PARKIT ENTERPRISE INC.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED OCTOBER 31, 2016

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Parkit Enterprise Inc.

We have audited the accompanying consolidated financial statements of Parkit Enterprise Inc., which comprise the consolidated statements of financial position as at October 31, 2016 and 2015 and the consolidated statements of operations, comprehensive income, cash flows, and changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Parkit Enterprise Inc. as at October 31, 2016 and 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

February 27, 2017

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PARKIT ENTERPRISE INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

AS AT OCTOBER 31		**2016**		**2015**
ASSETS				
Current				
Cash	$	1,552,160	$	1,237,061
Accounts receivable (note 5)		314,893		46,643
Prepaid expenses and deposits		23,895		22,937
		1,890,948		1,306,641
Long-term receivable (note 6)		1,554,295		1,941,952
Investment in associate (note 7)		2,985,393		4,708,364
Investment in joint ventures (note 8)		10,583,266		9,018,751
Equipment (note 9)		14,554		22,054
	$	**17,028,456**	**$**	**16,997,762**
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	272,890	$	612,864
Equity (note 10)				
Share capital		22,785,248		22,751,687
Reserves		367,154		1,214,397
Accumulated other comprehensive income		-		333,022
Deficit		(6,396,836)		(7,914,208)
		16,755,566		16,384,898
	$	**17,028,456**	**$**	**16,997,762**

Commitments and contingencies (notes 8 and 17)

Approved and authorized by the Board on February 27, 2017:

"Pesach Goldman" Director *"Bryan Wallner"* Director

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

PARKIT ENTERPRISE INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED OCTOBER 31		2016	2015
Fee income		$ 258,405	$ 138,327
Share of profit from associate (note 7)		1,006,162	-
Share of profit from joint ventures (note 8)		1,122,447	1,580,543
Net income from property operations (note 11)		-	831,115
Gain on disposal of Canopy (note 4)		-	26,129,679
General and administrative expenses (note 12)		(1,882,564)	(1,575,038)
		504,450	**27,104,626**
Foreign exchange gain		63,485	1,039,624
Finance income		1,875	-
Finance expense (note 13)		-	(402,339)
Income before tax		**569,810**	**27,741,911**
Income tax recovery (expense) (note 14)		46,050	(60,605)
NET INCOME FOR THE YEAR		**$ 615,860**	**$ 27,681,306**
Net income attributable to:			
Shareholders of the Company		$ 615,860	$ 15,009,083
Non-controlling interest		-	12,672,223
		$ 615,860	**$ 27,681,306**
Earnings per share attributable to shareholders of the company:	Basic and diluted	$ 0.02	$ 0.48
Weighted average number of common shares outstanding:	Basic and diluted	32,245,723	31,213,665

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

PARKIT ENTERPRISE INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED OCTOBER 31		**2016**		**2015**
Net income for the year	$	615,860	$	27,681,306
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Share of other comprehensive income of associates		(333,022)		333,022
Exchange differences on translating foreign operations		-		17,184
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**$**	**282,838**	**$**	**28,031,512**
Total comprehensive income attributable to:				
Shareholders of the Company	$	282,838	$	15,359,289
Non-controlling interest		-		12,672,223
	$	**282,838**	**$**	**28,031,512**

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

PARKIT ENTERPRISE INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED OCTOBER 31	2016	2015
OPERATING ACTIVITIES		
Net income for the year	$ 615,860	$ 27,681,306
Items not affecting cash:		
Share of profit from associate	(1,006,162)	-
Share of profit from joint ventures	(1,122,447)	(1,580,543)
Gain on disposal of Canopy	-	(26,129,679)
Depreciation	7,500	640,294
Share-based payments	87,830	45,164
Unrealized foreign exchange	(65,510)	-
Write-off of capitalized transaction costs	164,094	-
Changes in non-cash working capital items:		
Accounts receivable	(53,163)	(135,005)
Prepaid expenses and deposits	(958)	46,629
Accounts payable and accrued liabilities	(339,974)	(1,061,145)
Cash flows used in operating activities	(1,712,930)	(492,979)
INVESTING ACTIVITIES		
Cash received on sale of Canopy	-	14,997,199
Long term receivable, net repayments (advances)	219,502	(633,976)
Distributions from associate	2,396,111	-
Distributions from 880 Doolittle joint venture	5,829	7,441,402
Investment in PAVe joint venture	(1,762,065)	(8,619,282)
Distributions from PAVe joint venture	1,150,074	440,382
Cash flows from investing activities	2,009,451	13,625,725
FINANCING ACTIVITIES		
Distributions to non-controlling interest	-	(6,643,278)
Short term loans, net of interest and repayments	-	(5,366,480)
Exercise of warrants	-	530,870
Cash flows used in financing activities	-	(11,478,888)
Change in cash during the year	296,521	1,653,858
Effect of exchange rate changes on cash	18,578	(980,312)
Cash, beginning of year	1,237,061	563,515
CASH, END OF YEAR	**$ 1,552,160**	**$ 1,237,061**

Supplemental disclosure with respect to cash flows (note 18)

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

PARKIT ENTERPRISE INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Share capital						
	Number	**Amount**	**Reserves**	**Deficit**	**Accumulated Other Comprehensive Income**	**Non-controlling Interest**	**Total**
Balance, October 31, 2014	30,928,923	$ 22,220,817	$ 1,293,707	$ (22,923,291)	$ 350,206	$ (149,069)	$ 792,370
Amortization of loan cost	-	-	(124,473)	-	-	-	(124,473)
Share-based payments	-	-	45,163	-	-	-	45,163
Exercise of warrants	1,316,800	530,870	-	-	-	-	530,870
Distribution to non-controlling interest	-	-	-	-	-	(6,643,278)	(6,643,278)
Deconsolidation of subsidiary	-	-	-	-	(17,184)	(5,820,396)	(5,837,580)
Cumulative translation adjustments	-	-	-	-	-	(59,480)	(59,480)
Net income for the year	-	-	-	15,009,083	-	12,672,223	27,681,306
Balance, October 31, 2015	32,245,723	22,751,687	1,214,397	(7,914,208)	333,022	-	16,384,898
Share-based payments	-	-	87,830	-	-	-	87,830
Expiration of warrants and stock options	-	33,561	(935,073)	901,512	-	-	-
Share of other comprehensive income of associate	-	-	-	-	(333,022)	-	(333,022)
Net income for the year	-	-	-	615,860	-	-	615,860
Balance, October 31, 2016	32,245,723	$ 22,785,248	$ 367,154	$ (6,396,836)	$ -	$ -	$ 16,755,566

