This Offering Memorandum is confidential. By their acceptance hereof, prospective investors agree that they will not transmit, reproduce or make available to anyone this Offering Memorandum or any information contained herein.

FORM 45-106F2

Offering Memorandum for Non-Qualifying Issuers

Offering Memorandum for Non Qualifying Issuers

Date:	June 15, 2015	
The Issuer		
Name:	Siyata Mobile Inc. ("**Siyata**").	
Head office:	592 Sheppard Avenue West, Unit 551, Toronto, ON M3H 6A7	
	Phone #:	1-888-316-3747
	E mail address:	marc@siyatamobile.com
	Website:	www.siyatamobile.com
	Fax #:	n/a
Currently listed or quoted?	No. **These securities do not trade on any exchange or market.**	
Reporting issuer?	No.	
SEDAR filer?	No.	
The Offering		
Securities offered:	Subscription receipts (the "**Subscription Receipts**"). See "Item 5 – Securities Offered."	
Price per security:	$0.30 per Subscription Receipt.	
Minimum/Maximum offering:	The minimum and maximum offering is 13,333,333 Subscription Receipts subject to the exercise of the Over-Allotment Option.	
Minimum subscription:	There is no minimum subscription amount an investor must invest.	
Payment terms:	Bank draft, certified cheque or money order or such other method of payment as is acceptable to the Agent (as defined below) in full payment of the subscription price.	
Proposed closing date(s):	July 16, 2015 or such earlier or later date as may be determined by Siyata and the Agent. Subsequent closings may take place at later dates. The closing of the Offering is subject to the concurrent completion of the Amalgamation (as defined below).	
Tax consequences:	There are important tax consequences to these securities. See "Item 6 – Income Taxes and RRSP Eligibility."	
Selling agent	Yes - Haywood Securities Inc. See "Item 7 – Compensation Paid to Sellers and Finders."	

Resale restrictions

You may be restricted from selling your securities for an indefinite period. See "Item 10 – Resale Restrictions." However, you will receive a refund of your subscription if certain conditions are not satisfied within 60 days following the closing of the Siyata Private Placement (as defined herein).

Purchaser's rights

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See “Item 11 – “Purchasers’ Contractual and Statutory Rights of Action.”

No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See “Item 8 – “Risk Factors.”

Table of Contents

GLOSSARY OF TERMS

The following is a glossary of certain definitions used in this Offering Memorandum. Terms and abbreviations used in the financial statements of Teslin, Siyata and the Resulting Issuer in the appendices to this Offering Memorandum are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**Accel**" means Accel Telecom Ltd., a company incorporated under the laws of Israel, the parent company of Siyata;

"**Accel Services Agreement**" means the services agreement between Siyata and Accel, pursuant to which, upon closing of the Amalgamation, Accel will provide certain finance, operations, insurance and administrative services in exchange for an one-time initial set-up fee of US$64,000 plus US$25,000 per month;

"**Agent**" means Haywood Securities Inc.;

"**Agent's Compensation Warrants**" means the compensation warrants granted to the Agent on the satisfaction of the Escrow Release Conditions in connection with the Siyata Private Placement, which are to be exchanged on Amalgamation for Resulting Issuer Agent's Compensation Warrants pursuant to the Amalgamation Agreement;

"**Amalco**" means the BCBCA company formed pursuant to the Amalgamation, which company will be a wholly-owned subsidiary of the Resulting Issuer on closing of the Amalgamation;

"**Amalgamation**" means the amalgamation of Subco and Siyata to form Amalco under Section 269 of the BCBCA;

"**Amalgamation Agreement**" means the amalgamation agreement dated April 23, 2015 among Teslin, Subco, Accel and Truckfone Inc., which was amended and restated effective May 29, 2015 to include Siyata as a party, setting forth the terms pursuant to which Subco and Siyata will complete the Amalgamation to form Amalco;

"**Asset Acquisition**" means the transfer of Siyata Mobile Group by Accel to Siyata immediately prior to the Amalgamation, which shall include certain liabilities associated with the Siyata Mobile Group as provided in the Asset Purchase Agreement;

"**Asset Purchase Agreement**" means the asset purchase agreement between Accel and Siyata, pursuant to which Siyata will complete the Asset Acquisition and whereas Accel will assign certain assets to Siyata, which will form the basis of Siyata's business and the Resulting Issuer's business on Closing;

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**Board of Directors**" means the Board of Directors of Teslin or the Resulting Issuer as applicable;

"**Closing**" means the closing of the Siyata Private Placement;

"**Closing Date**" means the date on which the Closing occurs;

"**company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

“**Consolidation**” means the proposed consolidation of the Teslin Shares in connection with the Amalgamation on the basis of one (1) post-consolidation share for every two point two (2.2) pre-consolidation shares;

“**Control Person**” means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

“**Escrow Agent**” means counsel to Teslin;

“**Escrow Agreement**” means the escrow agreement between Teslin and the Escrow Agent, pursuant to which the Escrow Agent will hold the gross proceeds from the Siyata Private Placement and release them to the Resulting Issuer in accordance with the terms and conditions thereof;

“**Escrow Deadline**” means 5:00pm (Vancouver time) on the 60th day following the closing of the Siyata Private Placement;

“**Escrow Release Conditions**” means (a) the completion of the Asset Acquisition, which shall be deemed to have occurred immediately prior to the completion of the Amalgamation; (b) the completion of the Consolidation; (c) the completion of the Amalgamation; (d) the receipt of the Final Exchange Bulletin; and (e) the satisfaction of such other conditions and agreements between Teslin and the Escrow Agent as set forth in the Escrow Agreement;

“**Exchange**” means the TSX Venture Exchange;

“**Final Exchange Bulletin**” means the bulletin which is issued by the Exchange following the closing of the Amalgamation and the submission of all documentation required by the Exchange in connection therewith that evidences the final Exchange acceptance of the Amalgamation and any related transactions;

“**Offering Memorandum**” means this offering memorandum, together with all appendices attached hereto and including the summary hereof;

“**Over-Allotment Option**” an option exercisable up to 48 hours prior to the closing to arrange for the purchase of up to 4,166,666 Subscription Receipts for additional gross proceeds of $1,250,000.

“**Person**” means a company or individual;

“**Promoter**” has the meaning ascribed to it in the *Securities Act* (British Columbia);

“**Resulting Issuer**” means Teslin, after giving effect to the Amalgamation;

“**Resulting Issuer Agent’s Compensation Warrants**” means the Agent’s Compensation Warrants of the Resulting Issuer exercisable for a period of 24 months from the closing of the Amalgamation at $0.30 per Resulting Issuer Share;

“**Resulting Issuer Financing Securities**” means Teslin securities issued through the Amalgamation, in exchange for securities of Siyata issued pursuant to the Siyata Private Placement;

“**Resulting Issuer Shares**” means the post-Consolidation common shares in the capital of the Resulting Issuer, as constituted after giving effect to the Amalgamation;

“**Resulting Issuer Warrants**” means the share purchase warrants of the Resulting Issuer entitling the holder thereof to acquire one Resulting Issuer Share at a price of $0.60 per share for a period of 24 months from the date of the issuance of the Resulting Issuer Warrants;

"**Siyata**" means Siyata Mobile Inc., a corporation subsisting under the BCBCA;

"**Siyata Acquisition**" means the Amalgamation and the acquisition of all of the issued and outstanding Siyata Shares by Teslin;

"**Siyata Mobile Group**" means certain operations of Accel which shall be vended to Siyata by Accel pursuant to the Asset Purchase Agreement and which involve the development of a vehicle-mounted, cellular-based communications platform specifically designed for professional vehicles such as trucks, vans, busses, ambulances as well as marketing and sale of the vehicle mobile device based on this platform marketed and sold by Accel under the trade names "Truckfone" and "Voyager";

"**Siyata Private Placement**" means the brokered private placement conducted by Siyata, through the Agent, as agent on a commercially reasonable efforts basis, in the amount of 13,333,333 Subscription Receipts at a price of $0.30 per Subscription Receipt, for aggregate gross proceeds of $4,000,000 subject to the grant of the Over-Allotment Option and as described under this Offering Memorandum;

"**Siyata Shares**" means the common shares in the capital of Siyata;

"**Siyata Unit**" means a unit of Siyata comprised of one Siyata Share and one half of one Siyata Warrant;

"**Siyata Warrant**" means a warrant to purchase a Siyata Share at a price of $0.60 per Siyata Share for a period of 24 months from the date of issue;

"**Subco**" means 1033819 B.C. Ltd., which is a wholly-owned subsidiary of Teslin incorporated under the BCBCA in connection with the Amalgamation;

"**Subscription Receipts**" means the subscription receipts of Siyata issued pursuant to the Siyata Private Placement, with each Subscription Receipt automatically converting into one Siyata Unit on the satisfaction of the Escrow Release Conditions on or before the Escrow Deadline;

"**Teslin**" means Teslin River Resources Corp., a corporation subsisting under the BCBCA, listed on the Exchange under its symbol "TLR";

"**Teslin Options**" means the outstanding incentive share purchase options of Teslin, entitling the holders to acquire 1,800,000 Teslin Shares at a price of $0.155 per Teslin Share, until October 31, 2019;

"**Teslin Shares**" means the common shares in the capital of Teslin as constituted prior to completion of the Consolidation;

"**Teslin Warrants**" means the common share purchase warrants of Teslin, each exercisable into one Teslin Share at an exercise price of $0.06 per share until September 17, 2017, of which 6,000,000 are outstanding; and

"**Transactions**" means, collectively, the Siyata Acquisition and the Siyata Private Placement.

CANADIAN CURRENCY

All dollar amounts stated herein, unless otherwise indicated, are expressed in Canadian dollars.

FORWARD-LOOKING INFORMATION

This Offering Memorandum contains forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "does not expect", "is expected", "estimates", "intends", "anticipates", "does not anticipate", or "believes", or variations of such words and phrases or states that certain actions, events or results "may", "could", "would", "might" or "will" be taken to occur or be achieved.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Teslin, Siyata or the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Although Siyata has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Known and unknown factors could cause actual results or events to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets; changes in interest rates; disruption to the credit markets and delays in obtaining financing; inflationary pressures; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, or other countries in which the Resulting Issuer may, upon completion of the Amalgamation carry on business; business opportunities that may be presented to, or pursued by the Resulting Issuer upon completion of the Amalgamation; the Resulting Issuer's ability to successfully integrate acquisitions; operating or technical difficulties in connection with business activities; the ability of the Resulting Issuer to adapt quickly to further technological advancements; the ability of the Resulting Issuer to attract new customers and retain existing customers; the reliance of the Resulting Issuer on a few large customers; the ability of the Resulting Issuer to expand its sales and marketing capacity; the possibility of cost overruns or unanticipated expenses; employee relations; the risks of obtaining and renewing necessary licenses and permits; adverse changes in the Resulting Issuer's credit rating; and the occurrence of natural disasters, hostilities, acts of war or terrorism. The factors identified above are not intended to represent a complete list of the factors that could affect Teslin, Siyata or the Resulting Issuer. See "Item 8 – Risk Factors" for additional factors.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this Offering Memorandum. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this Offering Memorandum. All subsequent forward-looking information attributable to Teslin, Siyata or the Resulting Issuer herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. Teslin, Siyata and the Resulting Issuer do not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this Offering Memorandum or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

ITEM 1: USE OF AVAILABLE FUNDS

The Resulting Issuer is expected to have approximately $4,062,000 available on Closing. The Resulting Issuer is expected to use the funds available to it in furtherance of its stated business objectives which are summarized in the table appearing below.

		Assuming $4,000,000 Offering
A.	Amount to be raised by this offering	$4,000,000
B.	Selling commissions and fees	$238,000
C.	Estimated offering costs (e.g., legal, accounting, audit.)	$150,000
D.	Available funds: D = A - (B+C)	$3,612,000
E.	Additional sources of funding required • Estimated Teslin working capital as at May 31, 2015 • Exercise of Teslin Warrants • Anticipated Gross Profit from Operations	 $85,400 $360,000 $2,622,000(1)
F.	Working capital deficiency	$ -
G.	Total: G = (D+E) - F	$6,679,400

Note:

(1) Based on fiscal 2014 audited financial results extrapolated over an 18 month period.

Uses of Funds:	
Purchase of Inventory	$1,500,000
Research and Development(1)	$189,000
Advertising and Marketing(2) (3)	$558,000
Conference and Travel(2) (3)	$636,000
Sales and Marketing Wages and Benefits(2) (3)	$1,977,000
General and administrative expenses (1)	$645,000
Unallocated working capital to fund ongoing operations(4)	**$1,174,400**
TOTAL USES	**$6,679,400**

Note:

(1) Based on the Resulting Issuer's budget to expand sales and marketing of the product into North America.

(2) Based on a conversion rate of CDN$1.20 = US$1.00.

(3) Certain parties have made oral and written demands for a finder's fee in connection with their assertion of having introduced certain of the parties associated with the Amalgamation. While Teslin, Accel and Siyata do not acknowledge the veracity of these claims, it is anticipated that if proven, the exposure that the Resulting Issuer would have towards these claims would not exceed $100,000, (whether in cash or securities based on the Siyata Private Placement price), including legal costs based on certain indemnification agreements that have been entered into with third parties.

Based on current projections, the Resulting Issuer's working capital available for funding ongoing operations is expected to meet its expenses for a minimum period of 18 months commencing immediately after the completion of the Transactions. We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

ITEM 2: BUSINESS OF SIYATA

Structure and Transactions

Siyata is a private company incorporated under the name "Siyata Mobile Inc." on May 15, 2015, pursuant to the provisions of the BCBCA and was incorporated solely for the purposes of completing the Amalgamation as further described below

The registered and records office of Siyata is located at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

Siyata is a private company and no public market exists for the Siyata Shares.

Siyata does not have any subsidiary as of the date of this Offering Memorandum. However, it is anticipated that Siyata will incorporate a local subsidiary in Israel on or before closing of the Amalgamation.

Effective April 23, 2015, Teslin, Subco, Accel and Truckfone Inc. entered into the Amalgamation Agreement, which was amended effective May 29, 2015 to include Siyata. Pursuant to the Amalgamation, Teslin will effectively acquire all of the issued and outstanding shares of Siyata, in exchange for the issuance of 33,333,333 Resulting Issuer Shares to Accel, subject to adjustment in accordance with the terms of the Amalgamation Agreement in addition to the issuance of the Resulting Issuer Financing Securities. Upon completion of the Amalgamation, Amalco will be a wholly-owned subsidiary of the Resulting Issuer which will be engaged in the existing business of Siyata.

Completion of the Amalgamation is subject to a number of conditions, including the requisite shareholder approval of Teslin, Subco and Siyata, the exercise of the Teslin Warrants, the cancellation of the Teslin Options, the Exchange granting approval of the Amalgamation as a reverse takeover of Teslin, completion of the Consolidation, and completion of the Siyata Private Placement for gross proceeds of not less than $4,000,000.

Immediately prior to completing the Amalgamation, Siyata will complete the Asset Acquisition from Accel in accordance with the terms of the Asset Purchase Agreement. The Asset Acquisition will result in Siyata owning the assets and business operations of Accel's Siyata Mobile Group. Siyata Mobile Group develops a vehicle mounted, cellular based communications platform and connected vehicle mobile devices and related accessories aimed at commercial fleets.

Siyata's Business

The description of the business and financial position of Siyata assumes the prior completion of the Asset Acquisition whereby Siyata will acquire Siyata Mobile Group.

Established in Israel in 2004, Accel specializes in importing and distributing innovative cellular and IP devices to fixed line providers, Internet Service Providers ("ISPs") and mobile operators. In 2011, Accel recognized a void in the marketplace for vehicle mounted solutions and created the Siyata Mobile Group to address the mobile needs of the professional vehicle market. Siyata Mobile Group's initial test market was in Israel and was then expanded globally to Europe and Australia with repeat sales to multiple customers. The next phase of growth is to penetrate the North American market with initial entry into Canada. It is a condition of the Amalgamation that Siyata complete the Asset Acquisition whereby the assets, business contracts, associated employees, and associated liabilities of the Siyata Mobile Group be spun off into Siyata pursuant to the Asset Purchase Agreement. Furthermore, in connection therewith, Accel and Siyata will enter into the Accel Services Agreement. Under the Accel Services Agreement, Accel will provide certain services to Siyata including the provision of office space in Israel, as well as administrative, finance, bookkeeping, logistics and insurance.

Siyata Mobile Group, which Siyata will be assuming pursuant to the Asset Purchase Agreement, has been financed through a combination of revenues and a series of equity and debt financings including advances from its parent company, Accel.

Narrative Description of the Business

General

The following disclosure assumes the prior completion of the Asset Acquisition by Siyata. Siyata is in the business of developing and marketing connected vehicle mobile devices and various accessories aimed primarily at commercial fleets. Siyata has approximately seven (7) full-time employees and two (2) consultants.

Siyata is a global developer of a vehicle mounted, cellular based communications platform over advanced mobile networks. Siyata's products are specifically designed for professional vehicles such as trucks, vans, busses, ambulances and more. Siyata's innovative platform is designed to facilitate replacement of the current in-vehicle multi device status quo with a single device that will incorporate voice, data and fleet management solutions.

Siyata seeks to take advantage of three main trends that are disrupting the current market landscape for communication with fleet vehicles: 1) cellular operators shutting down aging networks to save costs; 2) as a result of the aging networks Second Generation ("2G") vehicle-mounted cellular devices need to be replaced; and 3) the incomplete solution currently in the market from land mobile radio ("LMR") systems.

Replacement of 2G networks – in 2012 Motorola Mobility and Google decided to exit the Integrated Digital Enhanced Network ("iDEN") handset market and since 2013 the two major North American iDEN network players, Sprint (US) and Telus (Canada) have announced the shut-down of their networks and replaced the push-to-talk ("PTT") functionality with software based solutions from third party developers. Siyata is developing solutions jointly with some of the leading mobile software based PTT players that will enable it to provide an integrated solution including PTT functionality over advanced cellular networks.

Discontinuation of legacy devices – the once dominant vehicle mounted device developer Motorola was acquired by Google and subsequently ceased all production of non-android based devices. Siyata stepped into the void and is now a developer of vehicle-mounted devices for advanced cellular networks.

LMR and Bluetooth:

LMR is generally a voice only solution that lacks a key data component required by fleet managers. In addition, the overall costs are prohibitive.

Bluetooth is good for industries that embrace the move towards ‘bring-your-own-device’ (“BYOD”). For fleet management, where constant communication with vehicle, as opposed to the driver, is critical, BYOD does not provide a complete solution. First and foremost, it is not safe and is not appropriate for the professional vehicle environment. Siyata is able to provide high quality, clear voice communications to multiple vehicles via innovative PTT software over advanced cellular networks and with specific drivers over a single network connection.

Currently, a substantial number of vehicles are equipped with at least three communication devices that include but are not limited to: 1) a land mobile radio (LMR) that facilitates wide net vehicle specific communication; 2) an untethered mobile device (BYOD or corporate) to allow direct communication with the driver; and 3) a vehicle management device (black-box connected to the Controller Area Network “CANbus”) that feeds technical information to the fleet manager. Each of these devices requires its own network connection that therefore increases the costs to the fleet managers both in terms of equipment and communication. Siyata’s platform and devices can integrate and combine all the necessary functionality on a single device and via a single communication link helping to reduce costs, simplify management and provide a safer work environment for the driver.

Fleet managers and network operators are both looking for solutions that will lower costs, reduce maintenance expenses, simplify device inventory and be able to seamlessly connect over long distance regardless of terrain, temperature or location. Siyata’s platform answers each of these concerns and is already providing a solution as the developer of the only vehicle mounted smartphone available on the market to date. Future developments will see Siyata’s products continue to take advantage of Siyata’s first mover market advantage as its global footprint expands.

