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**TIMIA CAPITAL CORP.**  
**(formerly GREENANGEL ENERGY CORP.)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**NOVEMBER 30, 2015 AND 2014**

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## **INDEPENDENT AUDITORS' REPORT**

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To the Shareholders of  
TIMIA Capital Corp. (formerly GreenAngel Energy Corp.)

We have audited the accompanying financial statements of TIMIA Capital Corp. which comprise the statements of net assets as at November 30, 2015 and 2014, and the statements of comprehensive income (loss), cash flows and changes in equity for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the net assets of TIMIA Capital Corp. as at November 30, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

*Manning Elliott LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, British Columbia

March 24, 2016

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**TIMIA CAPITAL CORP. (formerly GREENANGEL ENERGY CORP.)****STATEMENTS OF NET ASSETS****AS AT NOVEMBER 30, 2015 AND 2014**(Expressed in Canadian Dollars)

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	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
Cash	\$ 409,871	\$ 14,650
Funds receivable (Note 3)	937,935	1,874
Current portion of royalty investments (Note 4)	6,980	-
Prepaid expenses	4,657	-
	<hr/> 1,359,443	<hr/> 16,524
FUNDS RECEIVABLE (Note 3)	113,663	-
EQUITY INVESTMENTS (Note 3)	1,120,856	1,413,990
ROYALTY INVESTMENTS (Note 4)	1,497,732	-
	<hr/> \$ 4,091,694	<hr/> \$ 1,430,514
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	30,292	22,627
Current portion of notes payable (Note 5)	7,302	3,810
	<hr/> 37,594	<hr/> 26,437
CONVERTIBLE DEBENTURES (Note 6)	1,692,257	-
NOTES PAYABLE (Note 5)	485,500	285,500
	<hr/> 2,215,351	<hr/> 311,937
<b>NET ASSETS</b>	<hr/> \$ 1,876,343	<hr/> \$ 1,118,577
<b>EQUITY</b>		
Share capital (Note 7)	\$ 3,102,739	\$ 2,862,280
Share subscriptions received	14,700	-
Share-based payments reserve	295,188	254,960
Equity component of convertible debentures (Note 6)	70,689	-
Deficit	(1,606,973)	(1,998,663)
	<hr/> \$ 1,876,343	<hr/> \$ 1,118,577

Nature and continuance of operations (Note 1)  
Subsequent events (Note 12)

Approved on behalf of the Board of Directors:

/s/ "Michael Volker"

Michael Volker, Director

/s/ "James Pratt"

James Pratt, Director

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

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**TIMIA CAPITAL CORP. (formerly GREENANGEL ENERGY CORP.)****STATEMENTS OF COMPREHENSIVE INCOME (LOSS)****FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014**(Expressed in Canadian Dollars)

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	<b>2015</b>	<b>2014</b>
<b>REVENUE</b>		
Royalty and interest income	\$ 70,595	\$ -
Advisory income	65,803	62,254
	<hr/> 136,398	<hr/> 62,254
<b>EXPENSES</b>		
Administrative, management and directors fees (Note 8)	84,983	41,490
Accounting and legal	43,253	30,458
Interest expense	28,027	-
Share-based payments (Note 8)	40,228	30,101
Office, promotion and miscellaneous	53,264	16,998
Transfer agent and regulatory fees	22,015	13,109
Loan loss provision (Note 4)	7,417	-
	<hr/> 279,187	<hr/> 132,156
<b>LOSS BEFORE OTHER ITEMS</b>	<hr/> (142,789)	<hr/> (69,902)
<b>OTHER ITEMS</b>		
Change in unrealized loss on investments	531,245	(88,928)
Realized gain on disposal of investments (Note 3)	3,234	-
Other income	-	2,197
	<hr/> 534,479	<hr/> (86,731)
<b>NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)</b>	<hr/> \$ 391,690	<hr/> \$ (156,633)
<b>NET INCOME (LOSS) PER COMMON SHARE – BASIC AND DILUTED</b>	<hr/> \$ 0.02	<hr/> \$ (0.01)
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>	<hr/> 18,747,495	<hr/> 17,213,796

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

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**TIMIA CAPITAL CORP. (formerly GREENANGEL ENERGY CORP.)****STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014**(Expressed in Canadian Dollars)