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

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Parkit Enterprise Inc. (the "Company") was incorporated pursuant to the *Business Corporations Act* (British Columbia) on December 6, 2006. The Company's head office and principal address is 1088 – 999 West Hastings Street, Vancouver, British Columbia, Canada V6C 2W2, and its registered and records office is 2900 – 595 Burrard Street, Vancouver, British Columbia V7X 1J5. The Company, through its subsidiary Greenswitch America, Inc. holds investments in parking real estate in the United States of America.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of preparation

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

Certain comparative figures have been reclassified to conform to current year presentation.

b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value.

c) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries.

Subsidiaries are all entities over which the Company has control. Control is defined as where the Company is exposed to, or has rights to, variable returns from its involvement in the investee and has the ability to affect those returns through power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Company, until the date on which control ceases. All significant intercompany transactions and balances have been eliminated upon consolidation.

The principal subsidiaries of the Company are as follows:

Name of Subsidiary	Place of Incorporation	Percentage Ownership October 31, 2016	Percentage Ownership October 31, 2015	Principal Activity	Functional Currency
Greenswitch Capital Ltd.	Canada	100%	100%	Holding	CAD
Greenswitch America Inc.	USA	100%	100%	Holding	CAD

During the year-ended October 31, 2015, the Company deconsolidated its 40.6% interest in Green Park Denver, LLC, a company domiciled in the USA with its functional currency the US dollar (note 4).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Foreign exchange and functional currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent company.

Transactions and balances in foreign currencies

In preparing the financial results of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions.

At each reporting date, monetary assets and liabilities denominated in currencies other than the functional currency of the individual entities are translated using the period end foreign exchange rate. Non-monetary assets, liabilities and equity are translated using the rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in net income or loss.

Translation of subsidiary results into the presentation currency

The results and financial position of all group entities that have a functional currency different from the presentation currency are translated into the presentation currency of Canadian dollars as follows: assets and liabilities are translated at the closing rate at the reporting date; and income, expenses and cash flows are translated at average exchange rates, unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case the exchange rate prevailing at the dates of the transactions is used. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in net income or loss.

e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, term deposits, and short-term liquid investments with the original term to maturity of three months or less, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f) Financial assets and liabilities

Classification, recognition and de- recognition

The Company classifies its financial assets and liabilities at initial recognition according to their characteristics and management's intentions related thereto in the following categories: at fair value through profit and loss, loans and receivables, available-for-sale, and other financial liabilities.

- A financial asset or liability at fair value through profit or loss ("FVTPL") is classified in this category if acquired principally for the purpose of selling or redeeming in the short-term. Financial assets and liabilities carried at FVTPL are initially recognized at fair value and are subsequently re-measured to their fair value at each reporting date. Realized and unrealized gains arising from changes in the fair value of these financial assets or liabilities are included in the consolidated statements of operations in the period in which they arise.

  The Company classifies its cash and cash equivalents as a financial asset FVTPL.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

  The Company classifies its accounts receivable and long-term receivable as loans and receivables.

- Available-for-sale ("AFS") financial assets are those non-derivative financial assets that are designated as such or not classified in the any of the other categories. AFS financial assets are initially recognized at fair value and are subsequently re-measured to their fair value at each reporting date. Unrealized gains and losses arising from changes in the fair value are recognized as a separate component of equity in other comprehensive income until the investment is derecognized or until the investment is determined to be impaired at which the cumulative gain or loss previously recognized in equity is included in the consolidated statements of operations.

  The Company currently does not have any AFS assets.

- Other financial liabilities are recognized initially at fair value, net of transaction costs incurred, and are subsequently measured at amortized cost using the effective interest method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

  The Company's classifies its accounts payable and accrued liabilities and loans payable as other financial liabilities.

Financial assets are de-recognized when the rights to receive cash flows from the asset have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are de-recognized when the obligation specified in the contract is either discharged or cancelled or expires.

Where the Company expects to realize the asset or discharge the liability within twelve months, it is recorded as a current asset or liability; otherwise, it is recorded as a long-term asset or liability.

Financial assets – impairments

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment may include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate. If, in as subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment is recorded in the consolidated statement of operations, except for equity securities. Impairment losses on equity investments recognized in the consolidated income statement are not reversed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation on office equipment is recognized using the straight-line method over a term of five years.

h) Leases

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

i) Investment in associates and joint ventures

Associates are investments over which the Company exercises significant influence but does not control or jointly control.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control for strategic financial and operating decisions. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

Investments in associates and joint ventures are accounting for using the equity method. The equity method involves recording the initial investment at cost, which represents the fair value of the consideration paid. When the Company recognizes an investment in an associate on the loss of control of a former subsidiary, cost is measured as the fair value of the investment retained in the former subsidiary. Thereafter, the carrying value of the investment is increased by additional contributions to the associate or joint venture, and decreased for any distributions received from the associate or joint venture. The carrying value is also adjusted for the Company's share of the profit or loss, and other comprehensive profit or loss of the associate or joint venture after the initial date of recognition.