Industry Overview

According to statistics gathered from various government sources there are over 16 million professional vehicles in North America. These numbers include businesses, utilities, government agencies, taxis, ambulances and school buses. Accel estimates that most of these vehicles are equipped with at least one or two aging and limiting communication devices such as two-way radios based on LMR systems and car phones that operate on 2G cellular networks. In addition, increasing road safety regulations are being implemented that specifically targets the use of cellular phones while driving and many countries prohibit the use of hand-held mobile devices. Notwithstanding these regulations, professional drivers spend many hours in their vehicles daily and demand user friendly and advanced mobile solutions that promote safety and increase efficiency for professional vehicles.

Through 2011, Motorola dominated the fixed car-phone market with its M710 and M800 devices; however, these activities ceased when Motorola was acquired by Google. Subsequently, Sprint US and Telus Canada announced the disabling of their Motorola iDEN (2G) and PTT networks that added another layer of pressure on fleet operators to upgrade their existing communications devices. These two issues created a vacuum in this underserved market and an opportunity for other manufacturers and providers to enter. Furthermore, professional vehicle manufacturers are often slow to adopt and integrate new cellular hardware and software technologies and often leave their vehicles with antiquated devices that are sub optimal for the professional vehicle environment. Many of today’s drivers use LMR two-way radio and Bluetooth (based on BYOD) solutions for their voice calls that have limited capabilities.

Market Opportunity

Wireless technology and smart devices have rapidly evolved in the consumer market. However, cellular devices for the professional vehicle market have remained stagnant and the market is seeking replacements and upgrades. In North America and in multiple parts of Latin America, iDen PTT networks are no longer operating or are in the process of closing down and 2G networks are continuing to become less readily available. Despite these changes, there continues to be strong demand for PTT services from the millions of corporate customers that consumed this technology for the last 20+ years. To address this need, North American and Latin American cellular providers have launched mobile software based PTT services over their 3G/4G networks that allow corporate customers the option of continuing to use a familiar system.

Siyata has worked with a number of leading mobile-based PTT software providers, such as Mobile Tornado and Kodiak Systems. These partnerships should allow Siyata to be a first to market leader in this large scale emerging technology opportunity. Several operators have successfully launched mobile PTT services on their networks including Telus, Bell, AT&T, Verizon and Telefonica and this is a dynamic, and fast growing market. Siyata believes that it offers a superior innovative vehicle tethered solution that is actively being sought by mobile operators, fleet management systems and professional drivers.

Mobile Operators. The majority of vehicle mounted cellular devices operate on one of two types of networks. The first are 2G networks using iDEN, Global System for Mobile communications (**"GSM"**) or Code Division Multiple Access (**"CDMA"**) frequencies that are becoming obsolete. The second are over LMR two-way radio systems that are costly for operators. In fact, the two main iDEN operators in North America, Telus and Sprint, have shut down or are in the process of shutting down their iDEN networks. Not only were the costs becoming prohibitive around the network but, because the number of available handsets is also shrinking, the costs of maintenance of devices for both the operator and the end user are becoming prohibitive. Operators are actively seeking a solution for professional vehicles that will operate on their standard 3G/4G networks and provide features equal and superior to the outdated 2G systems to keep their corporate customers satisfied.

Siyata's mobile platform also provides mobile operators with two tangible short term advantages: 1) the ability to sell an additional SIM card which helps increase subscriber growth and provides an additional recurring revenue stream; and 2) installed devices create customer loyalty and stickiness. Siyata's vehicle mounted devices require installation and thereby creates customer "stickiness" and loyalty. Siyata's products address operator's needs by currently operating on 3G networks with upgraded devices planned for 4G networks, providing data and voice, as well as crystal clear echo free sound.

Siyata believes that it has the ultimate replacement for this with its Voyager device based on Siyata's innovative cellular platform which, coupled with PTT software, Siyata believes, is the only device currently on the market that has all the features of a 2-way radio device (connected to the vehicle battery, loud sound quality, Push-to-Talk via third party software and more). Siyata therefore believes that it is poised to become a major player in this large scale market.

Fleet Management Systems ("FMS"). Fleet management systems rely on mobile devices to communicate and locate their professional drivers and vehicles. Siyata's vehicle mounted devices provide communication to and from a specific vehicle as opposed to the device of a specific driver. This direct communication with the vehicle is crucial because it provides the fleet manager with the ability to identify information about the vehicle regardless of who the driver is. Today, each vehicle can have multiple drivers making it difficult for fleet managers to locate the vehicle and the driver. Rather than needing to contact multiple drivers, vehicle mounted cellular devices allow FMS to locate and communicate with the vehicle and whoever the particular driver is at any given time. Vehicle-mounted devices provide the additional benefit of avoiding lost and broken phones or dead batteries that can arise in a BYOD world.

Professional Driver. Presently, drivers utilize two devices: the vehicles' mobile equipment and their own personal device (BYOD). This current two-device solution is costly, inefficient and can be dangerous to drivers. Drivers are seeking easy to use technology that can be used while driving safely with crystal clear echo free sound. While Bluetooth may provide an interim solution, it is not robust enough to handle all of the needs of the driver in their communication with dispatch and is not an appropriate solution for the professional vehicle environment. Siyata believes that its devices provide better communication tools while reducing personal costs to the driver and to the fleet.

Siyata believes that its platform meets the needs of network operators, fleet management systems and professional drivers. With the installation of Siyata's products, professional vehicles are able to effectively and efficiently serve their customers and allow drivers and fleet managers to safely deliver their goods in a timely and efficient manner increasing fleet profitability and customer satisfaction. Mobile operators are now able to provide next generation devices for the hundreds of thousands of Motorola devices currently installed globally and an innovative upgrade to in-vehicle LMR and iDen systems.

Competitive Strengths

Siyata is a market leader in the vehicle mounted cellular device industry and has strong expertise in hardware and software development. To date, Siyata has sold over 100,000 units via cellular providers, distributors and directly to corporate fleets. In addition, Siyata is partnering with other leading vehicle technology companies for integrated offerings.

Siyata's strong product development team, vendor network and business model should result in strong sales, healthy margins and a promising outlook due to significant barriers to entry. Siyata's team has established solid working relationships with numerous mobile operators and professional vehicle technology distributors in multiple markets.

Principal Products and Services

Siyata currently has two vehicle specific mobile devices that meet the needs of professional drivers, network providers and fleet management systems. Siyata is constantly developing its pipe-line of future devices to further build out its existing product suite.

Truckfone CP100. Launched in 2011, Truckfone CP100 is a vehicle mounted cellular feature phone that utilizes the Binary Runtime Environment for Wireless ("Brew™") operating system and operates on 3G networks. Truckfone CP100 provides crystal clear, echo free sound and large numbers for ease of use.

Voyager CP200. Launched in late 2013, Voyager CP200 is the first 3G vehicle mounted smartphone. Voyager CP200 utilizes the Android operating system allowing multiple third party corporate vehicle applications. Like its predecessor, Voyager CP200 provides crystal clear, echo free sound and an easy to use physical keypad as well as a capacitive touch screen.

These devices have obtained approvals from the leading telecom approval agencies including, Federal Communications Commission (**"FCC"**), CE (mandatory conformity marking for certain products sold within the European Economic Area), Industry Canada, e-Mark (from the Economic Commission for Europe), that allow the devices to be sold in both the European and North American markets. In addition, Siyata has obtained PCS Type Certification Review Board (**"PTCRB"**), for Voyager CP200. Pursuant to a settlement agreement between Accel and Plantronics Inc., relating to the use of the name 'Voyager', Accel has agreed to change the name of its Voyager product once its existing inventory of 15,000 units have been sold and, in any event, no later than April 30, 2016.

Key Technology Strengths

Siyata has substantial expertise in developing cellular connected vehicle devices for global customers that is an effective barrier to entry into this market.

Hardware Strengths

- Glass mounted Global Positioning Satellite ("GPS") and Cellular antennas that are used to overcome signal quality in a driving environment.
- Audio Digital Signal Processing ("DSP") chip used together with an extended microphone which is mounted on (or near) the driver sun visor for achieving high quality voice, noise reduction (driving noise) and echo cancellation.
- Flexible input voltage is supported for stable device operation that will not be affected by extreme voltage drops (i.e. when starting cars or trucks with high current drains).
- Single on board solution with one chip that enables perfect integration between Radio Frequency ("RF") and baseband with a cost effective Bill of Materials ("BOM"), as opposed to a solution using stand alone baseband together with an external module which has complex integration problems and higher BOM costs.
- Designed to withstand and operate in extreme temperatures featured in a vehicle environment.

Software Strengths

- Android kernel based on the Android Software Development Kit ("SDK") designed to meet mobile carriers requirements.
- Unique vehicle launcher and smart dialer.
- Supports both hard and soft keys' input methods.
- Firmware Over The Air ("FOTA") to enable Android Application Package ("APK") installation or firmware updates.
- Unique 'stand by' mode to enable fast power-on.
- Optional integration with external components (PTT buttons, additional handsets, On-board Diagnostics - "OBD", etc.).
- Third party software integration and support (Kodiak Networks, Pointer, Fleet Complete etc.).

Future developments

Siyata's next generation devices will continue to utilize the existing vehicle mounted, cellular based communications platform and eco system. Siyata's cellular based connected devices will have quality sound, Android operating systems and enhanced data capabilities. The devices will have additional form factors such as a larger display, connectivity to the vehicle computer and 4G Long-Term Evolution ("LTE") cellular speeds. Siyata anticipates that future devices will include an all in one device based on LTE technology that can connect to the CANbus and replace the fleet management's "black box", which utilizes an additional SIM card and can only provide data regarding the truck.

Siyata's mobile devices (Truckfone and Voyager) have been developed by Accel's in house technical team, working in partnership with the Company's manufacturing and software partners. The hardware devices are manufactured for Siyata by TCT (Alcatel Mobile) in China, and incorporate chipsets manufactured by Qualcomm. The device components are standard and the chipsets are patent protected by Qualcomm which covers the cellular and radio IP. Accel's technical team has incorporated various software applications into the devices through software licensing agreements between Siyata and its software partners (including Kodiak Technology, Mobileye Technologies, Cyberon Corporation and SlideME LLC).

Business Strategy

Siyata intends to be the global leading developer and distributor of cellular based mounted and integrated devices for professional vehicles. Siyata's experienced research and development team will enable organic growth through sales of current devices as well as through the development of next generation devices. In addition, Siyata sells multiple accessories for its devices as well as extended warranty packages for additional recurring revenue. Siyata is also in the process of setting up leasing packages for its devices.

Siyata anticipates inorganic growth through acquisitions in the telecom hardware and software space. It is intended that Siyata will leverage its relationships with multiple network operators in various markets and integrate synergetic third party technologies and cellular products into its offerings.

Siyata has a unique technology platform targeted to a large-scale market and once a loyal customer fleet base is established in North America, Siyata will partner with third party professional vehicle software companies to wirelessly integrate new software application packages into Siyata's devices establishing a revenue share program to create recurring revenue from software licenses.

Markets

Siyata is expanding internationally and has distribution agreements in place with dealers and operators in the United Kingdom, Australia, Sweden and South Africa. Siyata is further targeting international markets that understand and are familiar with the advantages of vehicle mounted cellular systems and specifically in North America where Motorola had previously aggressively marketed their systems.

With an addressable market in Canada of approximately 1 million professional vehicles, there is a substantial market opportunity given the minimal competition and the underserved nature of the market catering to this niche end user. Furthermore, the US and Latin America markets have in excess of 20 million trucks and professional vehicles and Siyata plans to launch its products in these markets in 2016.

Distribution

Siyata currently sells and intends to sell their devices in the following markets:

1. North America: Siyata will utilize a direct sales force to penetrate the North American market. Siyata will target cellular providers for business customers and mobile technology integrators. In addition, Siyata will work in partnership with fleet management companies to provide effective fleet management cellular based solutions. Siyata estimates that there are approximately 50,000 Motorola 2G truck phone devices in Canada and approximately 400,000 in the USA that will need to be replaced in the coming years.

2. International Markets: Siyata is targeting international markets that understand the advantages of vehicle mounted cellular devices and where Motorola previously marketed their devices. The majority of the installed base include 2G, GSM/CDMA/iDen cellular devices that need to be replaced as cellular providers migrate to 3G and 4G LTE networks. Siyata is building a dedicated sales force to service mobile operators and vehicle technology distributers and installers with strong relationships and leading market share across the transportation and fleet management markets. Internationally, Siyata has entered distribution agreements with the following distributors and dealers and continues to build a sales network in its target markets:

    (a) United Kingdom: The Chameleon Group

        i. Established in 1989 with the creation of Nationwide Cellular Fit ("NCF"), which is the largest hands-free car kit installation company in Europe, Chameleon services more than 100,000 customers per annum.

    (b) Australia: Ballistic Mobile Pty Ltd.

ii. Has specialized in mobile technologies for the vehicle industry in Australia for more than 20 years.

(c) Sweden and the Nordics: Malux Group

iii. Founded in 1972, Malux imports and exports products in the communications industry.

(d) South Africa: Instacom Instant Communication Solutions

iv. Telecommunications company that specializes in PTT telecommunications solutions.

3. Israel Market: There are currently approximately 400,000 connected car devices installed in Israel with the majority of them based on 2G cellular technology. With all the cellular operators using 3G networks and migrating towards 4G LTE, there will be a substantial replacement market for such devices in the coming years. Siyata is the sole supplier of these types of devices to all four cellular operators in Israel as well as to Motorola Israel and multiple vehicle equipment installers and therefore expects to benefit from this opportunity.

Strategic Partnerships

Siyata has partnered with leading FMS companies that can be integrated into Siyata's devices including Fleet Complete, Fleet Freedom, Pointer and others.

Siyata believes the PTT technology will continue to be a sought after option, and is working closely with US based software company Kodiak and UK based Mobile Tornado to develop a cellular based PTT solution that will seamlessly integrate with the Voyager and future Siyata devices. This will offer a two-way radio type communication over the 3/4G networks and help facilitate the operators consolidation of networks and lower operating expenses.

Sourcing & Production

Siyata manufactures its devices and accessories in China with partner TCL Corporation, one of the largest mobile phone manufacturers. Strict quality controls have been implemented to ensure the highest standard product and there is no barrier for a large scale growth ramp up.

Competition

Siyata's competitors include LMRs, iDEN, Bluetooth, Fixed Truck Phones and Car Tablets.

The market is divided into integrated devices that are installed by the OEM vehicle manufacturers vs. non-integrated and aftermarket solutions. The non-integrated segment has two main sectors - BYOD which are based on the drivers' personal handset vs. Module Based Devices installed in the vehicle.

Siyata aims to provide a single solution that will combine the capabilities of each of the four existing, or recently made redundant, communication platforms: 1) LMR that include traditionally installed two-way radio devices; 2) iDEN based push talk devices that operate over 2G cellular networks; 3) Bluetooth devices that are compatible with a drivers' personal device; and 4) older 2G feature phones that are at end-of-life and require replacement.

Land Mobile Devices (LMR)

LMR is the traditional radio frequency based two-way communication tool used in most vehicles that are connected to a dispatch system such as emergency first-responders, taxis, buses and delivery vehicles. Siyata has a number of distinct advantages over LMR. Among them are: 1) ability to communicate directly with a single driver or to set dedicated group calls, 2) ability to add additional functionality to the device through downloadable apps, and 3) ability to allow the cellular operators to provide a similar user experience to LMR over their cellular networks.

Leading LMR manufacturers include ICOM Incorporated, Kenwood Electronics, Motorola Solutions and others.

<u>Advantages:</u>

LMR provides excellent voice coverage.

<u>Disadvantages:</u>

LMR is broadcasted and does not typically allow for dedicated driver or specific group conversations. Typically does not transmit data and fleet managers cannot provide fleet management. Need additional navigation device as well as a BYOD device plus Bluetooth.

iDEN

iDEN is a mobile telecom technology that was developed by Motorola and launched in 1991. Its main purpose was to cross the boundary and provide users with two-way radio capability over cellular networks. iDEN was developed using Time Division Multiple Access ("TDMA") networks. Both of these technologies were predominantly used in 2G cellular networks and today are essentially obsolete in Europe, Asia and North America.

Siyata develops and sells advanced 3G devices that are able to replace aging 2G iDEN devices that operate on the increasingly obsolete network.

<u>Advantages:</u>

iDEN allows for push to talk in small groups and the transmission of data.

<u>Disadvantages:</u>

iDEN is becoming obsolete and no longer has nationwide networks in North or South America or Europe. Need additional navigation device as well as a BYOD device plus Bluetooth.

Bluetooth

Bluetooth simply enables the proliferation of the BYOD phenomenon by providing an individual driver a seamless way of connecting their own handheld device with the vehicle's built in speaker and microphone system.

Siyata solutions provide a clear advantage over Bluetooth in that they make communication with a given vehicle simple. Because the Siyata device is installed directly in the vehicle, it is driver agnostic, which simplifies the needs of fleet managers making Siyata's device the vehicle identity and allowing for contact with the vehicle, not the driver.

Leading Manufacturers include Jabra, Bury Technologies (**"Bury"**) and Parrot SA.

<u>Advantages:</u>

This is a solution for truck drivers and fleet managers that would like drivers to bring their own devices.

<u>Disadvantages:</u>

The phone belongs to the driver and fleet managers must know the contact details of each driver at every specific time. This does not allow for easy vehicle identification and seamless contact with the driver and truck. Also cannot implement PTT, Fleet Management or other SW packages on a personal device to be used in a professional vehicle environment. Need additional navigation device. Safety issues.

Fixed Truck Phones

Fixed Truck Phones are connected to the vehicle. This is a market that Motorola had previously dominated but post acquisition of Motorola Mobility by Google, the product has been discontinued. Siyata's products, the Truckfone CP100 and the Voyager CP200 offer similar functionality to Motorola's devices except Siyata phones are readily available and use advanced 3G networks.

Leading manufacturers include Telit Communications LLC (**"Telit"**), Pei Tel Communications GmbH and Bury.

<u>Advantage:</u>

Tailored for the professional vehicle environment and provides truck identification.

<u>Disadvantage:</u>

Only Telit has devices appropriate for North America bands. No smartphone and data capabilities. Need additional navigation device.

Professional Vehicle Rugged Tablets

Professional Vehicle Rugged Tablets provide a solution that has some of the more modern features available. The operating systems are flexible and a number of software based apps can run on the device. The high costs of rugged tablets and the inability for voice communication make this a less than optimal solution.

Leading manufacturers include Intermec Inc., Trimble and Zebra Technologies.

<u>Advantages:</u>

Large screen and flexibility. Data capabilities for SIM based devices.

<u>Disadvantages:</u>

Lacks a voice solution and is expensive.

Milestones for Business Plan

To accomplish its stated business objectives, it is believed that the following will need to occur:

- Commencing initially in Canada, successfully penetrate the North American market for vehicle mounted cellular based devices for corporate customers and commercial fleets with its existing products (Truckfone CP100 and Voyager CP200).
- Secure distribution agreements with major network operators in North America, and continually strengthen its vendor network.
- Through ongoing research and development, ensure that its products are leading edge and offer competitive feature sets.
- Establish partnerships with additional third party professional vehicle software companies to integrate new software application packages into its devices in order to establish new revenue streams.

- Ensure adaptability of its products to new cellular networks (i.e. 4G LTE) as they are brought to market.
- Continue to grow sales, sales support, marketing, and product development organizations.

The foregoing list is not exhaustive of the steps that the Resulting Issuer needs to take to be successful going forward and achievement of the foregoing milestones shall not guarantee success. Please see “Item 8 – Risk Factors.”

Long Term Objectives

Siyata’s long term objective is to become the global leader in the development and distribution of cellular based mounted and integrated devices for professional vehicles. Siyata will focus its resources in building the North American market both with its current product portfolio as well as with its next generation 4G LTE devices and accessories. In order for this to happen Siyata will work to enter successfully into the Canadian market from Q4 2015 and build on this momentum to enter additional North American cellular providers in 2016-17. In addition Siyata will strengthen its mobile platform with an LTE device and technology partnerships with multiple fleet related software companies in order to become the platform of choice for the mass market fleet industry.

