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CT Developers Ltd.  
Financial Statements  
June 30, 2017 and 2016  
(Expressed in Canadian dollars)

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## Independent Auditor's Report

To the Shareholders of CT Developers Ltd.

We have audited the accompanying financial statements of CT Developers Ltd., which comprise the statements of financial position as at June 30, 2017 and June 30, 2016, and the statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years ended June 30, 2017 and June 30, 2016, and 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, 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.

### Auditor's 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 audit 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 the auditor's 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, the auditor considers 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 financial position of CT Developers Ltd. as at June 30, 2017 and June 30, 2016, and its financial performance and its cash flows for the years ended June 30, 2017 and June 30, 2016 in accordance with International Financial Reporting Standards.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about CT Developers Ltd.'s ability to continue as a going concern.

Vancouver, B.C.  
October 30, 2017

*"D&H Group LLP"*  
Chartered Professional Accountants

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# CT Developers Ltd.

## Statements of Financial Position

(Expressed in Canadian dollars)

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	June 30, 2017 \$	June 30, 2016 \$
<b>Assets</b>		
Current assets		
Cash (Note 7)	18,026	64,221
Amounts receivable	<u>-</u>	<u>4,528</u>
	18,026	68,749
<b>Liabilities</b>		
Current liabilities		
Amounts payable and accrued liabilities	<u>5,623</u>	<u>8,839</u>
<b>Shareholders' equity</b>		
Common shares (Note 3)	736,909	736,909
Share-based payments reserve (Note 3)	79,183	79,183
Retained earnings (deficit)	<u>(803,689)</u>	<u>(756,182)</u>
	<u>12,403</u>	<u>59,910</u>
	18,026	68,749

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*The accompanying notes are an integral part of these financial statements.*

Event after the reporting period - Note 10

These financial statements were approved for issue by the Board of Directors on October 30, 2017 and are signed on its behalf by:

Approved by the Board “Norman Eyolfson”, Director “Richard Buzbuzian”, Director

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# CT Developers Ltd.

Statements of Comprehensive Loss  
Years ended June 30, 2017 and 2016  
(Expressed in Canadian dollars)

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	2017	2016
	\$	\$
Expenses		
Bank charges	107	112
Legal and accounting fees	32,337	38,486
Office	615	13,560
Regulatory fees	7,065	5,962
Transfer agent	<u>7,383</u>	<u>5,787</u>
Net and comprehensive income (loss) for the year	(47,507)	(63,907)
Retained earnings (deficit), beginning of year	<u>(756,182)</u>	<u>(692,275)</u>
Retained earnings (deficit), end of year	(803,689)	(756,182)
Net income (loss) per share, basic and diluted	(0.01)	(0.01)
Weighted average number of common shares outstanding	4,827,500	4,827,500

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*The accompanying notes are an integral part of these financial statements.*

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# CT Developers Ltd.

## Statements of Changes in Equity

Years ended June 30, 2017 and 2016

(Expressed in Canadian dollars)

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	Common shares		Share-based payments reserve \$	Retained earnings (deficit) \$	Total equity \$
	Number of shares	Amount \$			
Balance at June 30, 2015	4,827,500	736,909	79,183	(692,275)	123,817
Net income (loss) for the year	-	-	-	(63,907)	(63,907)
Balance at June 30, 2016	4,827,500	736,909	79,183	(756,182)	59,910
Net income (loss) for the year	-	-	-	(47,507)	(47,507)
Balance at June 30, 2017	4,827,500	736,909	79,183	(803,689)	12,403

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*The accompanying notes are an integral part of these financial statements.*

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# CT Developers Ltd.