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	<b>2015</b>	<b>2014</b>
<b>OPERATING ACTIVITIES</b>		
Net income (loss) for the year	\$ 391,690	\$ (156,633)
Items not involving cash:		
Share-based payments	40,228	30,101
Financing revenue	(3,196)	(7,663)
Interest revenue	(6,535)	–
Loan loss provision	7,417	–
Change in unrealized loss on investments	(531,245)	88,928
Realized gain on disposal of investments	(3,234)	–
	(104,875)	(45,267)
Change in non-cash working capital items:		
Funds receivable	(18,815)	–
Prepaid expenses	(4,657)	–
Accounts payable and accrued liabilities	7,665	(499)
<b>CASH USED IN OPERATING ACTIVITIES</b>	<b>(120,682)</b>	<b>(47,766)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of equity investments, net	(200,100)	(285,000)
Purchase of royalty investments, net	(1,500,000)	–
Distributions received as return of capital, net	–	1,936
<b>CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,700,100)</b>	<b>(283,064)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds on issuance of promissory notes, net	200,000	285,500
Proceeds on issuance of convertible debentures, net	1,760,844	–
Proceeds on issuance of common shares, net	240,459	–
Proceeds from share subscriptions received	14,700	–
<b>CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>2,216,003</b>	<b>285,500</b>
<b>CHANGE IN CASH DURING THE YEAR</b>	<b>395,221</b>	<b>(43,330)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>14,650</b>	<b>57,980</b>
<b>CASH, END OF YEAR</b>	<b>\$ 409,871</b>	<b>\$ 14,650</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Interest paid	\$ 32,878	\$ 12,391
Income taxes paid	–	–
<b>NON-CASH FLOW TRANSACTIONS</b>		
Common shares received for services rendered	\$ 3,196	\$ 7,663

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

**TIMIA CAPITAL CORP. (formerly GREENANGEL ENERGY CORP.)**

**STATEMENTS OF CHANGES IN EQUITY**

**FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014**

(Expressed in Canadian dollars)

	Common Shares Issued	Shares Amount	Share subscriptions received	Share-based payment reserve	Equity component of convertible debentures	Deficit	Total
As at November 30, 2013	17,213,796	\$ 2,862,280	\$ -	\$ 224,859	\$ -	\$ (1,842,030)	\$ 1,245,109
Share-based payments	-	-	-	30,101	-	-	30,101
Comprehensive loss	-	-	-	-	-	(156,633)	(156,633)
<b>As at November 30, 2014</b>	<b>17,213,796</b>	<b>\$ 2,862,280</b>	<b>\$ -</b>	<b>\$ 254,960</b>	<b>\$ -</b>	<b>\$ (1,998,663)</b>	<b>\$ 1,118,577</b>
Common shares issued	5,000,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Share subscriptions received	-	-	14,700	-	-	-	14,700
Share issuance costs	-	(9,541)	-	-	-	-	(9,541)
Share-based payments	-	-	-	40,228	-	-	40,228
Equity component of convertible debentures	-	-	-	-	70,689	-	70,689
Comprehensive income	-	-	-	-	-	391,690	391,690
<b>As at November 30, 2015</b>	<b>22,213,796</b>	<b>\$ 3,102,739</b>	<b>\$ 14,700</b>	<b>\$ 295,188</b>	<b>\$ 70,689</b>	<b>\$ (1,606,973)</b>	<b>\$ 1,876,343</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014**

(Expressed in Canadian dollars)

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

TIMIA Capital Corp. (formerly GreenAngel Energy Corp.) (the "Company") was incorporated under the Business Corporations Act of British Columbia on October 26, 2007 under the name Angelwest Capital Corp. The Company changed its name to GreenAngel Energy Corp. on October 27, 2009 and then to TIMIA Capital Corp. on September 23, 2015 and is listed on the TSX Venture Exchange (the "TSX-V") trading under the symbol "TCA". The Company primarily focuses on providing financing to Canadian technology companies in exchange for royalties based on a percentage of the debtors' revenues. The Company's head office and principal place of business is Suite 209 - 415 West Cordova Street, Vancouver, British Columbia, Canada.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies used in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

**Statement of compliance**

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

These financial statements were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on March 24, 2016.

**Basis of presentation**

The financial statements have been prepared using the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out below. All amounts are expressed in Canadian dollars unless otherwise stated.

**Significant accounting judgements and estimates**

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The information about significant areas of estimation uncertainty considered by management in preparing the financial statements are:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014

(Expressed in Canadian dollars)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Significant accounting judgements and estimates (continued)**

- Fair value of investment in securities not quoted in an active market;
- Expected cash flows of royalty investments;
- Recognition of deferred tax assets; and
- Calculation of share-based payments expense.

The information about significant areas of judgement considered by management in preparing the financial statements are:

- Assessment of the Company's ability to continue as a going concern;
- The classification of financial instruments; and
- The valuation of financial assets and liabilities recorded on the statement of net assets which are derived from a variety of valuation techniques.