Short Term Objectives

Siyata’s objectives over the next twelve months are as follows:

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
launch voyager at additional cellular provider	Q3 2015	$20,000
launch at Canadian cellular provider • Launch at additional Canadian provider • Product development of LTE devices	Q4 2015 Q1 2016 Q3 2016	$80,000 $100,000 $1,500,000

Material Contracts

Other than contracts entered into the ordinary course of business, the following are the only contracts material to Siyata that have been entered into since its incorporation:

(a) the Amalgamation Agreement;

(b) the Accel Services Agreement; and

(c) the Asset Purchase Agreement.

Copies of all material contracts may be inspected at the offices of Siyata, located at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, during normal business hours until the Closing and for a period of 30 days thereafter.

ITEM 3: INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

As at the date hereof Gil Gurfinkel is the sole director of Siyata. Following the completion of the Transactions, it is anticipated that the individuals set forth below will have the following positions with the Resulting Issuer:

Name, Address, Occupation and Security Holdings

Name and Location of Residence	Anticipated Position or Office with the Resulting Issuer[(1)]	Principal Occupation During Past 5 Years	Compensation paid by Siyata in the most recently completed financial year and the cash compensation anticipated to be paid in the current financial year[(6)]	Number and Percentage of Resulting Issuer Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly[(4)]
Marc Seelenfreund Raanana, Israel	Director and CEO	Founder of Siyata Mobile Group and Accel;	$Nil/270,000	Nil
Stephen Ospalak[(2)] Toronto, Ontario	Director	VP Products and Services at Telus; Managing Director of Breen Management Corp.	Nil/US10,000	Nil
Gil Gurfinkel[(2)] Tel Aviv, Israel	Chairman and Director	VP at Shamrock Israel Growth Fund; board member of Israeli and international companies	Nil/US90,000	Nil
Michael Kron[(2)] Montreal, Quebec	Director	Chairman and CFO of Anywhere Commerce Inc.; board member of several public companies;	$Nil/10,000	Nil
Brian Budd Surrey, BC	Director	Officer and director of several public companies	$Nil/10,000	Nil
Robert Chisholm Surrey, BC	CFO and Corporate Secretary	CFO at Emprise Capital Corp. and PNI Digital Media	$Nil/Nil[(7)]	Nil
Gidi Bracha Tzur-Itzhak, Israel	VP Technology	VP Technology of Siyata Mobile	$Nil/ 92,400	Nil

Name and Location of Residence	Anticipated Position or Office with the Resulting Issuer(1)	Principal Occupation During Past 5 Years	Compensation paid by Siyata in the most recently completed financial year and the cash compensation anticipated to be paid in the current financial year(6)	Number and Percentage of Resulting Issuer Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly(4)
		Group since 2011; technician in the Anti-Aircraft division of the air force in the IDF		
Accel Telecom Ltd. (5)	10% shareholder	n/a	n/a	33,333,433 (56.8%)

Notes:

(1) The term of office of each director of the Resulting Issuer will expire at the next annual general meeting of the shareholders of the Resulting Issuer.

(2) Proposed member of the Resulting Issuer's audit committee.

(3) Percentages shown are based on 58,674,427 Resulting Issuer Shares issued and outstanding immediately following the Closing.

(4) Certain of these individuals may participate in the Siyata Private Placement.

(5) Mr. Seelenfreund also owns 4.5% of Accel and Shamrock owns 58% of Accel.

(6) The directors and officers of the Resulting Issuer may also be granted cash bonuses, stock options and other perquisites as part of their total compensation package.

(7) The Resulting Issuer will have a management services agreement with Emprise Capital Corporation ("Emprise"), pursuant to which Emprise will provide management, accounting and administrative services to the Resulting Issuer for a fee of $7,000 per month plus the reimbursement of expenses. Mr. Chisholm is the CFO of Emprise.

Management

On closing of the Amalgamation, the management team of the Resulting Issuer is expected to be comprised of Marc Seelenfreund as CEO, Robert Chisholm as CFO and Corporate Secretary, Gidi Bracha as VP Technology. It is anticipated that the Board of Directors of the Resulting Issuer will consist of Marc Seelenfreund, Stephen Ospalak, Gil Gurfinkel, Michael Kron and Brian Budd.

In addition to the information set out in the table above, following is some information about the proposed members of the board and management of the Resulting Issuer:

Marc Seelenfreund (age: 45, Director and CEO)

Mr. Seelenfreund is a founder of Siyata Mobile Group and Accel. Mr. Seelenfreund has a law degree from Bar Ilan University, is a board member at Ono University, Israel's leading private university and has served as an Officer at the Israel Defence Forces ("IDF").

In his capacity as a director, Mr. Seelenfreund will devote 100% of his time to the business and affairs of the Resulting Issuer.

Stephen Ospalak (age: 47, Director)

Mr. Ospalak is former Vice President of Products and Services at Telus from September 1999 to November 2008. Mr. Ospalak was responsible for managing annual spending of over $US 1 billion in wireless and wire line equipment and was selected by Telus to integrate the wireless and wire line operation of Telus Mobility and their acquisition of Clearnet. Mr. Ospalak led the planning and execution of Clearnet's markets debut and nationwide launch of PCS and iDEN services, establishing Clearnet as the leader in wireless service & technology innovation and setting the North American PCS launch record. Mr. Ospalak has been the Managing Director of Breen Management Corp. from January 2009 to present.

In his capacity as a director, Mr. Ospalak will devote approximately 10% of his time and such additional time to the business and affairs of the Resulting Issuer as may be necessary to discharge his duties.

Gil Gurfinkel (age: 35, Director)

Mr. Gurfinkel has been a Vice President at Shamrock Israel Growth Fund since January 2009 and has a background in business strategy, consulting and industrial engineering. Mr. Gurfinkel is a board member on a number of Israeli and International companies. Mr. Gurfinkel holds a B.Sc in Industrial and Management Engineering from Technion, the Israel Institute of Technology and a MBA from the Recanati Business School at Tel Aviv University.

In his capacity as a director, Mr. Gurfinkel will devote approximately 20% of his time and such additional time to the business and affairs of the Resulting Issuer as may be necessary to discharge his duties.

Michael Kron (age: 52, Director)

Mr. Kron is current Chairman and CFO of Anywhere Commerce Inc. and has held these positions since June 2008. Mr. Kron is responsible for guiding the vision of the company, managing the Board Of Directors, corporate finance activities, financial reporting and overseas supplier relations. Mr. Kron has served as a director of a number of public company boards and is a current director and Audit Committee Chairman of Sprylogics Inc. (TSXV:SPY). He has been a member of the Canadian Institute of Chartered Accounts since 1987 and has B.Com from Concordia University.

In his capacity as a director, Mr. Kron will devote approximately 10% of his time and such additional time to the business and affairs of the Resulting Issuer as may be necessary to discharge his duties.

Brian Budd (age: 47, Director)

Mr. Budd has an extensive management and corporate development background with over 25 years of entrepreneurial and sales leadership experience in the high tech and resource industries. Mr. Budd served as an area director of sales for a multi-billion dollar software company selling into the Fortune 500 group of companies. He has extensive experience in penetrating new markets, hiring and developing sales teams, implementing sales techniques and strategies. Mr. Budd currently leads North Country Gold Corp. as President and Director since being appointed in 2014. He previously served as VP of Corporate Development when he joined the company in 2009. In addition to his role in corporate development, Mr. Budd served as Corporate Secretary for the company and has played an integral role in North Country Gold's financing of $50 million.

In his capacity as a director, Mr. Budd will devote approximately 10% of his time and such additional time to the business and affairs of the Resulting Issuer as may be necessary to discharge his duties.

Robert Chisholm (age: 53, Chief Financial Officer)

Mr. Chisholm has been the Chief Financial Officer and a partner at Emprise Capital Corp. since July 2008, a private merchant bank based in Vancouver, BC. Prior to Emprise Capital Corp., Mr. Chisholm was the Chief Financial Officer for PNI Digital Media from September 2001 until March 2009, a publicly listed company (recently acquired by Staples) providing technology and utilizing telecommunications infrastructure to bridge consumer ordered content (Music, Photos, Games, Video, Mobile Content) with retailers that have on demand manufacturing capabilities for the production of merchandise in real time. Mr. Chisholm was directly responsible for successfully negotiating agreements with large retailers in the United States, Europe and Canada. Mr. Chisholm holds a professional accounting designation in Canada and received his BBA with a major in accounting from Saint Francis Xavier University in Nova Scotia.

In his capacity as an officer, Mr. Chisholm will devote approximately 25% of his time and such additional time to the business and affairs of the Resulting Issuer as may be necessary to discharge his duties.

Gidi Bracha (age: 40, VP of Technology)

Mr. Bracha has served as Vice President of Technology of Siyata Mobile Group since 2011. Mr. Bracha spearheaded the development of both the Truckfone and the Voyager. Mr. Bracha served as an engineer technician in the Anti-Aircraft division of the air force in the IDF and holds a BA in Engineering and Business Management from Darby University.

In his capacity as VP of Technology, Mr. Bracha will devote approximately 100% of his time to the business and affairs of the Resulting Issuer.

None of the persons listed above have entered into non-competition or non-disclosure agreements with Teslin or proposes to enter into such an agreement with the Resulting Issuer except for those individuals who will serve as employees or consultants of the Resulting Issuer who will be asked to sign agreements containing nondisclosure and/or non-solicitation obligations as well as non-disclosure obligations.

It is anticipated that directors and officers of the Company will have the benefit of insurance coverage and indemnity agreements as is customary for persons involved with Canadian public companies.

Penalties, Sanctions and Bankruptcy

Except as disclosed below, no penalty or sanction has been in effect during the last 10 years, or any cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years against

(a) a director, executive officer or Control Person of Siyata, or

(b) an issuer of which a person referred to in (a) above was a director, executive officer or Control Person at the time.

There has been no declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, that has been in effect during the last 10 years with regard to any

(a) director, executive officer or Control Person of the issuer, or

(b) issuer of which a person referred to in (a) above was a director, executive officer or Control Person at that time.

Robert Chisholm, the proposed CFO and Corporate Secretary of the Resulting Issuer, is a former director of Ocion Water Sciences Group Ltd. (“Ocion”), A secured creditor appointed a receiver to Ocion on October 17, 2014. On November 6, 2014 the board of directors of Ocion determined that the interests of all stakeholders would be best protected by an assignment into bankruptcy. Robert Chisholm resigned as a director of Ocion on October 17, 2014.

ITEM 4: CAPITAL STRUCTURE

Consolidated Capitalization

The following table outlines the capitalization of Siyata prior to closing the Transactions.

Designation of Security	Amount Authorized	Amount outstanding as of the date of the Most Recent Balance	Amount Outstanding as at the date of this Offering Memorandum prior to giving effect to the Transactions	Amount Outstanding after Transactions(1)(2)
Common Shares	Unlimited	100	100	58,674,427(3)
Siyata Warrants	N/A	Nil	Nil	6,666,667
Agent's Compensation Warrants	N/A	Nil	Nil	1,133,333(4)
Agent's Corporate Finance Fee Warrants	N/A	Nil	Nil	200,000(5)

(1) Assumes no exercise of the Over-Allotment Option.
(2) Pursuant to the Amalgamation Agreement, all securities of Siyata will be exchanged on a one-to-one basis for securities of the Resulting Issuer. Following the completion of the Transactions, the Resulting Issuer will have 58,674,427 common shares issued and outstanding on an undiluted basis.
(3) Includes 400,000 common shares issued to the Agent as part of the Agent's corporate finance fee, which is equal to 3% of the gross proceeds of the Siyata Private Placement, payable in Siyata Units, 33,333,333 shares issued to Accel pursuant to the terms of the Amalgamation Agreement and the current issued and outstanding Teslin Shares..
(4) Based on Agent's Compensation Warrants being issued in relation to $3,400,000 of the $4,000,000 Siyata Private Placement. The Agent's Compensation Warrants are exercisable at a price of $0.30 per Siyata Share for a period of 24 months from the date of issue.
(5) Issued to the Agent as part of the Agent's corporate finance fee, which is equal to 3% of the gross proceeds of the Siyata Private Placement, payable in Siyata Units. These warrants are exercisable at a price of $0.60 per Siyata Share for a period of 24 months from the date of issue.

Long Term Debt

Description of long term debt	Interest rate	Repayment terms	Amount outstanding at June 15, 2015
N/A	N/A	N/A	N/A

Prior Sales

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
May 15, 2015	Common Shares	100	$1	$100

ITEM 5: SECURITIES OFFERED

Terms of Securities

Each Subscription Receipt will automatically convert, without any further action or additional consideration by the holder thereof, into one Siyata Unit upon the satisfaction of the Escrow Release Conditions prior to the Escrow Deadline. Each Siyata Unit consists of one Siyata Share and one half of one Siyata Warrant. If the Escrow Release Conditions are not satisfied within 60 days of the Closing, the gross proceeds of the Siyata Private Placement will be returned to investors.

Siyata and Teslin intend to complete the Siyata Acquisition, which will be a "reverse take-over" as defined in the Corporate Finance Manual of the Exchange. In connection with the Siyata Acquisition, Teslin will acquire all of the issued and outstanding securities of Siyata in exchange for securities of Teslin, after giving effect to a consolidation of the common shares of Teslin on the basis of a 2.2 for one ratio. The Siyata Shares will be exchanged for Resulting Issuer Shares and the Siyata Warrants will be exchanged for Resulting Issuer Warrants, on a (post-Consolidation) one for one basis. Each Resulting Issuer Warrant shall entitle the holder thereof to acquire one Resulting Issuer Share at a price of $0.60 until the date which is 24 months following the closing of the Amalgamation. For greater certainty, notwithstanding the number of Siyata Units to be issued upon the automatic conversion of the Subscription Receipts, each subscriber will receive one (1) Resulting Issuer Share and one half of one Resulting Issuer Warrant in respect of each Subscription Receipt purchased pursuant to the Siyata Private Placement.

Holders of Subscription Receipts have no right to vote in the manner of a shareholder of Siyata. Upon conversion of the Subscription Receipts subscribers will have the same voting rights as other shareholders in the Resulting Issuer.

Subscription Procedure

Subscription Receipts may only be purchased by subscribers who purchase the Subscription Receipts as principal, and on the condition that at the same time or before such subscriber signs a subscription agreement, Siyata delivers this offering memorandum to the subscriber, and Siyata obtains the applicable signed Risk Acknowledgement Form from the subscriber. For persons resident in the province of Ontario, the purchaser must qualify as an "accredited investor" as such term is defined in National Instrument 45-106 *Prospectus Exemptions*.

Subscription Documents

Purchasers who wish to purchase Subscription Receipts will be required to execute and deliver:

(a) a subscription agreement (the "Subscription Agreement") in the form provided by Siyata and the Agent. The Subscription Agreement contains, among other things, representations and warranties required to be made by the purchaser that it is duly authorized to purchase the Subscription Receipts;

(b) a Risk Acknowledgement Form, attached to the Subscription Agreement;

(c) if the purchaser is resident in Alberta and subscribes for more than $10,000 in Subscription Receipts, a form confirming their status an Eligible Investor, as described above, which form is attached to the Subscription Agreement;

(d) if the purchaser is not an individual, a TSX Venture Exchange 4C Corporate Placee Registration Form attached to the Subscription Agreement (unless such form has been previously filed and the information therein is still current and correct); and

(e) any other forms, declarations and documents as may be required by Siyata to complete the subscription.

The purchaser must pay the subscription price in respect of the Subscription Receipts subscribed for by way of a certified cheque or bank draft or payment of the same amount in such other manner as is acceptable to the Agent.

All subscription proceeds will be held in trust until midnight on the second business day after the day the purchaser signs the Subscription Agreement. In the event that such purchaser provides Siyata with a cancellation notice prior to midnight of the second business day after the signing date, or Siyata does not accept such purchaser's subscription, all subscription proceeds will be promptly returned to such purchaser without interest or deduction.

Closing of the Offering is conditional upon the concurrent completion of the Transactions as well as additional conditions set out in an agency agreement to be entered into among Siyata, Teslin, Accel and the Agent.

The proceeds of the Offering will be deposited into escrow pursuant to the terms of the Escrow Agreement. If the Escrow Release Conditions are not satisfied within 60 days of the Closing, the gross proceeds of the Siyata Private Placement will be returned to investors.

ITEM 6: INCOME TAXES AND RRSP ELIGIBILITY

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you. Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisors to obtain advice on the RRSP eligibility of these securities.

ITEM 7: COMPENSATION PAID TO SELLERS AND FINDERS

In connection with the Siyata Private Placement, Siyata has entered into an engagement letter with the Agent. The Agent will act as agent on a commercially reasonable efforts basis to raise aggregate proceeds of $4,000,000 through the sale by Siyata of 13,333,333 Subscription Receipts at a price of $0.30 per Subscription Receipt.

Upon satisfaction of the Escrow Release Conditions, Siyata will pay the Agent a cash commission equal to 7% of the aggregate proceeds of the Subscription Receipts sold to persons other than those on the president's list and to Shamrock Israel and its funds, and will issue Agent's Compensation Warrants to the Agent to acquire that number of Siyata Shares equal to 10% of the number of Subscription Receipts sold by the Agent in the Siyata Private Placement, with an exercise price of $0.30 per share. The Agent's Compensation Warrants will convert to Resulting Issuer Agent's Compensation Warrants pursuant to the Amalgamation. In exchange for acting as the exclusive financial advisor to Siyata, the Agent will receive a work fee of $25,000, and a corporate finance fee equal to 3% of the gross proceeds of the offering, payable in Siyata Units at a deemed price of $0.30 per Siyata Unit. The Siyata Units will convert to Resulting Issuer Shares and Resulting Issuer Warrants pursuant to the Amalgamation. Siyata has also agreed to grant the Agent the Over-Allotment Option.

ITEM 8: RISK FACTORS

There are a number of risk factors associated with Teslin, Siyata and the Transactions. These risks are summarized below and will also apply to the Resulting Issuer upon Closing. Upon completion of the Transactions, the current business of Siyata Mobile Group will be the business of the Resulting Issuer. Accordingly, risk factors relating to Siyata Mobile Group's current business will be risk factors relating to the Resulting Issuer's business and references to Siyata or Siyata Mobile Group in these risk factors should, where the context requires, be read to include the risks to the Resulting Issuer. An investment in the securities of the Resulting Issuer involves significant risks. Investors should carefully consider the risks described below and the other information contained in this Offering Memorandum before making an investment in the Resulting Issuer. Additional risks and uncertainties not presently known to Teslin and Siyata or that Teslin and Siyata currently consider immaterial may also impair the business and operations of the Resulting Issuer and cause the trading price of the Teslin Shares to decline. If any of the following or other risks occur, the Resulting Issuer's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that event, the trading price of the Teslin Shares could decline and you could lose all or part of your investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

For purposes of this Offering Memorandum all references to the business, operations, financial results, prospects or risks of Siyata, assumes the prior completion of the Asset Acquisition, pursuant to which Siyata will acquire Siyata Mobile Group.

Completion of the Amalgamation, Asset Acquisition and Exchange Approval

The completion of the Amalgamation is subject to several conditions precedent, including the Asset Acquisition. The Asset Acquisition is being completed with limited representations and warranties from Accel, on an "as is" basis. There can be no assurances that the Amalgamation will be completed on the terms set out in the Amalgamation Agreement, as negotiated, or at all. In the event that any of the conditions precedent are not satisfied or waived, the Amalgamation may not be completed. In addition, there is no guarantee that Teslin will be able to satisfy the requirements of the Exchange such that it will issue the Final Exchange Bulletin.