Financial statements of the associate and joint ventures are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

When the Company's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If such evidence exists, the investment is tested for impairment. An impairment loss is recognized as the amount by which the carrying value exceeds the recoverable amount of the investment. Impairment losses are reversed to the extent the recoverable amount subsequently increases.

j) Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in net income or loss for the period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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

k) Provisions

Provisions are recognized when the Company or its subsidiaries have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are recognized in the consolidated financial statements, if estimable and probable, and are disclosed in notes to the financial information unless their occurrence is remote. Contingent assets are not recognized in the consolidated financial statements, but are disclosed in the notes if their recovery is deemed probable.

l) Share capital

Common shares issued by the Company are classified as equity. Incremental costs directly attributable to the issuance of new shares are recognized in equity, net of tax, as a deduction from the share proceeds.

The Company engages in equity financing transactions to obtain the funds necessary to continue operations. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants (“Warrants”). Depending on the terms and conditions of each equity financing agreement, the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are valued based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

m) Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of share-based payments is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Consideration paid for the shares on the exercise of stock options is credited to share capital, and the applicable amounts of reserves are transferred to share capital.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Reserves

The reserves recorded in equity on the Company's statements of financial position include the fair values of share-based payments and warrants.

Upon expiration of stock options, the applicable amounts of reserves are transferred to deficit. Upon expiration of warrants accounted for as share-based payments and originally recorded as share issue costs, the applicable amounts of reserves are transferred to share capital.

o) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recognized.

p) Earnings (loss) per share

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

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

r) Additional accounting policies applicable to balances recorded by associates and joint ventures

Contingent consideration receivable

Estimates are required in respect of the amount of contingent consideration receivable on disposals, which is determined according to formulae agreed at the time of the disposal and is normally related to the future earnings of the disposed business. Contingent consideration receivable on disposals is valued at fair value at the disposal date. As the contingent consideration receivable meets the definition of a financial asset and management accounts for the contingent consideration as an available-for-sale instrument, it is subsequently re-measured to fair value at each reporting date. The determination of the fair value is based on the discounted value of anticipated future receipts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The key assumptions take into consideration the probability of meeting each performance target, level of future profits of the disposed business and the discount factor.

Parking lot facilities

Parking lot facilities as a whole comprises cash and cost generating units. These costs are capitalized and depreciated on a straight-line method over the following terms:

Computer and equipment	5 years
Furniture	7 years
Improvements and fixtures	15 years
Building	39 years

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it had correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit and loss.

Revenue recognition

The Company's joint ventures and associate utilizes automated point-of-sale gate systems whereby a parking customer is noted upon entry into the lot. Revenue is recognized on parking sales when the customer exits the parking facility and thereby completing the service requirement. Collectability is assured as customers pay upon exit.

s) Standards issued but not yet effective

New and revised IFRS pronouncements that have been issued but are not yet effective, and that may have an impact on the disclosures and financial position of the Company, are disclosed below. The Company intends to adopt these new or revised standards and interpretations, if applicable, when they become effective.

IFRS 9 Financial Instruments: Classification and Measurement

IASB issued its completed version of IFRS 9, Financial Instruments ("IFRS 9") in July 2014. The completed standard provides revised guidance on the classification and measurement of financial assets. It also introduces a new expected credit loss model for calculating impairment for financial assets. The new hedging guidance that was issued in November 2013 is incorporated into this new standard.

The final version of IFRS 9 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently assessing the effect of this standard on the financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 16 Leases

IFRS 16 was issued on January 13, 2016. The new standard brings most leases onto the statement of financial position for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains statement of financial position largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements requires that the Company's management make assumptions and estimates of effects of various future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis using historical experience and other factors that are considered relevant given the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The Company has identified the following critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the Company's consolidated statements of financial position reported in future periods.

a) Critical judgments

Functional currency

At October 31, 2016, the Company reviewed the functional currency classification of its subsidiary Greenswitch America, Inc. It was management's judgment that the functional currency of Greenswitch America should be the Canadian dollar as the subsidiary primarily functions as an extension of the parent by holding investments.

Classification of investees as subsidiaries, associates or joint ventures

The Company, through its subsidiary Greenswitch America, Inc. ("Greenswitch America") holds investments in parking real estate in the United States of America, and is a party to a number of arrangements whereby the Company is required to assess the degree of control it exerts over the investee in order to classify the investee as a subsidiary, associate or joint venture.

In assessing control, the Company considers the structure and form of the arrangements, the terms agreed by the parties in the contractual arrangements and the Company's rights and obligations arising from the arrangements.

When circumstances or contractual terms change, the Company reassesses the control group and the relevant activities of the arrangement (note 4). There were no changes in classification for the year ended October 31, 2016.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Accounting for investments in associates and joint ventures

Certain investees have different class of membership units, and the entitlements to distributions from these investments are different among each class. Accordingly, the Company has determined that it will equity account for its economic share of interest in the joint venture or associate rather than its equity participation.

Impairment testing

Judgment is required in assessing whether certain factors would be considered an indicator of impairment. The Company considers both internal and external information to determine whether there is an indicator of impairment present and, accordingly, whether impairment testing is required.

The Company also exercised judgment in identifying the cash generating units to apply impairment testing on goodwill and other long-lived assets held in its joint ventures.

b) **Critical estimates and assumptions**

Accounting for investments in associates and joint ventures

In applying equity accounting, the Company reviews the accounting policies of the investee and if necessary, make any adjustments in line with those of the Company.

An earnings-based contingency recognized in the Company's associate, Green Park Denver, meets the definition of a financial asset as it represents a contractual right to receive cash or other financial assets (note 7).

The associate accounts for the contingent consideration receivable as financial asset available-for-sale subsequently re-measured to fair value at each reporting date. The determination of the fair value is based on the discounted value of anticipated future receipts. The key assumptions take into consideration the probability of meeting each performance target, level of future profits of the disposed business and the discount factor. The key assumptions taken into consideration to determine the fair value as at October 31, 2016 include 90% (2015 – 90%) probability of meeting performance target, and a 10% (2015- 10%) discount factor.