**Cash**

Cash in the statements of net assets comprise cash at banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

**Financial instruments**

All financial instruments are initially measured at fair value and categorized as either held-to-maturity, fair value through profit or loss ("FVTPL"), loans and receivables, available-for-sale or other financial liabilities.

**Held-to-maturity** financial assets are subsequently measured at amortized cost using the effective interest method. Impairment losses are charged to net earnings in the period in which they arise.

**FVTPL** financial instruments are measured at fair value with changes in fair value charged or credited to earnings in the period in which they arise.

**Loans and receivables** are subsequently measured at amortized cost using the effective interest method. Impairment losses are charged to net earnings in the period in which they arise. Finance charges are deferred and recognized over the life of the loan.

**Available-for-sale** financial instruments are measured at fair value with changes in fair value charged or credited to other comprehensive income. Impairment losses are reclassified from other comprehensive income and charged to net earnings in the period in which they arise.

**Other financial liabilities** are initially measured at fair value less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method.



**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014**

(Expressed in Canadian dollars)

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Equity Investments**

Equity investments consist of common shares, preferred shares, partnership units and warrants held in non-public companies. At the end of each financial reporting period, the Company's management estimates the fair value of its equity investments based on the criteria below and records such valuations in the financial statements. Options and warrants of non-public companies are carried at \$nil.

Equity investments are initially recorded at cost, being the fair value at the time of acquisition. At each reporting period thereafter, the fair value of an equity investment may, depending on circumstances, be adjusted by taking into account the following circumstances:

- There has been a significant subsequent equity financing provided by outside investors at a valuation above or below the current fair value of the investee company, in which case the fair value of the investment is adjusted to the value at which the financing took place; or
- Based on financial information received from the investee company it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward; or the investee company is placed into receivership or bankruptcy; or
- There have been significant corporate, political, operating or economic events affecting the investee company that, in the Company's opinion, have a positive or negative impact on the investee company's prospects and, therefore, its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be ultimately realized or realizable. Such events include, without limitation:
  - receipt or denial by the investee company of necessary approvals that allow or prevent the investee company to proceed with its project(s);
  - release by the investee company of positive or negative technical results, which either proves or disproves its technical prospects; and
  - management changes by the investee company that the Company's management believes will have a very positive or negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

In addition to the circumstances described above, the Company will take into account general market conditions when determining if an adjustment to the fair value of an investment is warranted at the end of each reporting period. Absent the occurrence of any of these events, or any significant change in general market conditions, the fair value of the investment is left unchanged.

Application of the valuation techniques described above may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized. The amount at which an investment could be disposed of may differ from its carrying value due to the availability and/or reliability of information available to, and determinations reached by, the Company. Any fair value estimated by the application of these techniques may not ultimately be realized.

Transaction costs incurred in the purchase and sale of investments are recorded as an expense in the statements of comprehensive income and loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014

(Expressed in Canadian dollars)

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Royalty investments**

Royalty investments consist of royalty interests in the revenue generated by Canadian technology companies. Royalty investments are recognized as non-derivative financial assets and are classified as loans and receivables. After initial measurement, royalty investments are subsequently measured at amortized cost using the effective interest method. When the original cash flows have been revised the resulting adjustment to the amortized cost is reflected as either income or expense in the statement of comprehensive income and loss. Any losses arising from impairment are recognized in the statement of comprehensive income and loss.

The Company assesses at each reporting date whether there is any objective evidence that a royalty investment is impaired. A royalty investment is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact of the estimated future cash flows of the royalty investment that can be reliably estimated. Evidence of impairment may include indications that the investee is experiencing significant financial difficulty, default, or delinquency in interest or royalty payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows and this loss is recorded in the statement of comprehensive income and loss.

**Revenue recognition**

*Interest income and royalty payment income*

Royalty and interest income are determined using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating the income over the life of the asset. The effective interest rate is the rate that exactly discounts estimated future cash flows to the initial carrying amount.

*Advisory income*

Revenue for marketing activities and corporate and advisory services are recognized when persuasive evidence of an arrangement exists, services have been rendered, the price is determinable, and collectability is reasonably assured.

From time to time, the Company may receive payment in the form of common or preferred shares for corporate or advisory services rendered. In order to record revenue, the Company uses the estimated fair values of the equity instruments received at such time that the services have been rendered.

**Functional currency**

The financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

**Income taxes**

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income/loss.