Ongoing Need for Financing

The Resulting Issuer will continue to make investments to support business growth and may require additional funds to respond to business challenges, including the need to develop any new products and services or enhance existing products and services, enhance operating infrastructure and acquire complementary businesses and technologies. Accordingly, the Resulting Issuer may need to engage in equity or debt financings to secure additional funds. If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, additional financing may not be available on favourable terms, if at all. If the Resulting Issuer is unable to obtain adequate financing or financing on terms satisfactory to them, when they require it, their ability to continue to support business growth and to respond to business challenges could be significantly limited.

Issuance of Debt

From time to time, the Resulting Issuer may enter into transactions to acquire the assets or shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Resulting Issuer's debt levels above industry standards. The level of the Resulting Issuer's indebtedness from time to time could impair its ability to obtain additional financing in the future, on a timely basis, to take advantage of business opportunities that may arise.

Siyata Mobile Group has a history of net losses, may incur net losses in the future and may not achieve or maintain profitability.

Siyata Mobile Group has incurred losses in recent periods, including a net loss of $109,000 in the period ending December 31, 2014, primarily as a result of investments that Siyata Mobile Group has made with respect to sales and marketing, wages and benefits and other operational expenses. The Resulting Issuer may not be able to achieve or maintain profitability and may continue to incur losses in the future. In addition, it is expected that the Resulting Issuer will continue to increase operating expenses as it continues to grow its business. If the Resulting Issuer's revenues do not increase to offset these expected increases in costs and operating expenses, the Resulting Issuer will not be profitable.

If the Resulting Issuer is unable to attract new customers or to sell additional products and services to its existing customers, the Resulting Issuer's revenue growth will be adversely affected.

To increase the Resulting Issuer's revenues, it must regularly add new customers, sell additional products and services to existing customers and encourage existing customers to increase their minimum commitment levels. If the Resulting Issuer's existing and prospective customers do not perceive the Resulting Issuer's products and services to be of sufficiently high value and quality, the Resulting Issuer may not be able to attract new customers or increase sales to existing customers and its operating results will be adversely affected.

The Resulting Issuer's quarterly results of operations may fluctuate in the future. As a result, the Resulting Issuer may fail to meet or exceed the expectations of securities analysts or investors, which could cause the Resulting Issuer's stock price to decline.

The Resulting Issuer's quarterly results of operations may fluctuate as a result of a variety of factors, many of which are outside of its control. If the Resulting Issuer's quarterly results of operations fall below the expectations of securities analysts or investors, the price of the Resulting Issuer Shares could decline substantially. Fluctuations in quarterly results of operations may be due to a number of factors, including, but not limited to, those listed below:

- the Resulting Issuer's ability to increase sales to existing customers and attract new customers;
- the addition or loss of large customers;
- the amount and timing of operating costs and capital expenditures related to the maintenance and expansion of the Resulting Issuer's business, operations and infrastructure;
- the timing and success of any new product and service introductions by the Resulting Issuer or its competitors;
- changes in the Resulting Issuer's pricing policies or those of competitors;
- service outages or security breaches;

- the extent to which any of the Resulting Issuer's significant customers terminate their service agreements;
- increasing competition;
- new advancement in technology;
- limitations of the capacity of the Resulting Issuer's network and systems;
- the timing of costs related to the development or acquisition of technologies, products and services or businesses;
- delays in manufacturing or in component purchases;
- possible key component end of life (EOL);
- general economic, industry and market conditions; and
- geopolitical events such as war, threat of war or terrorist actions.

The quarterly revenues and results of operations of the Resulting Issuer may vary significantly in the future and period-to-period comparisons of the Resulting Issuer's operating results may not be meaningful.

Regulatory Matters

The operations carried on by the Resulting Issuer will be subject to government legislation, policies and controls. The exercise of discretion by governmental authorities under existing regulations, the implementation of new regulations or the modification of existing regulations affecting the industry are beyond the control of the Resulting Issuer and could have a material adverse impact on the Resulting Issuer and its business.

Siyata interacts with consumers through its customers, so the Resulting Issuer may be held accountable for its customers' handling of the consumers' personal information.

On behalf of its customers, the Resulting Issuer will collect and use anonymous and personal information and information derived from the activities of consumers. This enables the Resulting Issuer to provide its customers with anonymous or personally identifiable information from and about such consumers. Government bodies and agencies have adopted or are considering adopting laws regarding the collection, use and disclosure of this information. The Resulting Issuer's compliance with privacy laws and regulations and its reputation among the public depend on its customers' adherence to privacy laws and regulations and their use of the Resulting Issuer's products and services in ways consistent with consumers' expectations. The Resulting Issuer will also rely on representations made to it by its customers that their own use of the Resulting Issuer's products and services and the information the Resulting Issuer provides to them via its products and services do not violate any applicable privacy laws, rules and regulations or their own privacy policies. If these representations are false or if the Resulting Issuer's customers do not otherwise comply with applicable privacy laws, the Resulting Issuer could face potential adverse publicity and possible legal or other regulatory action.

The Resulting Issuer will have competition.

The Resulting Issuer will compete in a rapidly evolving and highly competitive market. Some of the Resulting Issuer's potential competitors have longer operating histories, greater name recognition, access to larger customer bases and substantially greater resources, including sales and marketing, financial and other resources. As a result, these competitors may be able to:

- absorb costs associated with providing their products at a lower price;
- devote more resources to new customer acquisitions;
- respond to evolving market needs more quickly than the Resulting Issuer; and
- finance more research and development activities to develop better products and services.

In addition, larger cellular technology companies may enter the market, either by developing competing products and services or by acquiring existing competitors of the Resulting Issuer, and compete against the Resulting Issuer effectively as a result of their significant resources. In addition, many of these companies may have pre-existing relationships with the Resulting Issuer's current and potential customers. If the Resulting Issuer is not able to compete successfully against its current and future competitors, it will be difficult to acquire and retain customers, and the Resulting Issuer may experience limited revenue growth, reduced revenues and operating margins and loss of market share.

If the Resulting Issuer fails to respond to rapidly changing technological developments or evolving industry standards, its products and services may become obsolete or less competitive.

The market for the Resulting Issuer's products and services is characterized by rapid technological advances, changes in customer requirements, changes in protocols and evolving industry standards. If the Resulting Issuer is unable to develop enhancements to, and new features for, its existing products and services or acceptable new products and services that keep pace with rapid technological developments, its products and services may become obsolete, less marketable and less competitive and the Resulting Issuer's business will be harmed.

If the Resulting Issuer fails to manage its growth effectively, it may be unable to execute its business plan, maintain high levels of service or address competitive challenges adequately.

Siyata plans to expand its overall business, customer base, headcount and operations in the upcoming periods. In addition, Siyata plans to continue to make substantial investments in its overall operations for this purpose. The Resulting Issuer will need to continue to expand its business. It is anticipated that this expansion will require substantial management effort and significant additional investment. In addition, the Resulting Issuer will be required to continue to improve its operational, financial and management controls and its reporting procedures. As such, the Resulting Issuer may be unable to manage its expenses effectively in the future, which may negatively impact gross margins or cause operating expenses to increase in any particular quarter. If the Resulting Issuer is unable to manage its growth successfully, its business will be harmed.

Failure to effectively expand the Resulting Issuer's sales and marketing capabilities could harm its ability to increase its customer base and achieve broader market acceptance of products and services.

Increasing the Resulting Issuer's customer base and achieving broader market acceptance of its products and services will depend to a significant extent on its ability to expand its sales and marketing operations. It is expected that the Resulting Issuer will be substantially dependent on its direct sales force to obtain new customers. There is significant competition for direct sales personnel with the sales skills and technical knowledge that the Resulting Issuer requires. The Resulting Issuer's ability to achieve significant growth in revenues in the future will depend, in large part, on its success in recruiting, training and retaining sufficient numbers of direct sales personnel. New hires require significant training and, in most cases, take a significant period of time before they achieve full productivity. The Resulting Issuer's hires may not become as productive as it would like, and the Resulting Issuer may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets where it does business. The Resulting Issuer's business will be seriously harmed if these expansion efforts do not generate a corresponding significant increase in revenues.

The Resulting Issuer may be liable to its customers and may lose customers if it provides poor service, if its products and services do not comply with its agreements or if it is unable to collect data or it otherwise loses data.

Because of the large amount of data that the Resulting Issuer will collect, store and manage, it is possible that errors in the Resulting Issuer's systems could cause the information that it collects to be incomplete or contain inaccuracies that the Resulting Issuer's customers regard as significant. Furthermore, the Resulting Issuer's ability to collect and report data may be interrupted by a number of factors, including its inability to access the Internet, the failure of its network or software systems, security breaches or variability in user traffic on customer websites. In addition, computer viruses may harm the Resulting Issuer's systems causing it to lose data, and the transmission of computer viruses could expose the Resulting Issuer to litigation. The Resulting Issuer may be liable to its customers for damages they may incur resulting from these events, such as loss of business, loss of future revenues, breach of contract or for the loss of goodwill to their business. In addition to potential liability, if the Resulting Issuer supplies inaccurate information or experience interruptions in its ability to capture, store and supply information in real time or at all, the Resulting Issuer's reputation could be harmed and it could lose customers. The Resulting Issuer's errors and omissions insurance may be inadequate or may not be available in the future on acceptable terms, or at all. In addition, the Resulting Issuer's policy may not cover any claim against the Resulting Issuer for loss of data or other indirect or consequential damages and defending a suit, regardless of its merit, could be costly and divert management's attention.

Reliance on Technology and Intellectual Property

The Resulting Issuer will require continuous technological improvements in order to remain competitive. There can be no assurance that the Resulting Issuer will be successful in its efforts in this regard. While Siyata anticipates that its research and development experience will allow it to explore additional business opportunities, there is no guarantee that such business opportunities will be presented or realized. The Siyata Mobile Group, whose business the Resulting Issuer will assume upon completion of the Amalgamation, does not currently have any patents nor has made any patent applications. The commercial advantage of the Resulting Issuer may depend to an extent on its intellectual property and its ability to prevent others from copying such proprietary technologies and any patents it may hold. In the future, the Resulting Issuer may seek patents or other similar protections in respect of a particular technology or process; however, there can be no assurance that any future patent applications will actually result in issued patents, or that, even if patents are issued, they (or any existing patents) will be of sufficient scope or strength to provide meaningful protection or any commercial advantage to the Resulting Issuer. Moreover, the process of seeking patent protection can itself be long and expensive. In the meantime, competitors may develop technologies that are similar or superior to the technology of the Resulting Issuer or design around the patents owned by the Resulting Issuer, if any, thereby adversely affecting the Resulting Issuer's competitive advantage in one or more of its businesses. Despite the efforts of the Resulting Issuer, its intellectual property rights may be invalidated, circumvented, challenged, infringed or required to be licensed to others. It cannot be assured that any steps it may take to protect its intellectual property rights and other rights to such proprietary technologies that are central to the Resulting Issuer's operations will prevent misappropriation or infringement of such technologies.

Accel has filed and is pursuing trademark applications in the United States and Canada relating to certain names used in connection with the Siyata Mobile Group (e.g. Truckfone). The Resulting Issuer will acquire these applications as part of the Transactions. The Resulting Issuer cannot ensure that all of its trademark applications will result in the issuance of trademark registrations. Failure of the Resulting Issuer to obtain trademark registrations for any of the current trademark applications could have a material adverse effect on the Resulting Issuer's ability to exclude others from using the trademark. In particular, failure to obtain trademark registrations could permit competitors of the Resulting Issuer to use brands, names or trademarks that are confusing of the Resulting Issuer's brands, names or trademarks.

If a third party asserts that the Resulting Issuer is infringing its intellectual property, whether successful or not, it could subject the Resulting Issuer to costly and time-consuming litigation or expensive licenses, and the Resulting Issuer’s business may be harmed.

The technology industries are characterized by the existence of a large number of patents, copyrights, trademarks and trade secrets and by frequent litigation based on allegations of infringement or other violations of intellectual property rights. As the Resulting Issuer faces increasing competition, the possibility of intellectual property rights claims against it will grow. The Resulting Issuer’s technologies may not be able to withstand any third-party claims or rights against their use. Furthermore, if there are any existing agreements that require Siyata to indemnify its customers for third-party intellectual property infringements claims, Siyata’s costs would increase as a result of defending such claims and may require that the Resulting Issuer pay damages if there were an adverse ruling in any such claims. These types of claims could harm the Resulting Issuer’s relationships with its customers, may deter future customers from subscribing to its products and services or could expose the Resulting Issuer to litigation with respect to these claims.

Potential Conflicts of Interest

Certain directors or officers of the Resulting Issuer are also directors, officers, shareholders and/or Promoters of other reporting and non-reporting issuers. Such associations may give rise to conflicts of interest from time to time. The directors and officers of the Resulting Issuer are required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interest which they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter. As of the date of this Offering Memorandum and to the knowledge of the directors and officers of Teslin and Siyata, there are no existing conflicts of interest between the Resulting Issuer and any of the individuals proposed for appointment or acting as directors or officers following the completion of the Amalgamation.

Reliance on Others and Key Personnel

The success of the Resulting Issuer will be largely dependent upon the performance of its management and key employees, as well as the talents of its outside consultants and suppliers. The Resulting Issuer may not have any “key man” insurance policies, and therefore there is a risk that the death or departure of any one or more members of management or any key employee could have a material adverse effect on the Resulting Issuer. The Resulting Issuer also faces intense competition for qualified personnel and there can be no assurance that the Resulting Issuer will be able to attract and retain the employees, personnel and/or consultants necessary to successfully carry out its activities.

Dilution to Existing Shareholders

Successful completion of the Transactions will result in dilution of the Teslin Shares, and the Resulting Issuer may be required to complete additional equity financings raised in the future. In addition, the Resulting Issuer may be required to issue securities on less than favourable terms in order to raise sufficient capital to fund its business plan in a timely manner. Any future transaction involving the issuance of equity securities or securities convertible into Resulting Issuer Shares would result in dilution, possibly substantial, to shareholders of the Resulting Issuer.

Dividends

To date, Teslin has not paid any dividends on its outstanding securities and the Resulting Issuer does not expect to do so in the foreseeable future. Any decision to pay dividends on the Resulting Issuer Shares will be made by the Board of Directors.

A high percentage of net sales is derived from few customers

Historically, the Resulting Issuer will have a limited number of customers. While it is expected that following the completion of the Transaction, sales will remain relatively constant, the loss of any significant customer or any significant reduction in orders by a significant customer may have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Additionally, as a result of the limited number of customers (six), credit risk on receivables is concentrated. Siyata's largest customers (based on net sales) accounted for 50 percent of accounts receivable and finance receivables at December 31, 2014, compared with 42 percent at December 31, 2013. As a result, business failure or insolvency of one of these main customers may have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

The Resulting Issuer will be relying on its suppliers to supply components for its products and services, and the Resulting Issuer is exposed to the risk that these suppliers will not be able to supply components on a timely basis, or at all.

Manufacturing of the Resulting Issuer's products and other devices for its services depends on obtaining adequate supplies of components on a timely basis. The Resulting Issuer will be sourcing several key components used in the manufacture of its products and devices from a limited number of suppliers, and in some instances, a single source supplier.

In addition, these components are often acquired through purchase orders and the Resulting Issuer may have no long-term commitments regarding supply or pricing from the suppliers. Lead-times for various components may lengthen, which may make certain components scarce. As component demand increases and lead-times become longer, the suppliers may increase component costs. The Resulting Issuer will also depend on anticipated product and service orders to determine its materials requirements. Lead-times for limited-source materials and components can vary significantly and depend on factors such as the specific supplier, contract terms and demand for a component at a given time. From time to time, shortages in allocations of components have resulted in delays in filling orders. Currently, the global recession has caused some component suppliers to reduce inventories and production. Shortages and delays in obtaining components in the future could impede the Resulting Issuer's ability to meet customer orders. Any of these sole source or limited source suppliers could stop producing the components, cease operations entirely, or be acquired by, or enter into exclusive arrangements with, the Resulting Issuer's competitors. As a result, these sole source and limited source suppliers may stop selling their components to outsourced manufacturers at commercially reasonable prices, or at all. Any such interruption, delay or inability to obtain these components from alternate sources at acceptable prices and within a reasonable amount of time would adversely affect the Resulting Issuer's ability to meet scheduled product and service deliveries to its customers and reduce margins realized.

Alternative sources of components are not always available or available at acceptable prices. In addition, the Resulting Issuer will rely on, but have limited control over, the quality, reliability and availability of the components supplied. If the Resulting Issuer cannot manufacture its products or devices for its services due to a lack of components, or is unable to redesign its products or devices with other components in a timely manner, its business, results of operations and financial condition could be adversely affected.

Claim for Finder's Fees

Certain parties have made oral and written demand for a finder's fee in connection with their assertion of having introduced certain of the parties associated with the Amalgamation. Siyata, Accel and Teslin deny any oral or written agreement with such third parties and deny that there is any fee payable. Teslin and Siyata have obtained indemnification from Accel and other interested parties, such that neither Teslin nor

Siyata shall have any liability in excess of $100,000 (whether in cash or securities, based on the $0.30 Siyata Private Placement price), including legal costs associated with the settlement or disposition of the dispute.

Potential political, economic and military instability in Israel, where the Resulting Issuer's principal executive offices and research and development facilities are located, may adversely affect results of operations.

The Resulting Issuer's principal executive offices and principal research and development facilities are located in Israel. Accordingly, political, economic and military conditions in and surrounding Israel may directly affect its business. Since the State of Israel was established in 1948, a number of armed conflicts have occurred between Israel and its neighbours. Terrorist attacks and hostilities within Israel; the hostilities between Israel and Hezbollah and between Israel and Hamas; the conflict between Hamas and Fatah; as well as tensions between Israel and Iran, have also heightened these risks, including extensive hostilities in November 2012 and from July to August 2014 along Israel's border with the Gaza Strip, which resulted in missiles being fired from the Gaza Strip into Israel. The Resulting Issuer's principal place of business is located in Tel Aviv, Israel, which is approximately 40 miles from the nearest point of the border with the Gaza Strip. There can be no assurance that attacks launched from the Gaza Strip will not reach our facilities, which could result in a significant disruption of our business. In addition, there are significant ongoing hostilities in the Middle East, particularly in Syria and Iraq, which may impact Israel in the future. Any hostilities involving Israel, a significant increase in terrorism or the interruption or curtailment of trade between Israel and its present trading partners, or a significant downturn in the economic or financial condition of Israel, could materially adversely affect the Resulting Issuer's operations. Ongoing and revived hostilities or other Israeli political or economic factors could materially adversely affect the Resulting Issuer's business, operating results and financial condition.

Recent uprisings and armed conflicts in various countries in the Middle East and North Africa are affecting the political stability of those countries. This instability may lead to deterioration of the political and trade relationships that exist between the State of Israel and these countries. In addition, this instability may affect the global economy and marketplace, including as a result of changes in oil and gas prices.

Operations may be disrupted by the obligations of our personnel to perform military service

Many of the Resulting Issuer's employees in Israel are obligated to perform annual military reserve duty in the Israel Defense Forces and, in the event of a military conflict, could be called to active duty. The Resulting Issuer's operations could be disrupted by the absence of a significant number of its employees related to military service or the absence for extended periods of military service of one or more of its key employees. Military service requirements for the Resulting Issuer's employees could materially adversely affect the Resulting Issuer's business, operating results and financial condition.

The tax benefits available to the Resulting Issuer require it to meet several conditions, and may be terminated or reduced in the future, which would increase the Resulting Issuer's taxes.

For the year ended December 31, 2014, the effective tax rate applicable to Siyata Mobile Group was 0% due to losses from operations. The applicable statutory tax rate for operations in Israel going forward will be 26.5%. The Resulting Issuer will also be subject to tax laws in other jurisdictions in which it operates. The tax expenses and the resulting effective tax rate reflected in the Siyata Mobile Group financial statements may increase over time as a result of changes in corporate income tax rates, other changes in the tax laws of the countries in which the Resulting Issuer operates or changes in the mix of countries where the Resulting Issuer generates profit.

