shares of the Company fair valued at \$3,850.

CFO management fees:

- Accrual of \$21,000 (2016 - \$Nil) cash based management fees,
- Obligation to issue 30,000 (2016 - Nil) common shares of the Company fair valued at \$3,850, and
- Accrual of \$10,500 (2016 - \$Nil) for office rent, administrative services and office facility

Director fees:

- An aggregate accrual of \$9,000 (2016 - \$Nil) cash based directors fees, and
- Obligation to issue an aggregate 36,000 (2016 - Nil) common shares of the Company fair valued at \$4,620.

Cash based amounts due to related parties

	April 30, 2017	October 31, 2016
CEO	\$ 68,000	\$ 35,000
CFO	43,370	5,513
An independent director	3,000	-
Related company of a former director	6,825	6,825
Total	\$ 121,195	\$ 47,338

The amounts due are non-interest bearing, unsecured and due on demand.

Settlement of Debt and Loan payable to Related Parties

On July 14, 2016, the Company issued a promissory note payable of \$258,000 to a company of a relative of the former CEO (the "Lender"). This promissory note, is unsecured, has an interest rate of 5% per annum, and matured on August 31, 2016. Pursuant to the promissory note agreement, the Company paid the Lender a signing bonus of \$25,000.

The loan, the accrued interest and the signing bonus were fully repaid in 2016.

Easy Technologies Inc.
Notes to the interim financial statements
Six months ended April 30, 2017
(Expressed in Canadian dollars)
(Unaudited)

6. RELATED PARTY TRANSACTIONS (continued)

Disposition of assets

On March 5, 2015, the Company decided to end its operations in Switzerland and sold its Swiss subsidiary EasyMed Services S.A., to a company controlled by a director of the Company at \$1. Details are as follows:

	Amount
	\$
Assets sold (cash)	8,975
Liabilities assumed by the buyer	(49,034)
Net liabilities transferred	(40,059)
Proceeds received	1
Proceeds received – Net liabilities transferred	40,060
Other comprehensive loss recycle into profit and loss	(259,664)
Loss on disposition	(219,604)

7. CAPITAL STOCK

Authorized – An unlimited number of common and preferred shares without par value.

On February 5, 2016, the Company completed a share consolidation of its issued and outstanding common shares on 1 for 10 basis. The weighted average loss per share in these financial statements has been adjusted retrospectively.

During the year ended October 31, 2016, the Company issued 350,000 common shares at \$0.50 per share for warrant exercise and 125,000 common shares for option exercise at \$0.25 per share.

Private Placement

During the six months ended April 30, 2017, the Company received \$26,000 as subscription for 260,000 units of private placement. Each Unit is comprised of one common share and one-half share purchase warrant. Each full share purchase warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of \$0.15 per share, for a period of two years from the date the Units are issued. If during the exercise period of the warrants, but after the resale restrictions on the shares have expired, the Company's shares trade at or above a weighted average trading price of \$0.30 per share for 10 consecutive trading days, the Company may accelerate the expiry time of the warrants by giving written notice to warrant holders that the warrants will expire 30 days from the date of providing such notice. The private placement is not closed as at the date of this report.

Easy Technologies Inc.
Notes to the interim financial statements
Six months ended April 30, 2017
(Expressed in Canadian dollars)
(Unaudited)

7. CAPITAL STOCK (continued)

Warrants

	Number of warrants	Weighted average exercise price
		\$
Outstanding, October 31, 2014	29,411	61.73
Expiry	(29,411)	61.73
Issuance	3,500,000	0.50
Outstanding, October 31, 2015	3,500,000	0.50
Warrant exercise	(350,000)	0.50
Outstanding, October 31, 2016 and April 30, 2017	3,150,000	0.50

Warrants outstanding on April 30, 2017 will expire on January 30, 2020.

Options

Under the Company's stock option plan, the Board of Directors may grant options for the purchase of up to 10% of the total number of issued and outstanding common shares of the Company. Options granted under the plan vest over time at the discretion of the board of directors and expire no later than five years from the date of issuance. Exercise prices on options granted under the plan cannot be lower than the market price of one share on the last trading day immediately preceding the day on which the option is granted, less the maximum applicable discount permitted by the CSE.

On March 11, 2016, the Company granted 150,000 options to its directors and officers at exercise price of \$0.25 per share. These options had a fair value of \$0.15 per option at the grant date, were 100% vested on the grant date and will expire on March 11, 2021 if un-exercised. The Company has recorded \$22,500 share-based compensations and also an addition to the Company's reserve account for the options vested.

The Company values the options at the grant date by using Black-Scholes Option Pricing Model with the use of assumptions of: Annual share price volatility of 340%, expected dividend of Nil %, risk free interest rate of 0.80% per annum, and exercise price of \$0.25 per share.

During the year ended October 31, 2016, 125,000 of the above options were exercised into common shares at \$0.25 per share. As a result, \$18,750 was reclassified from the Company's reserve into share capital accordingly. The continuity of the Company's outstanding options is as follow:

	Expiry date	Number of options	Weighted average exercise price (\$)
Outstanding, October 31, 2014	May 24, 2016	11,000	77.13
Cancellation	May 24, 2016	6,000	77.13
Outstanding, October 31, 2015	May 24, 2016	5,000	77.13
Issuance	March 11, 2021	150,000	0.25
Expired	May 24, 2016	(5,000)	77.13
Exercised	March 11, 2021	(125,000)	0.25
Outstanding, October 31, 2016 and April 30, 2017	March 11, 2021	25,000	0.25

7. CAPITAL STOCK (continued)

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

8. NOTE PAYABLE

In August 2016, the Company issued a promissory note payable of \$180,000 to a third party. This promissory note is unsecured, bears an interest rate of 5% per annum, and matured on September 9, 2016. The Company will also pay \$10,000 finance fee to the lender.

As at October 31, 2016 and April 30, 2017, the entire principal balance of \$180,000 and finance fee of \$5,000 were outstanding and are included in loans payable.

9. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

The Company's principal financial assets are cash, trade receivables, and due from related parties. The Company's credit risk is primarily concentrated in its cash held in bank accounts. The majority of cash is deposited in bank accounts held in Canada. As most of the Company's cash is held by one bank there is concentration of credit risk. This risk is managed by using major bank that is a high credit financial institution as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's primary source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign currency risk is the risk that the fair values 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 is not significantly exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Easy Technologies Inc.
Notes to the interim financial statements
Six months ended April 30, 2017
(Expressed in Canadian dollars)
(Unaudited)

9. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)

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 equity, comprising share capital, net of accumulated deficit.

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:

	April 30, 2017	October 31, 2016
	\$	\$
Loans and receivables:		
Cash	7,003	3,022
	7,003	3,022

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

	April 30, 2017	October 31, 2016
	\$	\$
Accounts payable	55,752	32,187
Loans payable to related parties	121,195	47,338
Note payable	185,000	185,000
	361,947	264,525

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured at fair value using level 1 inputs. The carrying value of Company's trade payables, loans payable to related parties, and note payable approximate their fair value due to their short terms to maturity.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures

Easy Technologies Inc.
Notes to the interim financial statements
Six months ended April 30, 2017
(Expressed in Canadian dollars)
(Unaudited)

10. SUBSEQUENT EVENTS

During May, 2017, the Company issued 2,575,000 common shares at a deemed price of \$0.10 per share to settle certain outstanding debts and to fulfill the Company's obligation to issue shares in accordance to the service agreements with directors, officers and consultants.