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014**

(Expressed in Canadian dollars)

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income taxes (continued)**

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. Management considers the scheduled reversal of future income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

**Basic and diluted earning (loss) per share**

The Company presents basic and diluted earning (loss) per share data for its common shares, calculated by dividing the earning (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted earning (loss) per share is determined by adjusting the income (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. However, the calculation of diluted earning (loss) per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

**Share-based payment transactions**

The share option plan allows Company employees and consultants to acquire shares of the Company. All options granted are measured at fair value and are recognized in expenses as share-based payments with a corresponding increase in equity reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of employee options is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model ("Black-Scholes Model") taking into account the terms and conditions upon which the options were granted. Share options granted to non-employees or consultants are measured at the fair value of goods or services received. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014

(Expressed in Canadian dollars)

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Convertible debentures**

Convertible debentures, where applicable, are separated into their liability and equity components using the effective interest rate method. The fair value of the liability component at the time of issue was determined based on an estimated interest rate of the debentures without the conversion feature. The fair value of the equity component was determined as the difference between the face value and the fair value of the liability component.

**Accounting standards adopted during the year**

The mandatory adoption of the following new and revised accounting standards on December 1, 2014 had no significant impact on the Company's financial statements for the years presented.

*IAS 1 Presentation of Financial Statements* - In June 2011, the IASB issued an amendment to IAS 1, which requires entities to separately present items in other comprehensive income based on whether or not they may be reclassified to profit or loss in future periods.

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

*IAS 36 Impairment of Assets* – In May 2013, the IASB issued an amendment to address the disclosure of information about the recoverable amount of impaired assets or a cash-generating unit (“CGU”) for periods in which an impairment loss has been recognized or reversed. The amendments also address disclosure requirements applicable when an asset's or a CGU's recoverable amount is based on fair value less costs of disposal.

*IAS 39 Financial Instruments: Recognition and Measurement* – In June 2013, the IASB issued a narrow scope amendment to IAS 39. Under the amendment, there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided that certain criteria are met.

**Accounting standards and amendments issued but not yet effective**

Certain new accounting standards and interpretations have been published that are not mandatory for the November 30, 2015 fiscal year. These standards have been assessed to not have a significant impact on the Company's financial statements.

*The following accounting standards will be adopted by the Company effective December 1, 2015:*

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

*IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets* - In May 2014, the IASB issued amendments to IAS 16 and IAS 38. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014

(Expressed in Canadian dollars)

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

*The following accounting standards will be adopted by the Company effective December 1, 2018:*

*IFRS 15 Revenue from Contracts with Customers* - In May 2014, the IASB issued IFRS 15 which replaces IAS 11 – *Construction Contracts*, IAS 18 – *Revenue*, IFRIC 13 – *Customer Loyalty Programmes*, IFRIC 15 – *Agreements for the Construction of Real Estate*, IFRIC 18 – *Transfers 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.

*IFRS 9 – Financial Instruments* – IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 was subsequently amended in November 2013 to add new general hedge accounting requirements. The final version of IFRS 9 was issued in July 2014 and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

Management is currently evaluating any impact that the above standards may have on the Company's financial statements and this assessment has not yet been finished.

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**TIMIA CAPITAL CORP. (formerly GREENANGEL ENERGY CORP.)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014**(Expressed in Canadian dollars)

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**3. EQUITY INVESTMENTS**

As at November 30, 2015, the Company held the following equity investments:

<b>Investees</b>	<b>Common Shares</b>	<b>Preferred Shares</b>	<b>Partnership Units</b>	<b>Cost</b>	<b>Fair Value</b>
Delaware Power Systems Corp.	965,000	-	-	\$ 414,500	\$ -
Espresso Capital Limited Partnership (Note 4)	-	-	485	485,000	485,000
Light-Based Technologies Inc.	960,000	600,000	-	390,000	-
Mazza Innovation Ltd.	480,000	-	-	120,000	120,000
Moj.io Inc.	427,998	-	-	43	130,257
CamDo Solutions Inc.	1,000,000	-	-	100	385,599
				\$ 1,409,643	\$ 1,120,856

As at November 30, 2014, the Company held the following equity investments:

<b>Investees</b>	<b>Common Shares</b>	<b>Preferred Shares</b>	<b>Partnership Units</b>	<b>Cost</b>	<b>Fair Value</b>
Delaware Power Systems Corp.	965,000	-	-	\$ 414,500	\$ -
dPoint Technologies Inc.	448,718	-	-	350,000	863,148
Espresso Capital Limited Partnership (Note 4)	-	-	285	285,000	285,000
Habitat Enterprises Ltd.	1,533,334	-	-	230,000	-
Light-Based Technologies Inc.	960,000	600,000	-	390,000	-
Paradigm Environmental Technologies Inc.	169,184	-	-	447,675	-
Mazza Innovation Ltd.	480,000	-	-	116,804	188,804
Moj.io Inc.	427,998	-	-	43	77,038
				\$ 2,234,022	\$ 1,413,990