If the Resulting Issuer fails to meet the conditions upon which certain favourable tax treatment is based, it would not be able to claim future tax benefits and could be required to refund tax benefits already received. Additionally, some of these programs and the related tax benefits are available to the Resulting Issuer for a limited number of years, and these benefits expire from time to time.

Any of the following could have a material effect on the Resulting Issuer's overall effective tax rate:

- Some programs may be discontinued;
- The Resulting Issuer may be unable to meet the requirements for continuing to qualify for some programs;
- These programs and tax benefits may be unavailable at their current levels;
- Upon expiration of a particular benefit, the Resulting Issuer may not be eligible to participate in a new program or qualify for a new tax benefit that would offset the loss of the expiring tax benefit; or
- The Resulting Issuer may be required to refund previously recognized tax benefits if it is found to be in violation of certain stipulated conditions.

ITEM 9: CONTINUOUS REPORTING OBLIGATIONS TO INVESTORS

We are not required to send you any documents on an annual or ongoing basis. Following the completion of the Transactions the Resulting Issuer will be subject to the continuous disclosure obligations applicable to reporting issuers in Canada.

ITEM 10: RESALE RESTRICTIONS

The Subscription Receipts will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date Siyata becomes a reporting issuer in any province or territory of Canada.

ITEM 11: PURCHASERS' CONTRACTUAL AND STATUTORY RIGHTS OF ACTION

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

Securities legislation in certain of the provinces of Canada provides investors (known as statutory rights), or requires investors to be provided (known as contractual rights) with, in addition to any other rights they may have at law, a remedy for rescission or damages where this Offering Memorandum and any amendment thereto contains a Misrepresentation; however, such remedies must be exercised by the purchaser within the time limit prescribed by the securities legislation. As used herein, except where otherwise specifically defined, "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made. Purchasers of Subscription Receipts should refer to the applicable provisions of the securities legislation of their provinces for the particulars of these rights or consult with a legal advisor. The contractual rights of action described below will be provided to investors in their subscription agreements.

The following is a summary of the rights of the rescission or damages, or both, available to investors under the securities legislation of certain of the provinces of Canada. Such rights will be expressly conferred upon investors in the Subscription Agreement to be executed by investors in connection with the offering of securities hereunder.

Two Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities.

Statutory Rights of Action in the Event of a Misrepresentation (British Columbia and Alberta)

In addition to any other right or remedy available to you at law, if you are resident in British Columbia or Alberta, and if there is a misrepresentation in this Offering Memorandum, then you have a statutory right to sue:

(a) Siyata to cancel your agreement to buy these securities; or

(b) for damages against Siyata and, every person who was a director of Siyata at the date of this Offering Memorandum and any other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your securities as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the securities were offered. There are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

The defendant will not be liable for a misrepresentation in forward-looking information if the defendant proves that:

(a) this Offering Memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the defendant had a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

However, in Alberta, the above defence does not relieve a person of liability respecting forward-looking information in a financial statement.

If you intend to rely on the statutory right to sue described above, you must do so within strict time limitations.

In British Columbia and Alberta, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of:

(a) 180 days after learning of the misrepresentation; or

(b) three years after the transaction.

Rights for Investors in Ontario

In the event that you are resident in Ontario and this Offering Memorandum, together with any amendment hereto, contains a Misrepresentation and it was a Misrepresentation at the time of your purchase of the Subscription Receipts, you will be deemed to have relied upon the Misrepresentation and will, as provided below, have a right of action against Siyata for damages or, while you are still the owner of the Subscription Receipts that you purchased, for rescission, in which case, if you elect to exercise the right of rescission, you will have no right of action for damages against Siyata, provided that:

(a) the right of action for rescission or damages will be exercisable by you only if you give notice to Siyata, not later than 180 days after the date on which the payment is made for the Subscription Receipts, (or after the initial payment was made for the securities, where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to or concurrently with the initial payment), that you are exercising this right; and an action is commenced to enforce such right (i) in the case of an action for rescission, not more than 180 days after the date of purchase; or (ii) in the case of an action for damages, not more than the earlier of 180 days following the date you first had knowledge of the Misrepresentation or three years after the date of purchase;

(b) Siyata will not be liable if it proves that you purchased the Subscription Receipts with knowledge of the Misrepresentation;

(c) in the case of an action for damages, Siyata will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Subscription Receipts as a result of the Misrepresentation relied upon;

(d) in no case will the amount recoverable in any action exceed the price at which the Subscription Receipts were sold to you; and

(e) the rights of action for rescission or damages are in addition to and without derogation from any other right you may have at law.

General

The foregoing summaries are subject to the express provisions of the *Securities Act* (British Columbia), the *Securities Act* (Alberta), the Securities Act (Ontario), and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described herein are in addition to and without derogation from any other right or remedy that you may have at law.

Contractual Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this Offering Memorandum and you are resident in a jurisdiction that does not provide you with statutory rights in the event of a misrepresentation in an offering memorandum, you have a contractual right to sue Siyata (a) to cancel your agreement to buy these securities, or (b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that Siyata proves does not represent the depreciation in value of the securities resulting from the misrepresentation. Siyata has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three years after you signed the agreement to purchase the securities.

ITEM 12: FINANCIAL STATEMENTS

Attached to this Offering Memorandum are:

(i) the audited financial statements of Siyata for the period ended May 15, 2015;

(ii) the audited financial statements of Siyata Mobile Group for the year ended December 31, 2014 and 2013 and the unaudited financial statements for the three month period ended March 31, 2015 and 2014;

(iii) the audited financial statements of Teslin for the year ended December 31, 2014 and 2013 and the unaudited financial statements for the three month period ended March 31, 2015 and 2014; and

(iv) pro forma financial statements for the Resulting Issuer as at March 31, 2015showing the effect of the Siyata Acquisition.

Siyata Mobile Inc.

Financial Statements

May 15, 2015

(Expressed in Canadian dollars)

MANNING ELLIOTT
ACCOUNTANTS & BUSINESS ADVISORS

11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7
Tel: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

INDEPENDENT AUDITORS' REPORT

To the Director and Shareholder of
Siyata Mobile Inc.

We have audited the accompanying financial statements of Siyata Mobile Inc. which comprise the statement of financial position as at May 15, 2015, and the statements of comprehensive loss, changes in equity and cash flows for the one-day period ended May 15, 2015, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained based on our audit 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 Siyata Mobile Inc. as at May 15, 2015, and its financial performance and cash flows for the one-day period ended May 15, 2015 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Siyata Mobile Inc. to continue as a going concern.

Manning Elliott LLP

CHARTERED ACCOUNTANTS
Vancouver, British Columbia
May 21, 2015

Siyata Mobile Inc.
Statement of Financial Position
As at May 15, 2015
(Expressed in Canadian dollars)

	Note	$
LIABILITIES		
Current Liabilities		
Accounts payable		1,500
SHAREHOLDERS' EQUITY		
Share capital	4	100
Shares issued but not paid	4	(100)
Deficit		(1,500)
		(1,500)
		-

Nature of operations and going concern	1
Commitment	8
Subsequent Event	9

Approved and authorized for issuance by the Sole Director on May 21, 2015:

"Gil Gurfunkel"
Gil Gurfunkel, Director

The accompanying notes are an integral part of these financial statements

Siyata Mobile Inc.
Statement of Comprehensive Loss
For the One-Day Period Ended May 15, 2015
(Expressed in Canadian dollars)

	$
Expenses	
Professional fees	1,500
Net loss and comprehensive loss	**(1,500)**
Basic and diluted loss per common share	**(15.00)**
Weighted average number of common shares outstanding	**100**

The accompanying notes are an integral part of these financial statements

Siyata Mobile Inc.
Statement of Changes in Equity
For the One-Day Period Ended May 15, 2015
(Expressed in Canadian dollars)

	Number of outstanding common shares	Share capital	Shares issued but not paid	Deficit	Total
		$	$	$	$
Share issued on incorporation	100	100	(100)	-	-
Comprehensive loss for the period	-	-	-	(1,500)	(1,500)
Balance, May 15, 2015	**100**	**100**	**(100)**	**(1,500)**	**(1,500)**

The accompanying notes are an integral part of these financial statements

Siyata Mobile Inc.
Statement of Cash Flows
For the One-Day Period Ended May 15, 2015
(Expressed in Canadian dollars)

	$
Cash (used in) provided by:	
Operating activities	
Net loss	(1,500)
Change in non-cash working capital components:	
Accounts payable	1,500
Net cash used in operating activities	-
Increase in cash	-
Cash, beginning	-
Cash, ending	-
Cash paid for:	
Interest	-
Income taxes	-

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Siyata Mobile Inc. (the "Company") was incorporated on May 15, 2015 under the British Columbia Business Corporations Act. The Company intends to complete an amalgamation with a subsidiary of Teslin River Resources Corp. ("Teslin"), a company listed on the TSX Venture Exchange. The address of the registered office is 2200 – 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3E8.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at May 15, 2015, the Company had a working capital deficiency of $1,500 and no sources of recurring revenues. These factors raise significant doubt about the Company's ability to continue as a going concern.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The success of the Company is dependent upon certain factors that may be beyond management's control. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company's assets may be adversely affected.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

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

These financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. These financial statements are prepared on a historical cost basis except for financial instruments classified as at fair value through profit or loss ("FVTPL") as described at Note 3, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting judgments and estimates

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of liabilities and the disclosure of contingent liabilities at the date of the financial statements and expenses for the periods reported. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of liabilities that are not readily apparent from other sources. Significant areas requiring the use of management estimates include the determination of deferred income tax assets and liabilities. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments and estimates (continued)

Judgment is used mainly in determining how a balance or transaction should be recognized in the financial statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. Actual results may differ from these estimates. Significant area where management's judgement has been applied include going concern, which involves the assessment of the Company's ability to execute its strategy effectively operating the Company involves judgement.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect 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.

Deferred income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it becomes probable that a deferred income tax asset will be recovered, the deferred income tax asset is not recognized. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Earnings (loss) per share

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

Financial instruments

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instruments: held to maturity, loans and receivables, fair value through profit or loss ("FVTPL"), available-for-sale, FVTPL liabilities or other liabilities.

FVTPL assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net income (loss) during the period.

Held to maturity assets, loans and receivable, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Available-for-sale assets are subsequently measured at fair value with the change in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in active markets and whose fair value cannot be reliably measured, which are measured at cost.

The Company has classified its financial instruments as follows:

Financial Instrument	Classification
Accounts payable	Other liabilities

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income (loss) consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income measures net earnings for the period plus other comprehensive income. Amounts reported as other comprehensive income (loss) are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income (Loss). The Company has not had other comprehensive income (loss) since inception.

Future changes in accounting policies

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the financial statements to be material.

New accounting standards effective for annual periods on or after January 1, 2015:

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

IFRS 15 - *Revenue from contracts with customers*
IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Future changes in accounting policies (continued)

IAS 16 – *Property, Plant and Equipment and IAS 36 – Intangible Assets*
In May 2014, the IASB issued amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

New accounting standards effective for annual periods on or after March 1, 2018:

IFRS 9 - *Financial Instruments*
In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013 the standard was revised to add the new general hedge accounting requirements. The standard was finalized in July 2014 and was revised to add a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (FVOTCI) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not yet been determined.

4. SHARE CAPITAL

(a) Authorized: unlimited common shares without par value
unlimited preferred shares without par value

(b) Issued and Outstanding:

On May 15, 2015, the Company issued 100 common shares at $1 per share. As at May 15, 2015, proceeds of $100 from this share issuance have not been received from the shareholder.

As at May 15, 2015, no preferred shares have been issued.

5. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. The Company is not subject to any capital requirements imposed by a regulator.

6. FINANCIAL INSTRUMENTS

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

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

At May 15, 2015, the Company's financial instruments consist of accounts payable. The fair value of this financial instrument approximates its carrying value due to the relatively short-term maturity of this instrument. There are no financial assets or liabilities measured at fair value on a recurring basis presented on the Company's statement of financial position.

The Company is exposed to a variety of potential financial instrument related risks. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently has no cash to settle its financial obligations. The ability to settle its financial obligations relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Interest rate risk
Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently insignificant.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no significant exposure to currency risk. The Company has not hedged its exposure to currency fluctuations.

7. INCOME TAXES

As at May 15, 2015, the Company had non-capital losses carried forward of $1,500 which are available for deduction against future Canadian taxable income. The non-capital losses will expire in 2035. A deferred income tax asset of $390 was not recognized as it was not more probable than not that there will be sufficient future taxable profit in the Company to realize these loss carryforwards.

8. COMMITMENT

On April 23, 2015, the parent company of Siyata Mobile Inc., Accel Telecom Ltd. ("Accel"), entered into an amalgamation agreement with Teslin. Pursuant to the agreement, Siyata Mobile Inc. will complete an amalgamation with a wholly-owned subsidiary of Teslin (the "Transaction"). The name of the amalgamated company will be Siyata Mobile Inc. ("New Siyata"). Accel will transfer certain assets to New Siyata in exchange for 33,333,333 common shares of Teslin. As a result, Siyata Mobile Inc. will become a subsidiary of Teslin and the shareholders of Accel will acquire control of Teslin. The Transaction is considered a purchase of Teslin's net assets and its listing status by Accel and will be accounted for as a reverse acquisition. The Transaction is subject to, amongst other things, approval of regulatory authorities and authorization and the Boards of Directors of Teslin and Accel.

9. SUBSEQUENT EVENT

On May 21, 2015, the Company entered into an agreement with Haywood Securities Inc. ("Haywood") as its agent, to raise gross proceeds of up to $4,000,000 through a brokered private placement of subscription receipts (the "Offering"), at $0.30 per subscription receipt. The proceeds of the Offering will be held in escrow pending completion of the Transaction (see Note 8) which is conditional on, among other things, a consolidation of the shares of Teslin on the basis of one post-consolidation share for every 2.2 pre-consolidation shares (the "Consolidation"). On closing of the Transaction, each subscription receipt will automatically convert into one unit (a "Unit") of the Company, consisting of one post-Consolidation common share and one half of one share purchase warrant. Each full warrant will be exercisable into one post-Consolidation common share at a price of $0.60 per share for a period of 24 months from the date of issuance of the warrants. All the securities to be issued in the Offering will be free trading on closing of the Transaction.

At closing, the Company will pay Haywood a cash commission equal to 7% of the aggregate proceeds of the Units sold, and will issue compensation options to Haywood to acquire that number of common shares equal to 10% of the number of common shares that comprise the Units sold by Haywood under the Offering. Each compensation option will be exercisable at $0.30 per share for a period of 24 months after closing. In consideration of also agreeing to act as exclusive financial advisor to the Company, Haywood will receive a work fee of $25,000, and a corporate finance fee equal to 3% of the gross proceeds of the Offering, payable in Units at a deemed price of $0.30 per unit. The Company has also granted Haywood an option exercisable up to 48 hours prior to the closing to arrange for the purchase of up to 4,166,666 subscription receipts for additional gross proceeds of $1,250,000.

SIYATA MOBILE GROUP
Carve-Out

Financial Statements
For the years ended
December 31, 2014, 2013
and 2012

SIYATA MOBILE GROUP
CARVE-OUT FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 and 2012

Contents

Somekh Chaikin
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INDEPENDENT AUDITORS' REPORT ON CARVE-OUT FINANCIAL STATMENTS

To the Directors of Accel Telecom Ltd.

We have audited the accompanying carve-out financial statements of Siyata Mobile Group ("Siyata"), which comprise the carve-out statements of financial position as at December 31, 2014, 2013 and January 1, 2013, the carve-out statements of profit or loss and other comprehensive loss, changes in invested capital and cash flows for the three years ended December 31, 2014, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Carve-out Financial Statements

Management of Accel Telecom Ltd. is responsible for the preparation and fair presentation of these carve-out financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of carve-out 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 carve-out 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 carve-out financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the carve-out financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the carve-out financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the carve-out 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 carve-out 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.

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Opinion

In our opinion, the carve-out financial statements present fairly, in all material respects, the carve-out financial position of Siyata as at December 31, 2014, December 31, 2013 and January 1, 2013, and its carve-out financial performance and its carve-out cash flows for the three years ended December 31, 2014 in accordance with International Financial Reporting Standards.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 to the carve-out financial statements, which explains the basis of preparation, including the approach to and the purpose for preparing the carve-out financial statements and describes the significant allocations and assumptions used in these carve-out financial statements. The carve-out financial statements were prepared for the purpose of undertaking a merger with a public Canadian Company through a reverse takeover.

The carve-out financial statements may not necessarily be indicative of the financial performance that would have been achieved if the reporting entity had operated as an independent entity, nor may they be indicative of the results of operations of the reporting entity for any future period.

Somekh Chaikin
Somekh Chaikin
Certified Public Accountants (Isr.)
Member Firm of KPMG International

Tel Aviv, Israel
May 28, 2015

Statements of Financial Position as at December 31

	Note	As at December 31 2014	As at December 31 2013	As at January 1 2013
		CAD in thousands		
Current Assets				
Trade and other receivables	4	1,254	539	495
Advances to suppliers		716	872	422
Inventory	5	1,345	1,555	410
Total current assets		3,315	2,966	1,327
Non-current assets				
Intangible assets	6	2,413	2,052	1,026
Total non - current assets		2,413	2,052	1,026
Total assets		5,728	5,018	2,353

The accompanying notes are an integral part of these carve-out financial statements.

		As at		
		December 31		January 1
		2014	2013	2013
	Note	CAD in thousands		
Current Liabilities				
Trade payables		**269**	357	67
Parent company	12	**6,106**	5,049	2,473
Advances from customers		-	106	-
Other payables	7	**156**	137	146
Total current liabilities		**6,531**	5,649	2,686
Liability for severance pay		**14**	15	10
Total Invested Capital		**(817)**	(646)	(343)
Total liabilities and Invested Capital		**5,728**	5,018	2,353

The accompanying notes are an integral part of these carve-out financial statements.

May 28, 2015			
Date of approval of the financial statements	Chairman of the Board of Directors	CEO and Director	CFO

Statement of Profit or Loss and Other Comprehensive Loss

	Note	2014	2013	2012
		Year ended December 31,		
		CAD in thousands		
Revenues		7,370	4,908	3,864
Cost of sales	8	5,622	3,873	3,181
Gross profit		1,748	1,035	683
Research and development expenses	6	126	96	73
Selling and marketing expenses	9	1,068	680	462
General and administrative expenses	10	430	327	229
Total expenses		1,624	1,103	764
Operating profit (loss)		124	(68)	(81)
Financing expenses, net	11	233	204	133
Loss for the year		(109)	(272)	(214)
Other comprehensive income (loss) – Items that may or may not be reclassified to profit or loss				
Presentation currency translation adjustments		(62)	(31)	5
Total comprehensive loss for the year		(171)	(303)	(209)

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

Statements of changes in Invested Capital

	Attributable to equity holders of Siyata		
	Translation reserve	Retained Earnings	Total
		CAD in thousands	
For the Year Ended December 31, 2014			
Balance as at January 1, 2014	(31)	(615)	(646)
Comprehensive loss for the year:			
Loss for the year		(109)	(109)
Adjustments arising from presentation currency translation adjustments	(62)	-	(62)
Balance as at December 31, 2014	(93)	(724)	(817)

Statements of changes in Invested Capital

	Attributable to equity holders of Siyata		
	Translation reserve	Retained Earnings	Total
		CAD in thousands	
For the Year Ended December 31, 2013			
Balance as at January 1, 2013	-	(343)	(343)
Comprehensive loss for the year:			
Loss for the year	-	(272)	(272)
Adjustments arising from presentation currency translation adjustments	(31)	-	(31)
Balance as at December 31, 2013	(31)	(615)	(646)

Statements of changes in Invested Capital

	Attributable to equity holders of Siyata		
	Translation reserve	Retained Earnings	Total
		CAD in thousands	
For the Year Ended December 31, 2012			
Balance as at January 1, 2012	(5)	(129)	(134)
Comprehensive income (loss) for the year:			
Loss for the year	-	(214)	(214)
Adjustments arising from presentation currency translation adjustments	5	-	5
Balance as at December 31, 2012	-	(343)	(343)

Statements of Cash Flows for the year ended December 31

	2014	2013	2012
	Year ended December 31,		
	CAD in thousands		
Cash flows from operating activities			
Loss for the year	(109)	(272)	(214)
Adjustments to reconcile net loss to net cash used in operating activities:			
Financing expenses, net	233	204	133
Amortization	126	96	73
Changes in working capital:			
Increase in trade receivables	(636)	(11)	(254)
Decrease (increase) in advances to suppliers	223	(408)	923
Decrease (increase) in inventories	332	(1,082)	(116)
Increase (decrease) in trade payables	(115)	277	(4)
Increase (decrease) in advances from customers	(110)	103	-
Increase (decrease) in other payables	7	(18)	148
Increase (decrease) liability for severance pay	(2)	4	10
Net cash generated from (used in) operating activities	(51)	(1,107)	699
Cash flows from investing activities			
Development of expenditure recognized as intangible assets	(297)	(1,021)	(617)
Net cash used in investing activities	(297)	(1,021)	(617)
Cash flows from financing activities			
Loans from the parent company	581	2,332	51
Interest paid	(233)	(204)	(133)
Net cash used in financing activities	348	2,128	(82)
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents at beginning of year	-	-	-
Effect of exchange rate fluctuations on cash	-	-	-
Cash and cash equivalents at end of year	-	-	-

The accompanying notes are an integral part of these carve-out financial statements.