Impairment testing

In assessing impairment on parking real estate, the Company considers a number of factors including cash flow forecasts, capitalization rates (the rate of return on a real estate investment property based on the income that the property is expected to generate), and property valuations. The estimates and assumptions are subject to risk and uncertainty, and actual results could differ. Changes in inputs may alter the results of impairment testing impacting the amount of impairment charge recorded in the statements of operations and the resulting carrying value of assets.

Provisions

Certain former officers of the Company were terminated from their positions in August 2016 (note 17). The Company recognizes a liability when there is a present obligation arising as a result of a past event, payment is probable and the amount can be estimated reliably. In the Company's assessment of whether to record a provision, the Company considered the legal basis for its decision to terminate the former officers and the existence or status of discussions with each individual officer in assessing the probability and materiality of any future payments. Any changes impacting management's assessment of the timing and probability of the Company's obligations for contingent liabilities may result in the Company recording a liability on its statement of financial position.

(Expressed in Canadian Dollars)

4. TRANSACTION WITH PRE AND OCH-ZIFF

On April 22, 2015, the Company entered into a joint arrangement with Parking Real Estate, LLC (“PRE”) and Och-Ziff Real Estate to form OP Holdings JV, LLC (“OP Holdings”) (the “Transaction”). OP Holdings intends to pursue the acquisition of parking real estate located in North America. At the onset of the arrangement, OP Holdings has acquired six assets, including two in which Parkit held equity, Expresso Airport Parking (“Expresso”) and Canopy Airport Parking (“Canopy”).

New joint ventures created

As part of the Transaction, the Company’s subsidiary, Greenswitch America and PRE jointly created separate legal entities, Parking Acquisition Ventures, LLC (“PAVe LLC”) and PAVe Admin, LLC to manage and oversee the parking assets of OP Holdings as an administrator. PAVe LLC is an equity member of OP Holdings. PAVe Admin is an entity created for legal purposes and holds no assets or liabilities.

The Company has determined it does not control these entities as power is shared jointly with PRE, and accordingly accounts for these entities as joint ventures (note 8).

The Company has established that through PAVe LLC’s role as an administrator and equity member of OP Holdings, PAVe LLC is able to exert significant influence over OP holdings and accordingly PAVe LLC accounts for OP Holdings as an investment in associate.

The Company holds an effective economic interest in OP Holdings of 22% through its joint venture with PAVe LLC.

Sale of Expresso by 880 Doolittle Joint Venture to OP Holdings

On April 22, 2015, the Company’s joint venture 880 Doolittle Dr, LLC (“880 Doolittle”) sold Expresso its sole asset and operation, to OP Holdings. The joint venture recognized a $1,248,621 gain as a business disposal of Expresso. The Company records its share of the net profits of the joint venture using the equity method (note 8).

Sale of Canopy by Green Park Denver to OP Holdings

On April 22, 2015, the Company’s subsidiary Green Park Denver, LLC (“Green Park Denver”) sold Canopy, its sole asset and operation, to OP Holdings.

The Company recognized a $26,129,679 gain on disposal in the consolidated statements of operation as a business disposal of Canopy, which is computed as the difference between the net disposal proceeds (“consideration”) and the carrying value of Canopy as follows:

		April 22, 2015
Proceeds (net of transaction costs of $91,971)	$	14,997,199
Loan assumption, net of reserves		18,192,914
Fair value of contingent consideration		9,061,952
Total Consideration	$	42,252,065
Net assets sold and derecognized:		
Income Producing Property		(16,122,386)
Gain on disposal of Canopy	**$**	**26,129,679**
Non-controlling interest’s share on gain of disposal	$	12,537,924
Company’s share on gain of disposal	$	13,591,755

(Expressed in Canadian Dollars)

4. TRANSACTION WITH PRE AND OCH-ZIFF (continued)

Pursuant to the arrangement, the proceeds included a contingent consideration receivable to a maximum of $13,359,887 (US$10,906,029) if the net operating income for OP Holdings exceeded certain thresholds. This contingent consideration receivable was recorded at fair value on the disposal of Canopy at $9,061,952 (US$7,397,512). The key assumptions taken into consideration to determine the fair value as at April 22, 2015, include 90% probability of meeting performance target, and a 10% discount factor.

From the cash proceeds received from disposal of Canopy, $7,568,050 (US$6,178,000) was immediately paid to PAVe LLC as the Company's paid in capital in its investment in PAVe LLC.

Deconsolidation of Green Park Denver as a subsidiary, and recognition of Green Park Denver as an Associate

Upon completion of the sale of Canopy, and subsequent settlement of assets, liabilities and obligations, Green Park Denver had no ongoing operations with the contingent consideration receivable the only significant asset remaining. On July 31, 2015, the Company determined that it no longer exercised control over Green Park Denver, as it no longer had the power to govern the financial and operating policies of Green Park Denver.

The Company derecognized the related assets, liabilities and non-controlling interests of Green Park Denver, and recognized the Company's equity portion of remaining assets and liabilities as an investment in associate as follows.

		July 31, 2015
Current assets		
Cash and cash equivalents	$	456,042
Current contingent consideration receivable		3,874,907
Noncurrent assets		
Contingent consideration receivable		5,187,464
Current liabilities		
Accounts payable and accrued liabilities	$	(7,843)
Net assets deconsolidated	**$**	**9,510,570**
Total consideration	$	-
Net assets sold and derecognized:		
Net assets deconsolidated		(9,510,570)
Non-controlling interests		4,785,695
Fair value of retained interest in associate		4,374,669
Realized other comprehensive income		350,206
Gain on deconsolidation	**$**	**-**

All operations of Green Park Denver prior to deconsolidation were fully recognised in accordance with the Company's accounting policy. Subsequent to deconsolidation, the Company records its share of the changes in the equity in its associate Green Park Denver using the equity method (note 7).