On November 30, 2015, the Company completed the sale of its common shares of dPoint Technologies Inc. for total proceeds of \$1,030,909 and recorded a realized gain on the sale of \$680,909. The total proceeds were included in funds receivable at November 30, 2015. Out of the total proceeds of \$1,030,908, \$917,246 was received subsequent to year-end and \$113,663 is currently being held in escrow and will be distributed to the Company 16 months after the completion date of the sale. Therefore the portion of the funds receivable representing this escrow balance was classified as a non-current asset as November 30, 2015.

The Company's investment in Mazza Innovation Ltd. is subject to the following vesting conditions: 120,000 common shares vest immediately upon grant (November 30, 2012) and the remaining shares vest daily over three years. During fiscal 2015, \$3,196 vested (2014 - \$7,663) and was recorded as financing revenue in the statements of comprehensive income and loss.

The Company's investment in CamDo Solutions Inc. is subject to the following vesting conditions: 250,000 common shares vest immediately upon grant (May 1, 2015) and the remaining shares vest daily over 25 months.

During the year ended November 30, 2015 the Company disposed of its investments in Habitat Enterprises Ltd. and Paradigm Environmental Technologies Inc. and recorded a realized loss on the disposals of \$677,675.

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014**(Expressed in Canadian dollars)

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**4. ROYALTY INVESTMENTS**

On July 31, 2015, the Company entered into a royalty investment agreement with Lambda Solutions Inc. ("Lambda"). Under to the terms of the agreement, the Company paid \$500,000 to Lambda and will receive monthly royalty payments based on a prescribed percentage of Lambda's monthly revenue. The royalty term will end on the earlier of the full payment of \$1,000,000 or eight years from July 31, 2015.

On October 30, 2015, the Company entered into a royalty investment agreement with another investee. Under the terms of the agreement, the Company paid \$1,000,000 to the investee and will receive monthly royalty payments based on a prescribed percentage of the investee's monthly software license revenue. The royalty term will end on the earlier of the full payment of \$2,000,000 or eight years from October 30, 2015.

As at November 30, 2015, the balance of the Company's royalty investment in Lambda is \$497,953 and the balance of the Company's royalty investment in the other investee is \$1,014,176. The balance represents the amortized cost of the investments at the reporting date.

	<b>2015</b>	<b>2014</b>
Opening balance	\$ -	\$ -
Acquisition of royalty investments	1,500,000	-
Interest revenue	64,129	-
Royalty payments	(52,000)	-
Less: loan loss provision	(7,417)	-
Closing balance	1,504,712	-
Less: current portion	(6,980)	-
Non-current portion	\$ 1,497,732	\$ -

On a quarterly basis, the Company carries out a credit quality review of the portfolio of royalty investments. The review considers delinquency trends, sales volumes and the investee's ability to maintain its financial condition. Included in the amounts presented is a loan loss provision of \$7,417.

**5. NOTES PAYABLE**

On December 17, 2013, the Company entered into an agreement with Espresso Capital Management Partnership ("ECMP") to acquire up to \$2,000,000 in Limited Partner Units ("LP Units") in an investment fund operated by ECMP. According to the terms of the agreement, the Company will raise up to \$2,000,000 through the issuance of promissory notes for the investment in the LP Units.

During the year ended November 30, 2014, the Company issued \$285,500 in promissory notes. The promissory notes mature two years from the date of issuance. The promissory notes bear interest at the lesser of 9% per annum or the note holder's pro-rata share of interest in the distributions from the LP Units received by the Company. The proceeds from the promissory notes issued were invested in the LP Units (see Note 3).

During the year ended November 30, 2015, the Company issued \$200,000 in promissory notes to bring the total of the notes outstanding to \$485,000. The promissory notes mature two years from the date of issuance. The promissory notes bear interest at the lesser of 9% per annum or the note holder's pro-rata share of interest in the distributions from the LP Units received by the Company. The promissory notes outstanding as at November 30, 2015 mature between February 2016 and February 2017. At the option of the Company the maturity date can be extended for a period of up to one year. The proceeds from the promissory notes issued were invested in the LP Units (see Note 3).