## Statements of Cash Flows

Years ended June 30, 2017 and 2016

(Expressed in Canadian dollars)

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	2017	2016
	\$	\$
Cash flows from (used in) operating activities		
Net income (loss) for the year	(47,507)	(63,907)
Changes in non-cash working capital		
Decrease (increase) in		
Amounts receivable	4,528	19,275
Increase (decrease) in		
Amounts payable and accrued liabilities	<u>(3,216)</u>	<u>(43,208)</u>
	<u>(46,195)</u>	<u>(87,840)</u>
Increase (decrease) in cash during the year	(46,195)	(87,840)
Cash, beginning of year	<u>64,221</u>	<u>152,061</u>
Cash, end of year	18,026	64,221

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*The accompanying notes are an integral part of these financial statements.*

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

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### 1. Nature of operations

CT Developers Ltd. (the "Company") was incorporated under the *Canada Business Corporations Act* (Canada) on April 1, 2011. On November 17, 2011 the Company completed its initial public offering and on November 23, 2011 the Company listed its common shares on the TSX Venture Exchange ("TSXV") as a capital pool company. On November 26, 2013 trading of the Company's common shares on the TSXV was suspended for failure to complete a Qualifying Transaction within the prescribed time. Effective August 19, 2014 the Company's common share listing was transferred to the NEX Board of the TSXV. Upon transition, the Company's trading symbol was changed from DEV.P to DEV.H. The head office of the Company is located at 155 Vine Avenue, Toronto, Ontario, Canada, M6P 1V9.

As at June 30, 2017, the Company had no business operations. As a CPC, the Company's business objective is to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction (as defined in Exchange Policy 2.4) subject, in certain cases, to shareholder approval and acceptance by the Exchange. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to pay dividends or enjoy earnings in the immediate or foreseeable future. There is no assurance that the Company will identify and successfully acquire businesses or assets that will produce a profit. Moreover, if a potential business or asset is identified which warrants acquisition or participation, additional funds may be required to complete the acquisition or participation and the Company may not be able to obtain such financing on terms which are satisfactory to the Company.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2017, the Company has working capital of \$ 12,403, incurred accumulated losses amounting to \$ 803,689, has not completed a Qualifying Transaction, and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to complete or develop a business, generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These financial statements do not give effect to adjustments that would be necessary to their reported carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

### 2. Summary of significant accounting policies

#### 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") and interpretations of the IFRS Interpretations Committee ("IFRIC").

#### Basis of measurement

The Company's financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

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### 2. Summary of significant accounting policies - continued

#### Income taxes

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

#### Share-based payments

The fair value, at the grant date, of equity-settled share awards is charged to comprehensive loss over the period from which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the share based payments reserve. The fair value of awards is calculated using an option pricing model which considers the following factors:

§ Exercise price	§ Expected life of the award
§ Expected volatility	§ Current market price of the underlying shares
§ Risk-free interest rate	§ Expected forfeitures

#### Financial instruments

##### *Financial assets*

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss.

Financial assets classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive income (loss). Cash is classified as fair value through profit or loss.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost. Amounts receivable is classified as loans and receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At June 30, 2017 the Company has not classified any financial assets as available-for-sale.

Transaction costs associated with fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

##### *Financial liabilities*

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Amounts payable and accrued liabilities are classified as other financial liabilities.

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

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### 2. Summary of significant accounting policies - continued

Financial liabilities classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive income (loss). At June 30, 2017 the Company has not classified any financial liabilities as fair value through profit or loss.

#### Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

#### Revenue recognition

Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

#### Related parties

Related parties are parties that have the ability to control or to exercise significant influence over the Company.

#### Critical judgments and sources of estimation uncertainty

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Critical judgments*

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

#### *Estimation uncertainty*

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- (i) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

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### 2. Summary of significant accounting policies - continued

#### Loss per share

Basic and diluted loss per share is determined by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is not separately presented, as the effect of securities exercisable into common shares would reduce the amount presented as loss per share.

#### New IFRS standards not yet adopted

The Company has not yet adopted certain new IFRS standards, amendments and interpretations to existing standards, which have been published but are only effective for its annual period beginning after July 1, 2017. These include:

*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 and loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for the Company's accounting period beginning on January 1, 2018. Earlier adoption is permitted. Management is currently assessing the effect of this new standard on the Company's accounting policies and financial statement presentation.

### 3. Capital and reserves

At June 30, 2017, the Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

No share capital transactions occurred during the years ended June 30, 2017 and 2016.

As at June 30, 2017, 1,030,000 common shares were held in escrow. The escrow shares will be released over a thirty-six month period commencing upon completion of a Qualifying Transaction and may not be transferred, assigned or otherwise dealt without consent of the securities regulatory authorities.