(Expressed in Canadian Dollars)

5. ACCOUNTS RECEIVABLE

	October 31, 2016	October 31, 2015
Current portion of advances to PRE (note 6)	$ 213,404	$ -
Management fees	46,537	46,643
Taxes receivable	54,952	-
Total	$ 314,893	$ 46,643

6. LONG TERM RECEIVABLE

	October 31, 2016	October 31, 2015
Advances to PRE	$ 1,767,699	$ 1,941,952
Less current portion (note 5)	(213,404)	-
Long term receivable	$ 1,554,295	$ 1,941,952

As at October 31, 2016, the Company has advanced $1,767,699 (US$1,318,883) to PRE, a joint venture partner, for the purpose of PRE funding investments in income producing properties and related costs of acquisition, of which $481,011 (US$358,883) is to be repaid from the assignment of certain distributions due to PRE and the balance of $1,286,688 (US$960,000) is to be repaid upon disposition of certain investments or parking assets.

During the year-ended October 31, 2016, the Company was repaid net $219,502 (US$165,449). During the year-ended October 31, 2015, the Company advanced net $633,976 (US$524,332). At October 31, 2016, the Company estimated the current portion of the receivable to be $213,404 (2015 - $Nil).

7. INVESTMENT IN ASSOCIATE

Green Park Denver

In April 2015, Green Park Denver sold Canopy to OP Holdings, and in July 2015 Green Park Denver was deconsolidated as a subsidiary with the fair value of the retained interest in Green Park Denver recorded as an investment in associate (note 4).

The only significant asset retained in the associate is an earnings-based contingent receivable from OP Holdings, which the associate accounts as a financial asset available-for-sale with changes in fair value recorded in other comprehensive income (note 3). The associate has no continuing operations and is being maintained to receive the earn-out payments. The earn-out is payable in three tranches on achievement of targets on April 22, 2016 (earned and paid – see table below) and April 22, 2017, and then on the disposition of certain assets in OP Holdings. Pursuant to the members' agreement, the Company's interest in the first tranche was 47.7% and is 40.6% for the remaining two tranches.

(Expressed in Canadian Dollars)

7. INVESTMENT IN ASSOCIATE (continued)

Carrying values of associate

The carrying amounts of the Company's investments in associate at October 31, 2016 and 2015 were as follows:

	October 31, 2016	October 31, 2015
Balance – beginning of year	$ 4,708,364	$ -
Initial recognition of fair value of retained interests in associate (note 4)	-	4,374,669
Distributions – settlement of contingent consideration receivable (i)	(2,191,093)	-
Distributions - residual cash in associate	(205,018)	-
Share of profits in associate	1,006,162	-
Share of comprehensive income in associate	(333,022)	333,022
Foreign currency translation	-	673
Balance – end of year	$ 2,985,393	$ 4,708,364

i. During the year ended October 31, 2016, the performance target was achieved in relation to $2,191,093 (US$1,727,992) of contingent consideration, which then became due to the Company. In accordance with the Company's joint venture agreement, the Company contributed to PAVe LLC $1,762,065 (US$1,390,299) of the consideration receivable (note 8).

Commitment

If the maximum performance target is achieved in relation to the April 22, 2017 contingent consideration (approximately US$1,735,000), in accordance with the Company's joint venture agreement, the Company will be required to contribute approximately US$1,485,000 of the consideration to PAVe LLC to satisfy its required contributions to OP Holdings.

Summarized financial information of associate

The functional currency of the associate is the United States dollar.

The assets and liabilities of the associate translated using the period end foreign exchange rates are summarized as follows:

Summarized statement of financial position	**October 31, 2016**	**October 31, 2015**
Current Assets		
Cash and cash equivalents	$ -	$ 456,042
Contingent consideration receivable	4,869,310	4,051,720
Non-current assets		
Contingent consideration receivable	2,614,136	5,735,655
Current Liabilities		
Accounts payable	-	(7,843)
Net assets	**$ 7,483,446**	**10,235,574**
Interest in net assets	40.6%	46%
Net assets attributable to the Company	**$ 3,039,619**	**$ 4,708,364**
Investment in associate – carrying value at historical cost	**$ 2,985,393**	**$ 4,708,364**

(Expressed in Canadian Dollars)

7. INVESTMENT IN ASSOCIATE (continued)

Since recognition as of July 31, 2015, the associate has no continuing operations. Changes in fair value of the contingent consideration receivable are recognized through other comprehensive income except for interest calculated using the effective interest method. Upon receipt of the first tranche of the contingent consideration receivable during the year ended October 31, 2016, the associate recycled $333,022 previously recognized in other comprehensive income.

8. INVESTMENT IN JOINT VENTURES

Interests in joint ventures

The Company uses the equity method for accounting for joint ventures. Significant joint ventures of the Company are as follows:

Name of Joint Venture	Place of Incorporation	Percentage Ownership October 31, 2016	Percentage Ownership October 31, 2015	Principal Activity	Functional Currency
880 Doolittle Dr, LLC (“880 Doolittle”)	USA	50%	50%	Previous operator of Expresso	US
PAVe LLC	USA	50%	50%	Member/Administrator of OP Holdings and PAVe Nashville, LLC	US

880 Doolittle

On September 26, 2014, the Company acquired a 50% interest in 880 Doolittle Dr, LLC, a joint venture, which at the time owned the Expresso parking facility in Oakland, California. The Expresso parking facility was disposed on April 22, 2015, to OP Holdings in the Transaction (note 4). Subsequent to October 31, 2016, the Company approved the commencement of the dissolution of the joint venture.

PAVe LLC

As part of the Transaction in April 2015, the Company’s subsidiary, Greenswitch America and PRE jointly created separate legal entities, PAVe LLC and PAVe Admin to manage and oversee the parking assets of OP Holdings as an administrator. PAVe Admin is an entity created for legal purposes and hold no assets or liabilities.

PAVe LLC is a 25% equity member of OP Holdings with PAVe LLC accounting for OP Holdings as an investment in associate. OP Holdings holds a portfolio of six U.S. based parking facilities, including Canopy previously held by Green Park Denver (notes 4 and 7) and Expresso previously held by 880 Doolittle (notes 4 and 8).