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**TIMIA CAPITAL CORP. (formerly GREENANGEL ENERGY CORP.)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014**(Expressed in Canadian dollars)

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**5. NOTES PAYABLE (continued)**

	<b>2015</b>	<b>2014</b>
Opening balance	\$ 285,500	\$ -
Proceeds from notes payable	200,000	285,500
Interest accretion	40,180	16,201
Interest paid	(32,878)	(12,391)
Closing balance	492,802	289,310
Less: current portion	(7,302)	(3,810)
Non-current portion	\$ 485,500	\$ 285,500

**6. CONVERTIBLE DEBENTURES**

During the year ended November 30, 2015, the Company closed an offering of convertible debentures (the "Debentures") for gross proceeds of \$1,767,500 (the "Principal"). The issue costs were \$6,656 resulting in net proceeds of \$1,760,844. The Debentures bear interest from the date of issuance at 8% per annum, payable monthly in arrears. The Debentures have a maturity date of five years from the date of issuance (the "Maturity Date"). The debenture holders may elect at any time to convert all, but not less than all, of their outstanding Principal amount prior to the Maturity Date into common shares of the Company at a conversion price of \$0.14 per common share.

For accounting purposes, the Debentures are separated into their liability and equity components using the effective interest method. The fair value of the liability component at the time of issue was determined based on an estimated rate of 9% for Debentures without the conversion feature. The fair value of the equity component was determined as the difference between the face value of the Debentures and the fair value of the liability component.

The Debentures are not redeemable before the third anniversary from the issuance date. On or after the third anniversary of the issuance date, but prior to the Maturity Date, the Company may, at its option, redeem the Debentures, in whole or in part, at a price equal to the principal amount of the Debentures plus all accrued and unpaid interest up to but excluding the date of redemption.

The Company is not permitted to grant any lien on the Company or its assets as long as the Debentures are outstanding except with the permission of more than 67 percent of the Debenture holders.

The Debentures, and any common shares issuable upon conversion thereof, will be subject to a four-month hold period in accordance with applicable securities laws.



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**TIMIA CAPITAL CORP. (formerly GREENANGEL ENERGY CORP.)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014**(Expressed in Canadian dollars)

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**6. CONVERTIBLE DEBENTURES (continued)**

The following table summarizes the outstanding balance and changes in the amounts recognized in the liability and equity during the period:

<b>Principal</b>		
Advanced during the period ended November 30, 2015	\$	1,767,500
<b>Liability</b>		
Gross proceeds received	\$	1,767,500
Issue costs		(6,656)
Equity component less issue costs allocated		(70,689)
Liability component initially recognized		1,690,155
Accretion expense		2,102
<b>Balance at November 30, 2015</b>	\$	1,692,257
<b>Equity</b>		
Equity component initially recognized	\$	70,689
<b>Balance at November 30, 2015</b>	\$	70,689

**7. SHARE CAPITAL**

## (a) Authorized:

An unlimited number of common voting shares without par value.

## (b) Issued:

During the year ended November 30, 2015, the Company issued 5,000,000 Units at a price of \$0.05 per unit for gross proceeds of \$250,000. Each Unit consists of one common share of the Company and one non-transferrable common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at \$0.06 per share for a period of two years. Share issue costs of \$9,541 were incurred on the share issuance.

## (c) Stock Options:

The Company has adopted an incentive share option plan for granting options to directors, employees and consultants, under which the total outstanding options are limited to 10% of the outstanding common shares of the Company at any one time. Under the plan, the exercise price of an option shall not be less than the discounted market price at the time of granting, or as permitted by the policies of TSX-V. Options granted may not exceed a term of five years from the grant date. Options granted to consultants conducting investor relation activities vest 25% upon grant, and 25% every three months thereafter. The vesting period for all other options will be determined by the Board of Directors at the time of each grant.

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2013	1,550,000	\$ 0.16
Granted	550,000	0.10
Forfeited	(375,000)	0.15
Balance, November 30, 2014	1,725,000	0.14
Granted	1,560,000	0.05
Cancelled	(680,000)	0.16
Expired	(400,000)	0.20
Balance, November 30, 2015	2,205,000	\$ 0.07

**TIMIA CAPITAL CORP. (formerly GREENANGEL ENERGY CORP.)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014**

(Expressed in Canadian dollars)

**7. SHARE CAPITAL (continued)**

(c) Stock Options: (continued)

Additional information regarding stock options outstanding as at November 30, 2015 is as follows:

Exercise Price	Number of Options	Outstanding		Weighted Average Exercise Price	Exercisable	
		Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price		Number of Options	Weighted Average Exercise Price
\$ 0.10	300,000	2.42		\$ 0.10	258,630	\$ 0.10
0.10	345,000	3.38		0.10	187,151	0.10
0.05	880,000	4.68		0.05	94,831	0.05
0.06	680,000	4.80		0.06	46,575	0.06
	2,205,000	4.21		\$ 0.07	587,187	\$ 0.09