Note 1 - General

A. Reporting entity

The carve-out financial statements of SIYATA MOBILE GROUP (hereinafter - "SIYATA") include certain operations which are conducted by Accel Telecom Ltd. (hereinafter – "Accel"), and related companies (hereinafter – "THE GROUP").

Siyata is a leading global developer of a vehicle mounted, cellular based communications platform over advanced 3G and 4G mobile networks (hereinafter – "THE BUSINESS"). It is specifically designed for professional vehicles such as trucks, vans, busses, ambulances and more. Its innovative platform is designed to facilitate replacement of the current in-vehicle multi device status quo with a single device that will incorporate voice, data and fleet management solutions.

B. The split- up of Accel Telecom's holdings and transfer of assets

These carve-out financial statements of Siyata are prepared for the purpose of undertaking a merger with a public Canadian company through a reverse takeover.

Siyata intends to merge into a public company in Canada by way of a three way merger.

C. The carve-out financial statements

The carve-out financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

Balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing these carve-out financial statements.

The carve-out financial statements have been derived from the financial statements of The Group. The carve-out financial statements reflect the assets, liabilities, revenues and expenses directly attributable to Siyata, as well as allocations deemed reasonable by management, to present the financial position, results of operations, changes in invested capital and cash flows of Siyata.

Note 1 - General (cont'd)

C. The carve-out financial statements (cont'd)

The carve-out financial statements present the historical carve-out financial position, results of operations, and cash flows as if the Business had been an independent operation during the periods presented. The carve-out statements of comprehensive loss for the years ended December 31, 2014, 2013 and 2012 include direct expenses of the Business and an allocation of The Group's selling and marketing expenses and general and administrative expenses incurred in each of the periods presented.

The carve-out financial statements may not necessarily be indicative of Siyata's financial position, results of operating activities or cash flows had it operated as a separate entity throughout the period presented or for future periods.

D. Going Concern:

These carve-out financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that Siyata will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities, contingent or otherwise, and commitments in the normal course of business. Because of Siyata's dependency on its parent, Accel Telecom Ltd. and its shareholders for financing, and as Siyata has experienced losses and negative cash flows for the three years ended December 31, 2014 the parent company and its shareholders will support Siyata in case it needs future financing.

Siyata's ability to generate revenue, profitable operations and positive operating cash flow in the future is dependent on its ability to execute its current business plan. In the event Siyata is unable to achieve its current business plan, it will require additional financing until it is able to sustain profitable operations and positive operating cash flows. Given Siyata's reliance on its parent, it will require additional financing to meet its short-term obligations as well as ongoing operating costs.

Siyata is in the process of undertaking a reverse takeover transaction with the intention of listing on the TSX Venture exchange. Management believes that the public listing will provide access to additional capital through the potential for the issuance of equity. In addition, Siyata continues to invest in the business through the development of new products which management believes will result in growth in revenue, profitability and cash flows. However, there can be no assurance regarding the timing of or ultimate achievement of profitability or positive cash flows.

The ability of Siyata to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of the actions taken or planned, some of which are described above, which management believes will mitigate the adverse conditions as described above.

Note 1 - General (cont'd)

E. Significant allocations and assumptions:

As of the reporting date, the terms of the separation between the Group and Siyata with respect to the assets and liabilities that will be transferred, have not been finalized. Management has used the following assumptions in developing the carve-out financial statements:

Allocation of expenses – The allocation of cost of sales, selling and marketing expenses and general and administrative expenses in the carve-out statements of comprehensive loss and checks receivable which could not be attributed specifically, has been calculated on the basis of the ratio of revenues of the Business in each period presented as compared to the revenues of the Group in each of these periods presented. Management believes the assumptions and allocations underlying the carve-out financial statements are reasonable and appropriate under the circumstances. The depreciation expenses of the Group were allocated on the same basis and they constitute the rent of fixed assets by the Business.

Opening deficit – The Business' opening deficit as at January 1, 2012 has been calculated by applying the same allocation principles outlined above to the cumulative transactions relating to the net assets transferred.

Guarantees, cash and loans – Accel's outstanding guarantees, cash and loans and related finance expenses will not be transferred to Siyata and therefore were not reflected in the Carve-out Financial Statements. Therefore the funding required for the ongoing business is displayed under the parent company debt and the related finance expenses respectively.

Operating segments – The operating segments disclosures are based on the reporting to Accel's CODM (Chief Operating Decision Maker). Therefore, in light of Siyata's future expected reporting practices to Accel's CODM, there is no need for display separate reporting segments.

Deferred tax – The loss presented in the carve out financial statements was allocated from the Group. Deferred tax related to the loss presented in the carve out financial statements have been recognized up to the deferred tax liability.

Financial expenses –The financial expenses of Siyata are calculated according to the interest rate that Accel paid to its lender.

Note 1 - General (cont'd)

E. Significant allocations and assumptions (cont'd):

Earnings (loss) per share – Siyata did not issue shares in the reported periods and there has not yet been a decision on the number of shares that will be issued by Siyata. Therefore, the combined carve-out financial statements do not include earnings (loss) per share data.

Management cautions the readers that these carve-out financial statements have been prepared solely to demonstrate the historical results of operations, financial position, and cash flows of the Business for the indicated periods and, accordingly, the allocation of expenses are not necessarily indicative of the costs the Business would have incurred if it had operated on a stand-alone basis or as an entity independent of The Group.

Note 2 - Basis of Preparation

A. Statement of compliance

The carve-out financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).
These are the first financial statements prepared in accordance with IFRS. Siyata applied IFRS 1 first time adaption of IFRS in preparing these carve-out financial statements.

B. Functional and presentation currency

Siyata's functional currency is the US Dollar ("USD").
The financial statements are presented in the Canadian Dollar ("CAD") and have been rounded to the nearest thousand, rather than using its functional currency as its presentation currency, since Siyata plans to merge with a Canadian public company and to expand its operations in the Canadian market.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities:

* Inventory measured as the lower of cost or net realizable value;
* Assets and liabilities for employee benefits;

For further information regarding the measurement of these assets and liabilities see Note 3 regarding significant accounting policies.

Note 2 - Basis of Preparation (cont'd)

D. Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of accounting estimates used in the preparation of Siyata's carve-out financial statements requires management to make assumptions regarding circumstances and events that involve considerable uncertainty. Management of the Company prepares the estimates on the basis of past experience, various facts, external circumstances, and reasonable assumptions according to the pertinent circumstances of each estimate.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions made by the Group with respect to the future and other reasons for uncertainty with respect to estimates that have a significant risk of resulting in a material adjustment to carrying amounts of assets and liabilities in the financial statement are included in the following notes:

- Capitalization of development costs and their amortization rate – Development costs are capitalized in accordance with the accounting policy in Note 3(b). To determine the amounts earmarked for capitalization, the management estimates the cash flows which are expected to be derived from the asset for which the development is carried out and the expected benefit period. For more information, see Note 3(b).
- Estimation of use fullife - The useful life used to amortise intangible assets relates to the expected future performance of the assets acquired based on the management estimate of the sales forecast.
- Assessment of probability of contingent liabilities – Management of Siyata assesses whether it is more likely than not that an outflow of economic resources will be required in respect of legal claims pending against the Group based on, inter alia, the opinion of its legal counsel.

Note 3 - Significant Accounting Policies

The accounting policies set out below have been applied consistently for all periods presented in these financial statements.

A. Foreign currency

(1) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the entity at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(2) Translation to presentation

Translation to presentation currency is as follows:

- Assets and liabilities are translated and presented at the exchange rate at the date of the statement of financial position.
- Income and expenses are translated at the average exchange rate of the period.

The resulting exchange differences are recognized in a 'Translation reserve'.

Reclassification to profit or loss of the 'Translation reserve' recognized upon disposal of a subsidiary.

B. Intangible assets

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and Siyata has the intention and sufficient resources to complete development and to use or sell the asset. The expenditure capitalized in respect of development activities includes the cost of materials, direct labor and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs. Other development expenditure is recognized in profit or loss as incurred.

Note 3 - Significant Accounting Policies (cont'd)

B. Intangible assets (cont'd)

In subsequent periods, capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

(1) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(2) Amortization

Amortization is a systematic allocation of the amortizable amount of an intangible asset over its useful life. The amortizable amount is the cost of the asset less its estimated residual value.

Amortization is recognized in profit or loss on a sales-based rate, other than intangible assets arising from a service concession arrangement that are amortized according to the unit of production method, over the estimated useful lives of the intangible assets from the date they are available for use, since these methods most closely reflect the expected pattern of consumption of the future economic benefits embodied in each asset.

Internally generated intangible assets are not systematically amortized as long as they are not available for use, i.e. they are not yet on site or in working condition for their intended use. Accordingly, these intangible assets, such as development costs, are tested for impairment at least once a year, until such date as they are available for use.

Amortization method is sales based rate, the Group examines the estimated sales forecast at the end of each reporting period.

Siyata examines the useful life of an intangible asset that is not periodically amortized at least once a year in order to determine whether events and circumstances continue to support the decision that the intangible asset has an indefinite useful life.

C. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and the costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Note 3 - Significant Accounting Policies (cont'd)

D. Employee benefits

(1) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided or upon the actual absence of the employee when the benefit is not accumulated (such as maternity leave).

The employee benefits are classified, for measurement purposes, as short-term benefits or as other long-term benefits depending on when Siyata expects the benefits to be wholly settled.

(2) Severance pay

Siyata's liability for severance pay is pursuant to Section 14 of the Severance Compensation Act, 1963 ("Section 14"), all the employees are included under this section, and entitled only to monthly deposits, at a rate of 8.33% of their monthly salary, made in the employee's name with insurance companies. Payments in accordance with Section 14 release Siyata from any future severance payments in respect of those employees. The fund is made available to the employee at the time the employer – employee relationship is terminated, regardless of cause of termination. The severance pay liabilities and deposits under section 14 are not reflected in the balance sheet as the severance pay risks have been irrevocably transferred to the severance funds.

E. Revenue

Sale of goods

Revenue from the sale of goods in the ordinary course of business is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. When the credit period is short and constitutes the accepted credit in the industry, the future consideration is not discounted.

Revenue is recognized when persuasive evidence exists (usually in the form of an executed sales agreement) that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale. For sales of products in Israel, transfer usually occurs when the product is received at the customer's warehouse, but for some international shipments transfer occurs upon loading the goods onto the relevant carrier.

Note 3 - Significant Accounting Policies (cont'd)

F. Financial instruments

Non-derivative financial assets

Initial recognition of financial assets
Siyata initially recognizes receivables on the date that they are created.

Derecognition of financial assets
Financial assets are derecognized when the contractual rights of Siyata to the cash flows from the asset expire, or Siyata transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.
Loans and receivables comprise cash and cash equivalents, trade and other receivables, investments in non-marketable debentures and service concession receivables.

Note 3 - Significant Accounting Policies (cont'd)

G. New standards and interpretations not yet adopted

Standard/ interpretation/ amendment	Topic	Effective date and transitional provisions	Expected effects
(1) IFRS 9 (2014), *Financial Instruments*	A final version of the standard, which includes revised guidance on the classification and measurement of financial instruments, and a new model for measuring impairment of financial assets. This guidance has been added to the chapter dealing with general hedge accounting requirements issued in 2013. *Classification and measurement* In accordance with IFRS 9 (2014), there are three principal categories for measuring financial assets: amortized cost, fair value through profit and loss and fair value through other comprehensive income. The basis of classification for debt instruments is the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. Investments in equity instruments will be measured at fair value through profit and loss (unless the entity elected at initial recognition to present fair value changes in other comprehensive income). IFRS 9 (2014) requires that changes in fair value of financial liabilities designated at fair value through profit or loss that are attributable to changes in its credit risk, should usually be recognized in other comprehensive income.	IFRS 9 (2014) is effective for annual periods beginning on or after January 1, 2018 with early adoption being permitted. It will be applied retrospectively with some exemptions.	Siyata has not yet commenced examining the effects of adopting IFRS 9 (2014) on the financial statements.

Note 3 - Significant Accounting Policies (cont'd)

G. New standards and interpretations not yet adopted (cont'd)

Standard/ interpretation/ amendment	Topic	Effective date and transitional provisions	Expected effects
(1) **IFRS 9 (2014), *Financial Instruments* (cont'd)**	*Hedge accounting – general* Under IFRS 9 (2014), additional hedging strategies that are used for risk management will qualify for hedge accounting. IFRS 9 (2014) replaces the present 80%-125% test for determining hedge effectiveness, with the requirement that there be an economic relationship between the hedged item and the hedging instrument, with no quantitative threshold. In addition, IFRS 9 (2014) introduces new models that are alternatives to hedge accounting as regards credit exposures and certain contracts outside the scope of IFRS 9 (2014) and sets new principles for accounting for hedging instruments. In addition, IFRS 9 (2014) provides new disclosure requirements. *Impairment of financial assets* IFRS 9 (2014) presents a new 'expected credit loss' model for calculating impairment. For most financial assets, the new model presents a dual measurement approach for impairment: if the credit risk of a financial asset has not increased significantly since its initial recognition, an impairment provision will be recorded in the amount of the expected credit losses that result from default events that are possible within the twelve months after the reporting date. If the credit risk has increased significantly, in most cases the impairment provision will increase and be recorded at the level of lifetime expected credit losses of the financial asset.		

Note 3 - Significant Accounting Policies (cont'd)

G. New standards and interpretations not yet adopted (cont'd)

Standard/ interpretation/ amendment	Topic	Effective date and transitional provisions	Expected effects
(2) **IFRS 15,** *Revenue from Contracts with Customers*	IFRS 15 replaces the current guidance regarding recognition of revenues and presents a new model for recognizing revenue from contracts with customers. IFRS 15 provides two approaches for recognizing revenue: at a point in time or over time. The model includes five steps for analyzing transactions so as to determine when to recognize revenue and at what amount. Furthermore, IFRS 15 provides new and more extensive disclosure requirements than those that exist under current guidance.	IFRS 15 is applicable for annual periods beginning on or after January 1, 2017 and earlier application is permitted. IFRS 15 includes various alternative transitional provisions, so that companies can choose between one of the following alternatives at initial application: full retrospective application, full retrospective application with practical expedients, or application as from the mandatory effective date, with an adjustment to the balance of retained earnings at that date in respect of transactions that are not yet complete.	Siyata has not yet commenced examining the effects of adopting IFRS 15 on the financial statements.

Note 3 - Significant Accounting Policies (cont'd)

G. New standards and interpretations not yet adopted (cont'd)

Standard/interpretation/ amendment	Topic	Effective date and transitional provisions	Expected effects
(3) ***Improvements to IFRSs* 2010-2012 and 2011-2013 projects**	As part of the *Improvements to IFRSs* projects, the IASB published amendments to 8 IFRS. The amendment that is relevant to the Group and have an effect on the financial statements is: • An amendment to IAS 24, "*Related Party Disclosures*", on definition of the term "related party". The definition of the term was expanded so at to include entities that provide key management personnel (KMP) services to the reporting entity, directly or through another entity of the Group. Separate disclosure is to be provided of the amounts recognized as an expense in respect of the management services provided by the management entity. Nevertheless, there is no requirement to disclose the amounts paid to specific people in the management entity who provide such services.	The amendments are applicable for annual periods beginning on or after July 1, 2014 with earlier application being permitted.	Siyata has not yet commenced examining the effects of adopting IAS 24 on the financial statements.

Note 3 - Significant Accounting Policies (cont'd)

H. Financing income and expenses

In the statements of cash flows, interest received is presented as part of cash flows from investing activities. Interest paid is presented as part of cash flows from financing activities.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either financing income or financing expenses depending on whether foreign currency movements are in a net gain or net loss position.

Note 4 – Trade and other receivables

	As at		
	December 31		January 1
	2014	2013	2013
	CAD in thousands		
Trade receivables	730	310	233
Checks receivable	123	24	58
Other receivables (*)	401	205	204
	1,254	539	495

(*) The Group has a factoring agreement with external funding. According to the agreement, invoices are fully assigned to the funding entity in return for 85% of the invoice amount. The remaining 15% are paid to the Group with the receipt of the payment from the customer.
The deduction of factoring transactions (85% from invoices that fully assigned) for the year ended December 31, 2014 was $2,272,000 (2013 and 2012: $1,162,000 and $1,156,000, respectively).

Note 5 – Inventory

	As at		
	December 31		January 1
	2014	2013	2013
	CAD in thousands		
Finished products	1,199	1,435	347
Accessories and spare parts	146	120	63
	1,345	1,555	410

Note 6 - Intangible assets

A. Movement in carrying amount

	Development costs CAD in thousands
Cost	
Balance as at January 1, 2013	1,162
Internally developed additions	1,021
Effect of changes in exchange rates	101
Balance as at December 31, 2013	2,284
Balance as at January 1, 2014	**2,284**
Internally developed additions	**297**
Effect of changes in exchange rates	**190**
Balance as at December 31, 2014	**2,771**

	Development costs CAD in thousands
Amortization	
Balance as at January 1, 2013	136
Amortization for the year	96
Balance as at December 31, 2013	232
Balance as at January 1, 2014	**232**
Amortization for the year	**126**
Balance as at December 31, 2014	**358**
Carrying amounts	
As at December 31, 2013	2,052
As at December 31, 2014	**2,413**

B. Amortization

The current amortization of development costs is allocated to cost of inventory and is recognized in Research and development expenses as inventory is sold.