PAVe LLC has different class of membership units, and the entitlements to distributions from these investments are different among each class PAVe LLC. The Company is entitled to an 86.67% economic allocation of distributions from OP Holdings to PAVe LLC.

On October 30, 2015, the Company invested $886,850 (US$677,865) in PAVe LLC for the acquisition of Fly-away parking by PAVe Nashville, LLC (“Nashville”). Nashville is held by PAVe LLC directly, and is not part of OP Holdings. The Company is entitled to a 50% economic allocation of distributions from Nashville to PAVe LLC.

(Expressed in Canadian Dollars)

8. INVESTMENT IN JOINT VENTURES (continued)

Carrying values of joint ventures

The carrying amounts of the Company's investments in joint ventures at October 31, 2016 and 2015 were as follows:

	880 Doolittle	PAVe LLC	Total
Balance – October 31, 2014	$ 6,323,172	$ -	$ 6,323,172
Contributions	-	8,619,282	8,619,282
Distributions	(7,441,402)	(440,382)	(7,881,784)
Share of profits in joint ventures	836,932	743,611	1,580,543
Foreign currency translation	377,784	(246)	377,538
Balance – October 31, 2015	96,486	8,922,265	9,018,751
Contributions (note 7)	-	1,762,065	1,762,065
Distributions	(5,829)	(1,150,074)	(1,155,903)
Share of profits in joint ventures	(90,657)	1,213,104	1,122,447
Write-off of capitalized transaction costs	-	(164,094)	(164,094)
Balance – October 31, 2016	**$ -**	**$ 10,583,266**	**$ 10,583,266**

Commitments

The Company has a commitment to contribute 5% of any capital call made by the joint venture. Capital calls will be made for the purpose of acquiring new parking real estate assets as jointly agreed by the members, and at other times as the joint venture may require working capital. Management estimates this commitment to be US$7.5 million over 5 years.

In connection with the acquisition of Fly-Away Parking, Greenswitch America together with PAVe and two other parties (collectively the “Borrowers”) entered into a loan and security agreement pursuant to which the Borrowers received a bank loan in the principal amount of US$5,460,000 as partial consideration for the acquisition (the “Loan”). In connection with the Loan, the Borrowers have each granted a security interest in all of their present and future assets and property including the property and assets of Fly-Away Parking. The loan bears interest at LIBOR plus 235 basis points and matures on October 30, 2020.

Summarized financial information of joint ventures

The functional currency of the joint ventures is the United States dollar.

The assets and liabilities of the joint ventures translated using the period end foreign exchange rates are summarized as follows:

(Expressed in Canadian Dollars)

8. INVESTMENT IN JOINT VENTURES (continued)

AS AT	October 31, 2016			October 31, 2015		
	880 Doolittle	PAVe LLC	**Total**	880 Doolittle	PAVe LLC	**Total**
Cash and cash equivalents	$ -	$ 323,396	**$ 323,396**	$ 66,485	$ -	**$ 66,485**
Other current assets	-	-	**-**	126,488	-	**126,488**
Parking facility	-	7,584,342	**7,584,342**	-	8,079,863	**8,079,863**
Goodwill	-	2,881,260	**2,881,260**	-	2,339,285	**2,339,285**
Interest in associate	-	11,893,335	**11,893,335**	-	9,728,373	**9,728,373**
	-	22,682,333	**22,682,333**	192,973	20,147,521	**20,340,494**
Accounts payable	-	244,626	**244,626**	-	-	**-**
Long-term borrowing	-	8,684,955	**8,684,955**	-	8,659,491	**8,659,491**
	-	8,929,581	**8,929,581**	-	8,659,491	**8,659,491**
Net assets	$ -	$ 13,752,752	**$ 13,752,752**	$ 192,973	$11,488,030	**$ 11,681,003**
Interest in net assets	50%	83%	**83%**	50%	81%	**81%**
Net assets attributable to the Company	$ -	$ 11,478,444	**$ 11,478,444**	$ 96,486	$ 9,311,021	**$ 9,407,507**
Investment in joint ventures – carrying value at historical cost	$ -	$ 10,583,266	**$ 10,583,266**	$ 96,486	$ 8,922,265	**$ 9,018,751**

The operations of the joint ventures translated using average exchange rates for the year are summarized as follows:

FOR THE	Year ended October 31, 2016			Year ended October 31, 2015		
	880 Doolittle	PAVe LLC	**Total**	880 Doolittle	PAVe LLC	Total
Property revenue	$ -	$ 2,764,775	**$ 2,764,775**	$ 3,087,582	$ -	**$ 3,087,582**
Property expenses	(30,579)	(2,170,557)	**(2,201,136)**	(2,791,377)	(13,357)	**(2,804,734)**
Net property income	(30,579)	594,218	**563,639**	296,205	(13,357)	**282,848**
Depreciation Expense	-	(261,838)	**(261,838)**	(115,480)	-	**(115,480)**
Mortgage interest expense	-	(276,234)	**(276,234)**	(414,527)	-	**(414,527)**
Income – property operations	(30,579)	56,146	**25,567**	(233,802)	(13,357)	**(247,159)**
Profit from associate	-	1,427,102	**1,427,102**	-	865,723	**865,723**
Gain on sale of Expresso	-	-	**-**	1,248,621	-	**1,248,621**
General and administrative	1,438	(41,147)	**(39,709)**	-	-	
Taxes	(76,087)	(7,000)	**(83,087)**	-	-	**-**
Profit (loss)	$ (105,228)	$ 1,435,101	**$ 1,329,873**	$ 1,014,819	$ 852,366	**$ 1,867,185**
Company share of profit	86%[(1)]	85%[(2)]	**84%**	82%[(1)]	87%[(2)]	**85%**
Share of profit from joint ventures	$ (90,657)	$ 1,213,104	**$ 1,122,447**	$ 836,932	$ 743,611	**$ 1,580,543**

(1) The Company is entitled to profit distributions on the investments included in the joint venture ranging from 50% to 100%.