Option-pricing requires the use of highly subjective estimates and assumptions including the expected stock price volatility. The expected volatility used in valuing stock options is based on volatility observed in historical periods. Changes in the underlying assumptions can materially affect the fair value estimates. The fair value of the options re-priced and granted to officers, directors, consultants, and employees was calculated using the Black-Scholes option pricing model with following weighted average assumptions and resulting grant date fair value:

	2015	2014
Weighted average assumptions:		
Risk-free interest rate	0.78%	1.68%
Expected dividend yield	-	-
Expected option life (years)	5.00	5.00
Expected stock price volatility	137%	171%
Weighted average fair value at grant date	\$0.05	\$0.07
Expected forfeiture rate	-	-

(d) Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2013	1,449,000	\$ 0.09
Expired	(1,000,000)	0.10
Balance, November 30, 2014	449,000	0.07
Expired	(302,000)	0.10
Exercised	(147,000)	0.10
Issued	5,000,000	0.06
Balance, November 30, 2015	5,000,000	\$ 0.06

Additional information regarding warrants outstanding as at November 30, 2015 is as follows:

Exercise Price	Number of Warrants	Outstanding and Exercisable	
		Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price
\$0.06	5,000,000	1.70	\$0.06

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014**(Expressed in Canadian dollars)

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**8. RELATED PARTY TRANSACTIONS, BALANCES AND EXECUTIVE COMPENSATION**

The Company had the following related party transactions and balances:

- (a) Promissory notes payable of \$nil (2014: \$108,000) were issued to a company controlled by a family member of a director and officer identified as key management personnel. As at November 30, 2015, there was \$108,000 (2014: \$108,000) due to the company controlled by the family member and \$35,000 due to an officer of the Company.
- (b) Convertible debentures of \$807,500 (2014: \$nil) were issued to directors, officers, family members of directors and officers and a company controlled by a family member of a director and officer identified as key management personnel. As at November 30, 2015, there was \$807,500 (2014: \$nil) due to directors, officers, family members of directors and officers and a company controlled by a family member of a director and officer identified as key management personnel.
- (c) Accounts payable of \$5,439 (2014: \$534) was due to a director and officer identified as key management personnel as at November 30, 2015 for expenses paid on behalf of the Company.
- (d) The Company invested in 1,000,000 common shares of CamDo Solutions Inc. for a nominal value. The Company and CamDo Solutions Inc. have a director in common.

The Company considers the Chief Executive Officer, Chief Financial Officer, Chief Investment Officer and directors as key management personnel. Key management compensation for the year ended November 30, 2015 and 2014 were as follows:

- (a) Directors fees of \$41,724 (2014: \$26,000) were paid during the year.
- (b) Salaries of \$nil (2014: \$11,049) were paid to certain directors and officers.
- (c) Management fees of \$41,625 (2014: \$4,075) were paid during the year.
- (d) Share-based payments of \$40,228 (2014: \$30,100) were recorded for directors and certain officers identified as key management personnel.

**9. INCOME TAXES**

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

	<b>2015</b>	<b>2014</b>
Combined Canadian statutory income tax rate	26.00%	26.00%
Income tax recovery at statutory rate	\$ 101,839	\$ (40,725)
Non-deductible items	6,411	7,826
Non-taxable portion of change in unrealized loss	(69,062)	11,561
Other	1,963	(10)
Change in unrecognized deferred tax assets	(41,151)	21,348
Deferred tax expense (recovery)	\$ -	\$ -

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**TIMIA CAPITAL CORP. (formerly GREENANGEL ENERGY CORP.)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014**(Expressed in Canadian dollars)

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**9. INCOME TAXES (continued)**

Significant components of the Company's deferred tax assets (liabilities) are shown below:

	<b>2015</b>		<b>2014</b>
Non-capital loss carry forwards	\$ 200,394	\$	175,820
Share issue costs	3,652		315
Investments	85,278		154,340
Unrecognized deferred tax assets	(289,324)		(330,475)
Net deferred tax asset (liability)	\$ -	\$	-

The Company has approximately \$771,000 of non-capital losses for tax purposes which may be used to reduce income taxes of future years and will expire from 2027 to 2035.

**10. FINANCIAL INSTRUMENTS AND RISK****Financial Instruments**

The following table summarizes information regarding the carrying values and classification of the Company's financial instruments. The estimated fair values of cash and accounts payable approximate their respective carrying values due to their nature and short terms to maturity. Equity investments are carried at their fair value. Notes payable, royalty investments and convertible debentures are carried at amortized cost.