Note 7 - Other Payables

	As at December 31 2014	As at December 31 2013	As at January 1 2013
	CAD in thousands		
Financial liabilities:			
Employee benefits	87	99	71
Other payables	69	38	75
	156	137	146

Note 8 - Cost of Sales

	Year ended December 31, 2014	2013	2012
	CAD in thousands		
Materials and merchandise	5,080	4,698	3,057
Royalties	110	138	71
Other expenses	100	118	104
change in inventory	332	(1,081)	(51)
	5,622	3,873	3,181

Note 9 - Selling and Marketing Expenses

	Year ended December 31, 2014	2013	2012
	CAD in thousands		
Salaries and related expenses	683	485	384
Advertising and marketing	181	118	37
Travels and Conferences	204	77	41
	1,068	680	462

Note 10 - General and Administrative Expenses

	Year ended December 31,		
	2014	2013	2012
	CAD in thousands		
Salaries and related expenses	181	170	132
Professional services	98	38	21
Office and general	151	119	76
	430	327	229

Note 11 - Financing Expenses

Siyata's financing expenses include interest for the loan received from the Parent Company. The interest calculated according to the interest rate that the parent company paid to its lender:

	2014	2013	2012
Interest rate	4.29%	5.64%	5.61%

Note 12 - Transactions and Balances with Related Parties

A. Transactions with related parties

	Year ended December 31,		
	2014	2013	2012
	CAD in thousands		
Cost of Sales	11	13	6
General and administrative expenses	373	315	228
Financing expenses	233	204	133
	617	532	367

Note 12 - Transactions and Balances with Related Parties (cont'd)

B. Balances with related parties

	As at		
	December 31		January 1
	2014	2013	2012
	CAD in thousands		
Parent company	6,106	5,049	2,473
	6,106	5,049	2,473

Note 13 - Operating Segments

Information on geographical segments

Siyata is domiciled in Israel and it operates and produces its income primarily in Israel, Europe, Australia and Canada.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	Year ended December 31,		
	2014	2013	2012
	CAD in thousands		
External revenues			
Israel	6,459	4,698	3,864
Europe	432	-	-
Australia	419	210	-
Other countries	60	-	-
	7,370	4,908	3,864

Major customers

Revenues from three customer of Siyata represents approximately $5,911,000 (2013 and 2012: $4,383,000 and $3,644,000, respectively) of Siyata's total revenues.

Note 14 - Financial Instruments

A. Overview

Siyata has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents quantitative and qualitative information about Siyata's exposure to each of the above risks, and Siyata's objectives, policies and processes for measuring and managing risk.

B. Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of Siyata's risk management framework.

Siyata's risk management policies are established to identify and analyze the risks faced by Siyata, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Siyata's activities. Siyata, through its training and management of standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

C. Credit risk

Credit risk is the risk of financial loss to Siyata if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Siyata's trade and other receivables.

Trade and other receivables
Siyata's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of Siyata's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Approximately 50% of Siyata's revenue (in 2013 and 2012: 42% and 59%, respectively) is attributable to sales transactions with a single customer. However, there is no concentration of credit risk.

Note 14 - Financial Instruments (cont'd)

C. Credit risk (cont'd)

The Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before Siyata's standard payment and delivery terms and conditions are offered. Siyata's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval from the Risk Management Committee; these limits are reviewed quarterly. Customers that fail to meet Siyata's benchmark creditworthiness may transact with Siyata only on a prepayment basis.

More than 48% of the Siyata's customers have been active with the Siyata for over four years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to the Siyata's wholesale customers. Customers that are graded as "high risk" are placed on a restricted customer list and monitored by the Management, and future sales are made on a prepayment basis.

(1) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure, notwithstanding the carrying amount of security or any other credit enhancements.

See Paragraph F hereunder for information regarding maximum exposure from financial guarantees.

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was as follows:

	Year ended December 31,		
	2014	2013	2012
	CAD in thousands		
Domestic	**990**	539	495
United Kingdom	**129**	-	-
Other European countries	**117**	-	-
Canada	**18**	-	-
	1,254	539	495

Note 14 - Financial Instruments (cont'd)

D. Liquidity risk

Liquidity risk is the risk that Siyata will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Siyata's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Siyata's reputation.

Siyata examines current forecasts of its liquidity requirements so as to make certain that there is sufficient cash for its operating needs, and it is careful at all times to have enough unused credit facilities so that Siyata does not exceed its credit limits and is in compliance with its financial covenants (if any). These forecasts take into consideration matters such as Siyata's plan to use debt for financing its activity, compliance with required financial covenants, compliance with certain liquidity ratios, and compliance with external requirements such as laws or regulation.

Siyata uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically Siyata ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group has a factoring agreement with external funding, for further information see Note 4.

Note 14 - Financial Instruments (cont'd)

D. Liquidity risk (cont'd)

The following are the contractual maturities of financial liabilities at undiscounted amounts and based on the future rates forecasted at the reporting date, including estimated interest payments. This disclosure excludes the impact of netting agreements:

	December 31, 2014						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
				CAD thousands			
Non-derivative financial liabilities							
Trade payables	269	269	269	-	-	-	-
Parent company	6,106	6,106	6,106	-	-	-	-
Other payables	156	156	156	-	-	-	-
	6,531	6,531	6,531	-	-	-	-

Note 14 - Financial Instruments (cont'd)

D. Liquidity risk (cont'd)

	December 31, 2013						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
				CAD thousands			
Non-derivative financial liabilities							
Trade payables	357	357	357	-	-	-	-
Parent company	5,049	5,049	5,049	-	-	-	-
Advances from customers	106	106	106	-	-	-	-
Other payables	137	137	137	-	-	-	-
	5,649	5,649	5,649	-	-	-	-

Note 14 - Financial Instruments (cont'd)

D. Liquidity risk (cont'd)

	January 1, 2013						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
				CAD thousands			
Non-derivative financial liabilities							
Trade payables	67	67	67	-	-	-	-
Parent company	2,473	2,473	2,473	-	-	-	-
Other payables	146	146	146	-	-	-	-
	2,686	2,686	2,686	-	-	-	-

Note 14 - Financial Instruments (cont'd)

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, the CPI and interest rates will affect Siyata's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(1) Linkage and foreign currency risks

Currency risk

Siyata is exposed to currency risk on expenses that are denominated in a currency other than the respective functional currencies of Siyata, the USD. The principal currency in which these expenses are denominated is NIS.

(a) The exposure to linkage and foreign currency risk

Siyata's exposure to linkage and foreign currency risk, except in respect of derivative financial instruments (see hereunder) was as follows:

	December 31, 2014			
		Foreign currency		
	USD	NIS	CAD	Total
		CAD thousands		
Financial assets and financial liabilities:				
Current assets:				
Trade receivables	246	990	18	1,254
Advances to suppliers	716	-	-	716
Current liabilities:				
Trade payables	(163)	(106)	-	(269)
Parent company	-	(6,106)	-	(6,106)
Advances from customers	-	-	-	-
Other payables		(145)	(11)	(156)
	799	(5,367)	7	(4,561)

Note 14 - Financial Instruments (cont'd)

E. Market risk (cont'd)

(1) Linkage and foreign currency risks (cont'd)

(a) The exposure to linkage and foreign currency risk (cont'd)

	December 31, 2013			
	Foreign currency			
	USD	NIS	CAD	Total
	CAD thousands			
Financial assets and financial liabilities:				
Current assets:				
Trade receivables	-	539	-	539
Advances to suppliers	872	-	-	872
Current liabilities:				
Trade payables	(130)	(227)	-	(357)
Parent company	-	(5,049)	-	(5,049)
Advances from customers	(106)	-	-	(106)
Other payables	-	(137)	-	(137)
	(636)	(4,874)	-	(4,238)

	January 1, 2013			
	Foreign currency			
	USD	NIS	CAD	Total
	CAD thousands			
Financial assets and financial liabilities:				
Current assets:				
Trade receivables	-	495	-	495
Advances to suppliers	422	-	-	422
Current liabilities:				
Trade payables	(36)	(31)	-	(67)
Parent company	-	(2,473)	-	(2,473)
Advances from customers	-	-	-	-
Other payables	-	(146)	-	(146)
	(386)	(2,155)	-	(1,769)

Note 14 - Financial Instruments (cont'd)

F. Fair value

(1) Financial instruments measured at fair value for disclosure purposes only

The carrying amounts of certain financial assets and liabilities, including, trade receivables, other receivables, trade payables and other payables are the same or approximate to their fair value.

Note 15 - Income Tax

Details regarding the tax environment of Siyata

(1) Corporate tax rate

(a) Presented hereunder are the tax rates relevant to Siyata in the years 2012-2014:
2012 – 25%
2013 – 25%
2014 – 26.5%

On August 5, 2013 the Knesset passed the Law for Changes in National Priorities (Legislative Amendments for Achieving Budget Objectives in the Years 2013 and 2014) – 2013, by which, inter alia, the corporate tax rate would be raised by 1.5% to a rate of 26.5% as from 2014.

For further information about the tax calculation method see Note 1E.

SIYATA MOBILE GROUP
Carve-Out

Condensed Interim Financial Statements

(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

As at and for the three months ended
March 31, 2015

SIYATA MOBILE GROUP
CARVE-OUT INTERIM FINANCIAL STATEMENTS
As at March 31, 2015

Contents

SIYATA MOBILE GROUP

(the “Company” or “SIYATA”)

CONDENSED INTERIM FINANCIAL STATEMENTS
As at and for the three months ended March 31, 2015

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The Management of the Company is responsible for the preparation of the accompanying unaudited condensed interim financial statements. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company’s auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

Siyata Mobile Group
Condensed Interim Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
As at

	March 31, 2015	December 31, 2014
	(in thousands)	
Assets		
Current Assets		
Trade and other receivables	**$ 1,558**	$ 1,254
Advances to suppliers	**1,053**	716
Inventory	**1,560**	1,345
Total current assets	**4,171**	3,315
Intangible assets	**2,667**	2,413
Total assets	**$ 6,838**	$ 5,728
Liabilities and Invested Capital		
Current Liabilities		
Trade payables	**$ 215**	$ 269
Parent company	**7,297**	6,106
Advances from customers	**7**	-
Other payables	**224**	156
Total current liabilities	**7,743**	6,531
Liability for severance pay	**16**	14
Total Invested Capital	**(921)**	(817)
Total liabilities and Invested Capital	**$ 6,838**	$ 5,728

Nature and continuance of operations (Note 1)
Going Concern (Note 2)
Related party transactions (Note 7)

Date of approval of the financial statements	Chairman of the Board of Directors	CEO and Director	CFO

The accompanying notes are an integral part of these carve-out condensed interim financial statements.

Siyata Mobile Group
Condensed Interim Statements of Profit or Loss and Other Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three-months ended March 31,	
	2015	2014
	(in thousands)	
Revenues	**$ 2,320**	$ 1,628
Cost of sales	**1,770**	1,258
Gross profit	**550**	370
Research and development expenses	**23**	46
Selling and marketing expenses	**323**	247
General and administrative expenses	**151**	95
Total expenses	**497**	388
Operating profit/(loss)	**53**	(18)
Financing expenses, net	**(71)**	(53)
Loss for the period	**(18)**	(71)
Other comprehensive income (loss) – Items that may or may not be reclassified to profit or loss		
Presentation currency translation adjustments	**(86)**	(26)
Total comprehensive loss for the period	**$ (104)**	$ (97)

The accompanying notes are an integral part of these carve-out condensed interim financial statements.

Siyata Mobile Group
Condensed Interim Statements of Changes in Invested Capital
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Attributable to equity holders of Siyata		
	Translation reserve	**Deficit**	**Total**
		(in thousands)	
Balance as at January 1, 2015	$ (93)	$ (724)	$ (817)
Loss for the period	-	(18)	(18)
Adjustments from the presentation currency	(86)	-	(86)
Balance as at March 31, 2015	**$ (179)**	**$ (742)**	**$ (921)**

	Attributable to equity holders of Siyata		
	Translation reserve	**Deficit**	**Total**
		(in thousands)	
Balance as at January 1, 2014	$ (31)	$ (615)	$ (646)
Loss for the period	-	(71)	(71)
Adjustments from the presentation currency	(26)	-	(26)
Balance as at March 31, 2014	$ (57)	$ (686)	$ (743)

The accompanying notes are an integral part of these carve-out condensed interim financial statements.

Siyata Mobile Group
Condensed Interim Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three-months ended March 31, 2015	2014
	(in thousands)	
Cash flows from operating activities:		
Loss for the period	**$ (18)**	$ (71)
Adjustments to reconcile net loss to net cash used in operating activities:		
Financing expenses, net	**71**	53
Amortization	**23**	46
Changes in working capital:		
Decrease/(increase) in trade receivables	**(170)**	57
Decrease/(increase) in advances to suppliers	**(255)**	67
Decrease/(increase) in inventories	**(76)**	542
(Decrease) in trade payables	**(80)**	(245)
Increase in advances from customers	**7**	-
Increase/(decrease) in other payables	**52**	(12)
Increase liability for severance pay	**2**	2
	(444)	439
Cash flows from investing activities:		
Development of expenditure recognized as intangible assets	**(28)**	(86)
Cash flows from financing activities:		
Loans from the parent company	**543**	(300)
Interest paid	**(71)**	(53)
	472	(353)
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of period	-	-
Effect of exchange rate fluctuations on cash	-	-
Cash and cash equivalents at end of period	**$ -**	**$ -**

The accompanying notes are an integral part of these carve-out condensed interim financial statements.

1. Nature of Operations

A. Reporting entity

The carve-out financial statements of SIYATA MOBILE GROUP (hereinafter - "SIYATA") include certain operations which are conducted by Accel Telecom Ltd. (hereinafter – “Accel”), and related companies (hereinafter – “THE GROUP”).

Siyata is a leading global developer of a vehicle mounted, cellular based communications platform over advanced 3G and 4G mobile networks (hereinafter – “THE BUSINESS”). It is specifically designed for professional vehicles such as trucks, vans, busses, ambulances and more. Its innovative platform is designed to facilitate replacement of the current in-vehicle multi device status quo with a single device that will incorporate voice, data and fleet management solutions.

B. The split- up of Accel Telecom’s holdings and transfer of assets

These carve-out financial statements of Siyata are prepared for the purpose of undertaking a merger with a public Canadian company through a reverse takeover.

Siyata intends to merge into a public company in Canada by way of a three way merger. According to the proposed transaction, following the completion of the transaction, Accel will provide certain services and transfer certain assets to an Israeli subsidiary of Siyata based on services and asset transfer agreements.

2. Going Concern

These carve-out financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that Siyata will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities, contingent or otherwise, and commitments in the normal course of business. Because of Siyata’s dependency on its parent, Accel Telecom Ltd. and its shareholders for financing, and as Siyata has experienced losses and negative cash flows for the three months ended March 31, 2015 the parent company and its shareholders will support Siyata in case it needs future financing.

Siyata’s ability to generate revenue, profitable operations and positive operating cash flow in the future is dependent on its ability to execute its current business plan. In the event Siyata is unable to achieve its current business plan, it will require additional financing until it is able to sustain profitable operations and positive operating cash flows. Given Siyata’s reliance on its parent, it will require additional financing to meet its short-term obligations as well as ongoing operating costs.

Siyata is in the process of undertaking a reverse takeover transaction with the intention of listing on the TSX Venture Exchange. Management believes that the public listing will provide access to additional capital through the potential for the issuance of equity. In addition, Siyata continues to invest in the business through the development of new products which management believes will result in growth in revenue, profitability and cash flows. However, there can be no assurance regarding the timing of or ultimate achievement of profitability or positive cash flows.

2. Going Concern (continued)

The ability of Siyata to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of the actions taken or planned, some of which are described above, which management believes will mitigate the adverse conditions as described above.

3. Basis of Presentation

The condensed interim financial statements of the Company have been prepared in accordance with IFRS as issued by the International Accounting Standard Board ("IASB") and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The condensed interim financial statements do not include all of the information required for the full annual financial statements and should be read in conjunction with the most recent audited December 31, 2014 annual financial statements of the Company (hereinafter – "the annual financial statements").

Siyata's functional currency is the US Dollar. The presentation currency is the Canadian dollar ("CAD").

The Company's condensed interim financial statements were authorized for issue by the Board of Directors on June 14, 2015.

The carve-out financial statements

Balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing these carve-out financial statements.

The carve-out financial statements have been derived from the financial statements of The Group. The carve-out financial statements reflect the assets, liabilities, revenues and expenses directly attributable to Siyata, as well as allocations deemed reasonable by management, to present the financial position, results of operations, changes in invested capital and cash flows of Siyata. The carve-out financial statements may not necessarily be indicative of Siyata's financial position, results of operating activities or cash flows had it operated as a separate entity throughout the period presented or for future periods.

4. Significant accounting policies

These condensed interim financial statements of the Company have been prepared on the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which is stated at their fair value. In addition, the condensed interim financial statements have been prepared using the accrual basis of accounting, except for the statements of cash flows.

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's most recent audited annual financial statements of the Company and reflect all of the adjustments necessary for fair presentation in accordance with IAS 34. There has been no material impact on these financial statements from changes in accounting standards during the period.

5. Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the principal assumptions used in the estimation of uncertainty were the same as those that applied to the annual financial statements

6. Future Accounting Pronouncements

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the three months ended March 31, 2015, and have not been applied in preparing these financial statements. None of these is expected to have an effect on the Company's financial statements. The Company has not early adopted these revised standards.

Effective for annual periods beginning on or after January 1, 2018

i. <u>IFRS 15 Revenue from Contracts with Customers</u>

IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions involving Advertising Services.

ii. <u>IFRS 9 Financial Instruments: Classification and Measurement</u>

IFRS 9 is a new standard on financial instruments that will replace IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instruments is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

Effective for annual periods beginning on or after January 1, 2015

i. <u>IFRS 7 Financial Instruments: Disclosure</u>

Amended to require additional disclosures on transition from IAS 39 to IFRS 9

7. Related Party Transactions

A. Transactions with related parties

Type of Service	Nature of Relationship	Three months ended March 31, **2015** (in thousands)	2014
Cost of Sales	Parent Company	**$ 9**	$ 2
General and administrative expenses	Parent Company	**122**	85
Financing expenses	Parent Company	**71**	53
		$ 202	$ 140

B. Balances with related parties

The amounts due to related parties are summarized below. These amounts are non-interest bearing, unsecured, and are due on demand.

	March 31, 2015 (in thousands)	December 31, 2014
Due to Parent Company	**$ 7,297**	$ 6,106

8. Segmented Information

Information on geographical segments

Siyata is domiciled in Israel and it operates and produces its income primarily in Israel, Europe, Australia and Canada. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	Three months ended March 31,	
	2015	2014
	(in thousands)	
External revenues:		
Israel	**$ 2,087**	$ 1,628
Europe	**223**	-
Australia	**-**	-
Other countries	**10**	-
	$ 2,320	$ 1,628

TESLIN RIVER

RESOURCES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2014 and 2013

(Expressed in Canadian dollars)

MANNING ELLIOTT
ACCOUNTANTS & BUSINESS ADVISORS

11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7
Tel: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Teslin River Resources Corp.

We have audited the accompanying consolidated financial statements of Teslin River Resources Corp. which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statements of comprehensive loss, changes in equity (deficiency) and cash flows for the year then ended, and the related notes comprising 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 as issued by the International Accounting Standards Board, 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 audit. We conducted our audit 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 our 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, we consider 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 audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Teslin River Resources Corp. as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Teslin River Resources Corp. to continue as a going concern.

Other Matter
The consolidated financial statements of Teslin River Resources Corp. for the year ended December 31, 2013 were audited by another auditor who expressed an unmodified opinion on those statements on April 30, 2014.