(2) The Company is entitled to profit distributions on the investments included in the joint venture ranging from 50% to 86.67%.

(Expressed in Canadian Dollars)

9. EQUIPMENT

		Office equipment
Cost		
Balance, October 31, 2014, 2015, and 2016	**$**	**37,500**
Accumulated depreciation		
Balance, October 31, 2014	$	7,946
Depreciation for the year		7,500
Balance October 31, 2015		15,446
Depreciation for the year		7,500
Balance, October 31, 2016	**$**	**22,946**
Carrying amounts		
As at October 31, 2015	$	22,054
As at October 31, 2016	**$**	**14,554**

10. EQUITY

a) Authorized: Unlimited common shares, without par value

b) Stock Options

Under the Company's stock option plan, the Company may grant options for up to 10% of the issued and outstanding common shares to directors, employees and consultants at an exercise price to be determined by the board of directors provided that the exercise price is not less than the price permitted by the TSX Venture Exchange. Option shares are subject to vesting requirements as determined by the Company's Board of Directors, and the life of the options granted is as determined by the Company's Board of Directors, to a maximum of 10 years. Stock option transactions are recorded in reserves.

On April 1, 2016, the Company granted 700,000 incentive stock options to new directors and certain officers of the Company. Each option permits the grantee to acquire one common share in the Company at a price of $0.50 per share and expires three years after the date of grant on April 1, 2019. The value of the options was recorded as stock based compensation expense of $87,830. The value was obtained using the Black-Scholes valuation model with the following assumptions: fair value per option at grant date of $0.13; volatility of 66%, discount rate of 0.62%, expected life of 3 years, dividend yield of 0% and expected forfeiture rate of 0%.

On January 29, 2015, the Company granted 200,000 incentive stock options to a new director of the Company. Each option permits the grantee to acquire one common share in the Company at a price of $0.50 per share and expires five years after the date of grant, on January 29, 2020. The value of the options was recorded as stock based compensation expense of $45,164. The value was obtained using the Black-Scholes valuation model with the following assumptions: fair value per option at grant date of $0.23; volatility of 83%, discount rate of 1.5%, expected life of 5 years, dividend yield of 0%, and expected forfeiture rate of 0%.

(Expressed in Canadian Dollars)

10. EQUITY (continued)

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance as at October 31, 2014	2,695,000	$ 0.50
Granted	200,000	0.50
Balance as at October 31, 2015	2,895,000	0.50
Granted	700,000	0.50
Expired/cancelled	(2,350,000)	0.50
Balance as at October 31, 2016	1,245,000	$ 0.50

As at October 31, 2016, the following stock options were outstanding and exercisable:

Exercise Price	Number of options outstanding and exercisable	Weighted average years to expiry
$0.50	1,245,000	2.65

On January 9, 2017, the Company granted to directors, officers and a consultant of the Company 750,000 stock options exercisable at $0.30 per share for a period of five years from the date of grant, vesting on the date of the grant.

c) Warrants

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance as at October 31, 2014	9,286,153	$ 0.58
Expired	(2,509,686)	0.77
Exercised	(1,316,800)	0.40
Balance as at October 31, 2015	5,459,667	0.53
Expired	(5,459,667)	0.53
Balance as at October 31, 2016	-	$ -

(Expressed in Canadian Dollars)

11. NET INCOME FROM PROPERTY OPERATIONS

Net income from property operations were incurred until April 22, 2015, when the operations of Canopy were sold to OPH (note 4).

	October 31, 2016	October 31, 2015
Property revenue	$ -	$ 5,567,432
Property operating expenses (1)	-	(3,485,606)
Net property income	-	2,081,826
Mortgage interest (2)	-	(471,470)
Depreciation and amortization	-	(779,241)
Net income from property operations	**$ -**	**$ 831,115**

(1) **Property operating expenses**		
Automobile and vehicle	-	619,366
General and administrative	-	874,705
Ground lease	-	226,461
Property management fees	-	288,140
Repairs and maintenance	-	212,462
Salaries and wages	-	1,020,248
Taxes and licenses	-	244,224
Total property operating expenses	$ -	$ 3,485,606

(2) The Company disposed of a loan facility for Canopy on April 22, 2015 as part of the Transaction (note 4). The interest on the loan facility was LIBOR plus 5.25% with a floor of 5.5%.

The major components of the income producing property were as follows:

	Building	Computer and equipment	Furniture	Improvements and fixtures	Land	Total
Cost						
Balance, October 31, 2014	$ 3,649,432	$ 278,387	$ 389,592	$ 14,611,741	$ 1,127,500	$ 20,056,652
Dispositions	(3,965,015)	(302,460)	(423,282)	(15,910,159)	(1,225,000)	(21,825,916)
Cumulative translation adjustment	315,583	24,073	33,690	1,298,418	97,500	1,769,264
Balance, October 31, 2015 and 2016	$ -	$ -	$ -	$ -	$ -	$ -
Accumulated depreciation						
Balance, October 31, 2014	366,503	205,716	221,215	3,681,899	-	4,475,333
Additions	50,087	29,802	29,790	473,977	-	583,656
Dispositions	(449,029)	(253,751)	(270,579)	(4,481,333)	-	(5,454,692)
Cumulative translation adjustment	32,439	18,233	19,574	325,457	-	395,703
Balance, October 31, 2015 and 2016	$ -	$ -	$ -	$ -	$ -	$ -
As at October 31, 2015 and 2016	$ -	$ -	$ -	$ -	$ -	$ -

(Expressed in Canadian Dollars)

12. GENERAL AND ADMINISTRATIVE EXPENSES

	October 31, 2016	October 31, 2015
Management salaries and fees (1) (note 15)	$ 490,173	$ 814,000
Director fees (note 15)	111,300	166,404
Share-based payments (note 15)	87,830	45,164
Proxy solicitation costs	374,104	-
Other administrative expenses	655,063	549,470
Write-off of capitalized transaction costs	164,094	-
Total general and administrative expenses	**$ 1,882,564**	**$ 1,575,038**

(1) During the year ended October 31, 2016, the Company recorded management bonuses of $nil (2015- $310,000).