	<b>2015</b>		<b>2014</b>
Cash – FVTPL	\$ 409,871	\$	14,650
Funds receivable – Loans and receivables	1,051,598		1,874
Royalty investments – Loans and receivables	1,504,712		-
Equity investments – FVTPL	1,120,856		1,413,990
Accounts payable – Other financial liabilities	30,292		22,627
Notes payable – Other financial liabilities	492,802		289,310
Convertible debentures – Other financial liabilities	1,692,257		-

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- (c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014**(Expressed in Canadian dollars)

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**10. FINANCIAL INSTRUMENTS AND RISK (continued)****Financial Instruments (continued)**

The following table presents the Company's financial instruments, measured at fair value on the statements of net assets and categorized into levels of the fair value hierarchy:

	Balance at November 30, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 409,871	\$ 409,871	\$ -	\$ -
Equity investments	\$ 1,120,856	\$ -	\$ 1,120,856	\$ -

The investment operations of the Company's business involve the purchase and sale of securities, and accordingly, a portion of the Company's assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, a discussion of which is provided below.

There were no transfers from Level 1 to 2 or Level 2 to 1 during the years ended November 30, 2015 and 2014.

**Credit Risk**

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and royalty investments. The Company limits exposure to credit risk by maintaining its cash with financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and royalty investments.

In monitoring credit risk the Company performs ongoing credit evaluations of its investees financial condition. The evaluation considers delinquency trends, sales volumes and the investee's ability to maintain its financial condition. Included in the amounts presented is a loan loss provision of \$7,417.

**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 maintains sufficient cash balances to meet current working capital requirements. The Company is dependent on obtaining regular financings in order to continue as a going concern. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash consists of cash deposited in business accounts held by high credit quality financial institutions. The Company is not invested in any asset backed commercial paper.

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014**(Expressed in Canadian dollars)

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**10. FINANCIAL INSTRUMENTS AND RISK (continued)****Liquidity Risk (continued)**

The following are the contractual maturities of financial liabilities as at November 30, 2015:

	Carrying amount	Contractual cash flows	Within 1 year	Within 2 years	Within 5 years
	\$	\$	\$	\$	\$
Accounts payable	30,292	30,292	30,292	-	-
Notes payable	492,802	492,802	7,302	285,500	200,000
Convertible debenture	1,692,257	1,767,500	-	-	1,767,500
<b>Total</b>	<b>2,215,351</b>	<b>2,290,594</b>	<b>37,594</b>	<b>285,500</b>	<b>1,967,500</b>

**Foreign Exchange Risk**

The Company does not have significant foreign exchange risk as all of its transactions are in Canadian dollars.

**Interest Rate Risk**

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. The Company's practice has been to invest cash at floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders.

**Market Risk**

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. Additionally, the Company adjusts its investments to fair value at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which could have a significant unfavourable effect on the Company's financial position. The Company manages market risk by having a portfolio of investments not singularly exposed to any one issuer; however, its investment activities are currently concentrated primarily in the technology and energy sectors. The Company also manages its market risk by reviewing commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

**11. MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to identify and to invest in investments with strong cash-flow and long-term growth potential, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long-term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets.

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED NOVEMBER 30, 2015 AND 2014**

(Expressed in Canadian dollars)

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**11. MANAGEMENT OF CAPITAL (continued)**

The Company's investment policy is to invest in software companies that have strong revenue growth and gross margins. Management looks to invest in assets that will create routine monthly cash-flow, as well as periodic gains when the investments are sold or achieve an initial public offering.

If the Company does not receive sufficient cash distributions from its portfolio companies or from its activities, it may have to undertake a private placement to cover its cash outflows.

**12. SUBSEQUENT EVENTS**

On December 21, 2015, the Company issued 147,000 common shares for the exercise of 147,000 warrants at an exercise price of \$0.10 per warrant for proceeds of \$14,700. The proceeds received were included as share subscriptions received at November 30, 2015.

During December 2015 and January 2016 the Company closed an additional offering of convertible debentures for gross proceeds of \$283,500 bringing the total amount of convertible debentures raised to \$2,051,000. The terms of these convertible debentures are the same as those described under Note 6.

On February 5, 2016, the Company closed a royalty investment in Predictable Revenue Inc. The investment was for \$400,000 upon the closing date and an additional \$600,000 in subsequent tranches at both parties' option. In exchange for this financing, the Company will receive a monthly royalty on a prescribed percentage of gross revenue excluding certain consulting revenue.