### 4. Share-based compensation

The Company has adopted a share option plan (the "Plan"), under which stock options may be awarded to directors, officers, employees and consultants at the discretion of the Board of Directors. The maximum number of share options that may be issued under the Plan shall be 10% of the issued and outstanding common shares of the Company on the date of grant. Share options awarded under the Plan may be exercisable for up to ten years at exercise prices determined by the Board of Directors at the time of award. The exercise prices shall not be less than market value.

No share options were awarded during the years ended June 30, 2017 and 2016.

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

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### 4. Share-based compensation - continued

No share options were granted or vested during the years ended June 30, 2017 and 2016.

A summary of the Company's share options at June 30, 2017 and 2016, and the changes for the years ended on those dates, is as follows:

	2017 \$		2016 \$	
	Number of options outstanding	Weighted average exercise price	Number of options outstanding	Weighted average exercise price
Balance, beginning of year	450,000	0.22	450,000	0.22
Expired	<u>(450,000)</u>	0.22	<u>-</u>	-
Balance, end of year	-	-	450,000	0.22

### 5. Financial instruments

#### Categories of financial assets and financial liabilities

Financial instruments are classified into one of the following five categories: fair value through profit or loss ("FVTPL"); held-to-maturity investments; loans and receivables; available-for-sale; and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial instrument	Category	June 30, 2017 \$	June 30, 2016 \$
Cash	FVTPL	18,026	64,221
Amounts receivable	Loans and receivables	-	4,528
Accounts payable and accrued liabilities	Other financial liabilities	5,623	8,839

#### Fair value

IFRS 7 establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs in making fair value measurements as follows:

- § Level 1 - applied to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- § Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- § Level 3 - applies to assets or liabilities for which there are unobservable market data.

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

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### 5. Financial instruments - continued

The carrying value of amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. Pursuant to IFRS 7, the fair value of cash is measured on a recurring basis based on Level 1 inputs.

#### Credit risk

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations to the Company. The Company's credit risk is primarily attributable to cash and amounts receivable. The maximum potential loss on all financial instruments is equal to the carrying amount of those items.

### 6. Capital risk management

The Company manages, as capital, the components of shareholders' equity and its cash. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its 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 its capital structure, the Company may attempt to issue common shares, borrow or adjust the amount of cash. The Company does not anticipate the payment of dividends in the foreseeable future.

The Company's policy is to invest its cash in highly liquid, short-term, interest-bearing investments with maturities of 90 days or less from the date of acquisition.

### 7. Cash restriction

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until the completion of a Qualifying Transaction by the Company, as defined under policy 2.4 of the Exchange.

### 8. Income taxes

The provision for income taxes differs from the amount that would have been obtained by applying the statutory income tax rate of 26% (2016 - 26%) to the Company's net loss. The difference results from the following items:

	2017	2016
	\$	\$
Expected income tax expense (recovery)	(12,300)	(16,600)
Unrecognized benefit of loss carryforwards	<u>12,300</u>	<u>16,600</u>
Provision for income taxes (recovery)	-	-

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2017 and 2016

(Expressed in Canadian dollars)

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### 8. Income taxes - continued

The income tax effects of temporary differences that give rise to significant components of deferred income tax assets and liabilities are as follows:

	2017	2016
	\$	\$
Deferred income tax assets and liabilities are as follows:		
<i>Deferred income tax assets</i>		
Non-capital loss carry-forwards	198,000	185,000
Valuation allowance	<u>(198,000)</u>	<u>(185,000)</u>
	-	-

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The Company has non-capital losses for income tax purposes of approximately \$ 761,290 (2016 - \$ 713,700) available to reduce future years' taxable income. The benefit of these non-capital losses has not been recognized in the Company's accounts as it is not probable such benefit will be realized. The non-capital losses expire between the 2031 and 2037 fiscal years.

### 9. Related party disclosures

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by three individuals as well as certain persons performing similar functions.

During the year ended June 30, 2017 the Company paid \$ Nil (2016 - \$ 13,560) for rent, office and professional fees to a corporation controlled by a director.

### 10. Event after the reporting period

On October 24, 2017, the Company issued 480,000 stock options to its directors, which can be exercised at an exercise price of \$ 0.06 per share for a period of five years.