13. FINANCE EXPENSE

	October 31, 2016	October 31, 2015
Interest on short term loan	$ -	$ 402,339
Total finance expense	**$ -**	**$ 402,339**

On April 22, 2015, the Company repaid in full a short term loan with a principal balance of $5,476,000 and a prepayment fee of $41,858. The interest rate on the loan was 9%.

14. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

	October 31, 2016	October 31, 2015
Income for the year before income tax	$ 569,810	$ 27,741,911
Expected income tax expense	$ 148,000	$ 7,213,000
Changes in statutory, foreign tax, foreign exchange rates and other	188,950	2,441,605
Permanent differences	18,000	(4,108,000)
Adjustments to prior years provision versus statutory tax returns and expiry of non-capital losses	(1,921,000)	(6,644,000)
Change in unrecognized deductible temporary differences	1,520,000	1,158,000
Total income tax (recovery) expense	$ (46,050)	$ 60,605

(Expressed in Canadian Dollars)

14. INCOME TAXES (continued)

The Canadian income tax rate of 26% did not change in the year.

Significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	October 31, 2016	October 31, 2015	Expiry Dates
Share issuance costs	$ 35,000	$ 108,000	2017 – 2018
Non-capital losses	24,878,000	20,086,000	2027 – 2036
Allowable capital losses	779,000	779,000	No expiry
Property and equipment	31,000	23,000	No expiry

Tax attributes are subject to review, and potential adjustment, by tax authorities.

15. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Senior management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. Senior management personnel include the Company's executive officers and members of the Board of Directors.

	October 31, 2016	October 31, 2015
Total for all senior management		
Salaries, bonuses, management fees and short-term benefits (1)	$ 515,373	$ 814,000
Share-based payments	37,641	-
	553,014	814,000
Total for all directors		
Short-term benefits	158,425	166,404
Share-based payments	50,189	45,164
	208,614	211,568
Total	**$ 761,628**	**$ 1,025,568**

(1) During the year ended October 31, 2015, the Company recorded an expense for management bonuses of $310,000 of which $160,000 was included in accounts payable and accrued liabilities. No bonuses were paid or payable for the year ended October 31, 2016.

(Expressed in Canadian Dollars)

16. SEGMENT INFORMATION

The Company operates in one business segment, being the participation in the parking facilities sector through its wholly-owned subsidiary Greenswitch America, Inc.

The Company earned 100% of its revenues in the United States through its subsidiary Greenswitch America, Inc.

The Company has no significant identifiable non-current assets outside of the United States.

17. CONTINGENCIES

On August 12 and 15, 2016, the Company terminated the employment of its former Chief Executive Officer, Chief Financial Officer and Chief Investment Officer without notice and without payment of any compensation in lieu of notice. In all three cases, the Company believed, and it continues to believe, that it had (and continues to have) no liability to give any notice or pay any severance to any of the three former officers. However, in February 2017, believing it to be in its best interest, the Company entered into separate confidential settlement agreements with each of the former Chief Financial Officer and former Chief Investment Officer. The aggregate amount from both settlement agreements is not material and has been accrued in the financial statements.

On December 6, 2016, counsel for the former Chief Executive Officer made a demand for compensation, which was rejected by the Company. While the Company continues to believe, that it has no liability to have given any notice or to pay any severance to the Chief Executive Officer, the Company is unable to predict the outcome or potential liability, if any, arising from the termination of the former Chief Executive Officer at this time and no further amount has been accrued in the financial statements.

18. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	October 31, 2016	October 31, 2015
Cash paid for interest	$ -	$ 873,809
Cash paid for taxes	$ 7,086	$ 60,605

There were no significant non-cash transactions for the year ended October 31, 2016.

Significant non-cash transactions during the year ended October 31, 2015 include $11,227,684 in non-cash gain on the disposal of Canopy. This non-cash gain includes contingent consideration to be paid in cash and equity at future dates of $9,061,952 and gain on the transfer of loans of $2,392,436.

19. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to support its operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In the management of capital, the Company includes components of shareholders' equity.

To maintain or adjust the capital structure, the Company may issue new shares, issue debt or sell assets to meet financial obligations. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended October 31, 2016.

20. FINANCIAL RISK MANAGEMENT

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's policy is to deal only with creditworthy counterparties. None of the Company's financial assets are secured by collateral or other credit enhancements. In respect of accounts receivable, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2016, the Company had a cash balance of $1,552,160 to settle current liabilities of $272,890. The Company expects to fund these liabilities through existing cash resources, revenue generated from operations, additional debt and equity financings, and from funds raised through the partial disposition of interests in its assets.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and other price risk.

a) Interest rate risk

As at October 31, 2016 and October 31, 2015, the Company did not have any investments in investment-grade short-term deposit certificates or short-term debt issued by the federal government. The Company is not exposed to interest rate risk on its loans.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, and its accounts payable and accrued liabilities, denominated in US Dollars. A 10% fluctuation in the US dollar against the Canadian dollar would affect net income for the year by $335,000.

c) Price risk

The Company is not exposed to any significant price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

21. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There are three levels of fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with level 1 inputs having the highest priority. The levels used to value the Company's financial assets and liabilities are described below.

21. FAIR VALUE MEASUREMENTS (continued)

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly, i.e. as prices, or indirectly, i.e. derived from prices.
- Level 3 – Inputs for the asset or liability that are not based on an observable market, i.e. unobservable inputs.

The fair value of the Company's accounts receivable, long-term receivable, and accounts payable and accrued liabilities approximate carrying value, which is the amount recorded on the consolidated statements of financial position.

Cash is carried at fair value in accordance with Level 1 of the fair value hierarchy, being unadjusted quoted prices in active markets for identical assets or liabilities.