Manning Elliott LLP

CHARTERED ACCOUNTANTS
Vancouver, British Columbia
April 27, 2015

TESLIN RIVER RESOURCES CORP.
Consolidated Statements of Financial Position
As at December 31, 2014 and 2013
(expressed in Canadian dollars)

	Note	2014	2013
		$	$
ASSETS			
Current assets			
Cash		166,447	9,538
Other receivables		2,794	1,292
		169,241	10,830
Deposits		4,798	18,473
Exploration and evaluation assets	5	-	643,259
		4,798	661,732
		174,039	672,562
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	6	27,031	643,692
Loan from related party	7	-	270,941
		27,031	914,633
Equity (Deficiency)			
Share capital	8	13,029,764	11,863,489
Obligation to issue shares	7	-	15,000
Contributed surplus		1,564,407	1,313,137
Deficit		(14,447,163)	(13,433,697)
		147,008	(242,071)
		174,039	672,562

NATURE OF OPERATIONS AND GOING CONCERN	1
SUBSEQUENT EVENT	13

These consolidated financial statements were authorized for issue by the Board of Directors on April 27, 2015. They are signed on the Company's behalf by:

"Neil Currie"	*"Minaz Devji*
Neil Currie, Director	Minaz Devji, Director

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

TESLIN RIVER RESOURCES CORP.
Consolidated Statements of Comprehensive Loss
For the Years Ended December 31, 2014 and 2013
(expressed in Canadian dollars)

	Note	2014	2013
		$	$
REVENUES		-	-
GENERAL EXPENSES			
Administration and management fees		1,243	333
Consulting fees	9	7,109	69,098
Foreign exchange		(1,350)	(1,120)
Insurance		10,349	13,995
Interest expense	7 & 9	19,995	34,751
Office and rent		5,315	4,475
Professional fees		46,914	16,774
Regulatory and filing fees		24,133	18,387
Shareholder relations		5,623	37,183
Share-based compensation	8	251,270	-
Travel		5,284	585
		375,885	194,461
LOSS BEFORE OTHER INOME (EXPENSES)		(375,885)	(194,461)
OTHER INCOME (EXPENSES)			
Gain on debt forgiveness	6	327,928	-
Loss on loan settlement	7	(322,250)	-
Write-off of exploration and evaluation assets	5	(643,259)	(1,014,040)
NET LOSS AND COMPREHENSIVE LOSS		(1,013,466)	(1,208,501)
Basic and diluted loss per common share		(0.13)	(0.43)
Weighted average number of common shares outstanding		7,695,465	2,780,431

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

TESLIN RIVER RESOURCES CORP.
Consolidated Statements of Changes in Equity (Deficiency)
For the Years Ended December 31, 2014 and 2013
(expressed in Canadian dollars)

	Note	2014	2013
		$	$
OPERATING ACTIVITIES			
Net Loss		(1,013,466)	(1,208,501)
Adjustments for items not involving cash:			
Accretion and accrued interest on loan payable	7	19,995	15,058
Unrealized in foreign exchange		-	(1,194)
Share-based compensation	8	251,270	-
Gain on debt forgiveness	6	(327,928)	-
Loss on loan settlement	7	322,250	-
Write-off of exploration and evaluation assets	5	643,259	1,014,040
		(104,620)	(180,597)
Net change in non-cash working capital items:			
Other receivables		(1,502)	1,443
Prepaid		-	4,450
Accounts payable and accrued liabilities		(42,588)	(1,287)
		(148,710)	(175,991)
INVESTING ACTIVITIES			
Recovery of deposits		13,675	-
Recovery of BC mining exploration tax credits		-	16,164
Exploration and evaluation assets		-	(25,000)
Payment received in lieu of exploration commitment		-	153,473
		13,675	144,637
FINANCING ACTIVITIES			
Issuance of common shares, net of share issue costs	8	291,944	-
Loan from related party		-	11,000
Loan advanced from an unrelated party		32,787	-
Loan repaid to an unrelated party		(32,787)	-
		291,944	11,000
Increase (decrease) in cash		156,909	(20,354)
Cash – beginning of year		9,538	29,892
Cash - end of year		166,447	9,538
Non-cash investing and financing activity			
Shares issued for loan from related party		859,332	-
Supplemental Information			
Cash paid for interest		-	-
Cash paid for income taxes		-	-

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

TESLIN RIVER RESOURCES CORP.
Consolidated Statements of Changes in Equity (Deficiency)
For the Years Ended December 31, 2014 and 2013
(expressed in Canadian dollars)

	Number of shares	Share capital	Obligation to issue common shares	Contributed surplus	Deficit	Total
		$	$	$	$	$
Balance, December 31, 2012	11,121,798	11,863,489	15,000	1,313,137	(12,225,196)	966,430
Comprehensive loss	-	-	-	-	(1,208,501)	(1,208,501)
Balance, December 31, 2013	11,121,798	11,863,489	15,000	1,313,137	(13,433,697)	(242,071)
Share consolidation 4:1	(8,341,367)	-	-	-	-	-
Shares issued for debt settlement	10,741,643	859,332	-	-	-	859,332
Shares issued to satisfy obligation to issue shares	15,000	15,000	(15,000)	-	-	-
Shares issued for cash	6,000,000	291,943	-	-	-	291,943
Share-based compensation	-	-	-	251,270	-	251,270
Comprehensive loss	-	-	-	-	(1,013,466)	(1,013,466)
Balance, December 31, 2014	19,537,074	13,029,764	-	1,564,407	(14,447,163)	147,008

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

1. Nature of Operations and Going Concern

Teslin River Resources Corp. (the "Company") is incorporated under the Business Corporations Act, British Columbia and is considered to be in the exploration stage with respect to its exploration and evaluation assets. The Company's shares are listed on the TSX Venture Exchange ("TSX-V"). The corporate office of the Company is Unit 100 – 736 Granville Street, Vancouver, BC V6Z 1G3.

As at December 31, 2014, the Company was engaged in the identification, acquisition, exploration and, if warranted, development of exploration and evaluation assets in Canada.

As at December 31, 2014, the Company had accumulated losses of $14,447,163, had no sources of recurring revenues and had recurring negative cash flows from operations. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. Management anticipates that the minimum cash requirements to fund additional exploration and development of its properties and continued operations will exceed the amount of cash on hand at December 31, 2014. Accordingly, the Company does not have sufficient funds to meet planned expenditures over the next 12 months, and will need to seek additional equity financing and, while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. These factors raise significant doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

2. Basis of Preparation

a) Statement of compliance

These consolidated 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 International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on April 27, 2015.

b) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are those entities which the Company controls. The Company controls an entity when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and are de-consolidated from the date that control ceases.

2. Basis of Preparation *(continued)*

b) Principles of consolidation *(continued)*

Name of subsidiary	Place of incorporation	Proportion of ownership interest	Principal activity
Queensgate Resources Corp. (QRC)	B.C., Canada	100%	Holding company
Queensgate Resources US Corp. (QR-US)	Nevada, USA	100%	Mineral exploration activities

c) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

d) Functional and presentation currency

Items included in the consolidated financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency") and has been determined for each entity within the Company. The functional currency of Teslin River Resources Corp., the parent company, is the Canadian dollar and the functional currency of the Company's subsidiary, Queensgate Resources Corporation ("QRC"), is the Canadian dollar. The functional currency of Queensgate Resources US Inc. ("QR-US"), a wholly-owned subsidiary of QRC, is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

e) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Share-based compensation

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

2. Basis of Preparation *(continued)*

e) Use of estimates and judgments *(continued)*

(i) Critical accounting estimates (continued)

Carrying value and impairment of exploration and evaluation assets

Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of exploration and evaluation assets. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that a change in future conditions could require a material change in the recognized amount.

Estimated decommissioning provisions

Management estimates provision for decommissioning liabilities as the present value of the future cash outflows required to settle estimated reclamation and closure costs at the end of mine's life. The provision reflects estimates of future costs, inflation, movements in foreign exchange rates and assumptions of risks associated with the future cash outflows, and the applicable risk free interest rates for discounting the future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company.

Changes to reclamation and closure cost obligations are recorded with a corresponding change to the carrying amounts of related mining properties. Adjustments to the carrying amounts of related mining properties can result in a change to future depletion expense.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the consolidated statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the consolidated statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recorded any deferred tax assets.

Impairment of exploration and evaluation assets

The application of the Company's accounting policy for mineral properties requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

2. Basis of Preparation *(continued)*

e) Use of estimates and judgments *(continued)*

Determination of functional currency

In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, management determined that the functional currency of the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 *The Effects of Changes in Foreign Exchange Rates* ("IAS 21"). Significant changes to those underlying factors could cause a change to the functional currency.

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements.

3. Significant Accounting Policies

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates prevailing at the financial position reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Exchange gains or losses arising on foreign currency translation are reflected in profit or loss for the year. The Company's reporting currency and the functional currency of all of its operations is the Canadian dollar.

Exploration and evaluation assets and expenditures

All direct costs related to the acquisition of exploration and evaluation assets are capitalized upon acquiring the legal right to explore a property. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development, are capitalized to each property, net of recoveries, including funds received from the British Columbia mining exploration tax credit.

Development expenditures incurred subsequent to a development decision, and to increase or extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves. When there is little prospect of further work on a property being carried out by the Company, the remaining deferred costs associated with that property are charged to operations during the period such determination is made.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amounts may exceed the recoverable amounts.

3. Significant Accounting Policies *(continued)*

Restoration, rehabilitation and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a decommissioning liability is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with decommissioning as a liability when the liability is incurred and increases the carrying value of the related assets for that amount.

Subsequently, these capitalized decommissioning liabilities are amortized over the life of the related assets. As the end of each period, the liability is increased to reflect the passage of time and changes in the estimated future cash flows underlying any initial estimates.

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss. The Company had no decommissioning liabilities for the years presented.

Impairment of long-lived assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3. Significant Accounting Policies *(continued)*

Financial instruments – classification and fair value

(i) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as FVTPL unless they are designed as effective hedges. Assets in FVTPL include cash.

Financial assets at FVTPL are initially recognized, and subsequently carried, at fair value with changes recognized in profit or loss. Attributable transaction costs are recognized in profit or loss when incurred.

(ii) Loans and receivable

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months or those that are expected to be settled after 12 months from the end of the reporting period, which are classified as non-current assets. There were no loans and receivables for the years presented.

Loans and receivables are initially recognized at fair value plus any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is used to determine the amortized cost of loans and receivables and to allocate interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period.

(iii) Financial assets held-to-maturity

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized through profit or loss. There were no held-to-maturity financial assets for the years presented.

(iv) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting 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 could 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.

3. Significant Accounting Policies *(continued)*

Financial instruments – classification and fair value *(continued)*

(iv) Impairment of financial assets *(continued)*

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of a trade or other receivable is reduced through the use of an allowance account. When a trade or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(v) De-recognition of financial assets

Financial assets are de-recognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all of the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial liabilities and equity – classification and fair value

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise.

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The Company has classified accounts payable and loan from related party as other financial liabilities.

Share capital

Common shares are classified as share capital. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity.

3. Significant Accounting Policies *(continued)*

Loss per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted earnings per share is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

In the Company's case, diluted loss per share is the same as basic loss per share, as the effect of outstanding share options and share purchase warrants on loss per share would be anti-dilutive.

Share-based compensation

The Company's stock option plan allows its employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. In situations where equity instruments are issued to individuals who are not considered to be employees and the fair value of the services received cannot be reliably measured, it will be measured at the fair value of the share-based compensation. Otherwise, the share-based compensation is measured at the fair value of the services rendered. Consideration paid on the exercise of stock options is credited to share capital and the carrying value of the options is reclassified from reserves to share capital.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and highly liquid market investments with original terms of maturity of less than ninety days at time of acquisition, or which are redeemable at the option of the Company.

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

3. Significant Accounting Policies *(continued)*

Income taxes *(continued)*

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Newly adopted accounting standards and interpretations

On January 1, 2014, the Company adopted the following new accounting standards that were previously issued by the IASB:

IFRS 7 - *Financial Instruments: Disclosures*
IFRS 7 requires entities to provide additional information about offsetting of financial assets and financial liabilities that will enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognized financial assets and recognized financial liabilities, on the entity's financial position.

IFRS 10 - *Consolidated Financial Statements*
IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 provides definition of control, focusing on the need to have power over the investee, exposure to variable returns from its involvement with the investee and the ability to use its power over the investee to affect its returns.

IFRS 11 – *Joint Arrangements*
The amendments of IFRS 11 reduce the types of joint arrangements to either joint ventures or joint operations. IFRS 11 requires the use of equity accounting for interests in joint ventures, eliminating the existing choice of proportionate consolidation for jointly controlled entities. Joint operations are arrangements where the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation.

IFRS 12 – *Disclosure of Interests in Other Entities*
IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 – *Fair Value Measurement*
IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that 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. It also establishes disclosures about fair value measurement.

3. Significant Accounting Policies *(continued)*

Newly adopted accounting standards and interpretations *(continued)*

IAS 1 - *Presentation of Financial Statements*
IAS 1 has been amended to require entities to separate items presented in other comprehensive income ("OCI") into two groups, based on whether or not items may be recycled to net income in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately including prior year comparatives.

Amendments to other standards
In addition, there have been other amendments to existing standards, including IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

IFRIC 20 – *Stripping Costs in the Production Phase of a Surface Mine*
IFRIC 20 addresses the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. Stripping activity may result in two types of benefits: i) inventory produced and ii) improved access to ore that will be mined in the future. Stripping costs associated with inventory production should be accounted for as a current production cost in accordance with IAS 2 *Inventories*, and those associated with improved access to ore should be accounted for as an addition to, or enhancement of, an existing asset.

New standards, interpretations and amendments not yet effective

New accounting standards effective for annual periods on or after January 1, 2015:

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

IAS 36 – *Impairment of Assets*
In May 2013, the IASB, as a consequential amendment to IFRS 13, modified some of the disclosure requirements in IAS 36 regarding measurement of the recoverable amount of impaired assets. The amendments resulted from the IASB's decision in December 2010 to require additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal.

IFRIC 21 – *Levies*
IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain.

3. Significant Accounting Policies *(continued)*

New standards, interpretations and amendments not yet effective *(continued)*

New accounting standards effective for annual periods on or after January 1, 2017:

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

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

New accounting standards effective for annual periods on or after January 1, 2018:

IFRS 9 - *Financial Instruments*
In November 2009, as part of the IASB project to replace IAS *39 Financial Instruments: Recognition and Measurement*, the IASB issued the first phase of IFRS 9 *Financial Instruments*, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013 the standard was revised to add the new general hedge accounting requirements. The standard was finalized in July 2014 and was revised to add a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (FVTOCI) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test.

The extent of the impact of adoption of these standards and interpretations on the consolidated financial statements of the Company has not been determined.

A number of new standards, amendments to standards and interpretations are not yet effective as of December 31, 2014, and have not been applied in preparing these consolidated financial statements.

4. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: FVTPL; held-to-maturity; loans and receivables; available-for-sale; or other liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	2014	2013
		$	$
Cash	FVTPL	166,447	9,538
Accounts payable	Other liabilities	(27,031)	(643,692)
Loan from related party	Other liabilities	-	(270,941)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for cash, accounts payable and loan from related party approximate their fair values due to their short-term nature and based on market rates of interest for similar instruments. Cash is measured using Level 1 of the fair value hierarchy.

Risk management

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

Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts which are available on demand by the Company for its programs.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next 60 days. The Company is exposed to liquidity risk (see Notes 1 and 13).

4. Financial Instruments and Risk Management *(continued)*

Risk management *(continued)*

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 commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk: The Company is not exposed to interest rate risk as it does not have any loans payable at December 31, 2014.

(b) Foreign Currency Risk: The Company has identified its functional currency as the Canadian dollar. Transactions are transacted in Canadian dollars and in US dollars. The Company maintains US dollar bank accounts in Canada to support the cash needs of its foreign operation. Management believes the foreign exchange risk related to currency conversions are minimal and therefore, does not hedge its foreign exchange risk. At December 31, 2014, one Canadian dollar was equal to 0.8620 US dollars.

Based upon the net exposures and assuming that all other variables remain constant, a 1% increase or decrease in the Canadian dollar against the US dollar would result in a nominal change to profit or loss.

(c) Commodity Price Risk: While the value of the Company's mineral resource properties and its ability to raise financing are related to the price of gold and the outlook for this mineral, the Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect to its operational activities. Historically, the price of gold has fluctuated significantly and is affected by numerous factors outside of the Company's control, including but not limited to industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold.

(expressed in Canadian dollars)

5. Exploration and Evaluation Assets

The continuity of exploration and evaluation assets at December 31, 2014, and 2013 is as follows:

	Frasergold	Morningstar	Rand	Total
	$	$	$	$
Acquisition costs				
At December 31, 2012	80,387	729,787	575,200	1,385,374
Assets acquired for cash	25,000	-	-	25,000
Cash payment in lieu of exploration commitment	-	-	(153,473)	(153,473)
Write-off of exploration and evaluation assets	(105,387)	(729,787)	-	(835,174)
At December 31, 2013	-	-	**421,727**	**421,727**
Write-off of exploration and evaluation assets	-	-	(421,727)	(421,727)
At December 31, 2014	-	-	-	-
Exploration costs				
At December 31, 2012	182,218	12,812	221,532	416,562
Tax recovery	(16,164)	-	-	(16,164)
Write-off of exploration and evaluation assets	(166,054)	(12,812)	-	(178,866)
At December 31, 2013	-	-	**221,532**	**221,532**
Write-off of exploration and evaluation assets	-	-	(221,532)	(221,532)
At December 31, 2014	-	-	-	-
Balance, December 31, 2014	-	-	-	-
Balance, December 31, 2013	-	-	**643,259**	**643,259**

Rand Properties

The Company has earned its 100% interest to the Rand properties (#1, 2, 3, 4, and 5) in the Cariboo Mining District, British Columbia. The properties are subject to a 3% net smelter return ("NSR") royalty. The Company entered into an agreement, as amended on April 2, 2013, granting an option to Gold Fields Horsefly Exploration Corporation ("Gold Fields"), to earn up to an 80% interest in the Company's Rand properties. Gold Fields has earned the initial 51% interest by expending a total of $846,527 in exploration and, by paying the Company $153,473 in lieu of exploration.

During the year ended December 31, 2014, the Company determined not to proceed with any further exploration work and as a result all previous recorded exploration and evaluation assets on this property were written off.

Morningstar Property

On June 5, 2013, the Company advised DSCL, LLC of its termination of the Morningstar lease, returned the property, and wrote off the acquisition and exploration costs of $742,599.

(expressed in Canadian dollars)

5. Exploration and Evaluation Assets (continued)

Frasergold Property

On December 13, 2013, the Company advised Eureka Resources Inc. of its termination of the option agreement on the Frasergold property, returned the property, and wrote off the acquisition and exploration costs of $271,441.

6. Trade and Other Payables

	2014	2013
	$	$
Trade and other payables	11,918	332,685
Amounts payable to related parties	2,113	298,007
Accrued liabilities	13,000	13,000
Total	27,031	643,692

During the year ended December 31, 2014, the Company entered into several debt settlement agreements with creditors to settle the accounts payable for reduced amounts. The Company and the creditors agreed to settle the total outstanding balances of $378,892 for $50,964, which resulted in a gain on debt forgiveness in the amount of $327,928. Of the $378,892 settlement, $51,800 was from related parties, which incurred a loan forgiveness of $49,900 from related parties.

In addition, during the year ended December 31, 2014, the Company also settled all accounts payable to its major shareholder, Resinco Capital Partners Inc. ("Resinco"), in a separate debt settlement agreement as described in Note 7. The total accounts payable to Resinco as at December 31, 2013 was $246,146.

7. Loan from Related Party

During the year ended December 31, 2012, the Company entered into a loan agreement with its major shareholder, Resinco Capital Partners Inc. ("Resinco"), for up to $300,000. During the year ended December 31, 2012, Resinco advanced the Company $275,000 and during the year ended December 31, 2013, Resinco advanced an additional $11,000 for a total of $286,000. The loan bears interest at the Royal Bank of Canada prime rate plus 4% per annum and was due on December 31, 2014. In addition, the Company agreed to pay a one-time administration fee of $25,000 and 15,000 bonus shares (post-consolidation) with a value of $15,000.

During the year ended December 31, 2014, the Company recorded accretion expense and interest of $19,995 (2013 - $34,751).

On June 26, 2014, the Company entered into a loan settlement agreement with Resinco to settle a total debt of $552,082 determined as follows:

	Amount
	$
Loan principal	286,000
Loan interest – 2013 (recorded in accounts payable)	34,746
Loan interest – 2014	4,936
Loan administration fee and expenses (recorded in accounts payable)	211,400
Total debt settlement	537,082

(expressed in Canadian dollars)

7. Loan from Related Party (continued)

In accordance to the loan settlement agreement, the Company settled the debt of $537,082 by issuing 10,741,644 common shares at a deemed price of $0.05 per share and 15,000 bonus shares. The shares were issued on September 24, 2014 and were subject to a four-month hold period expiring January 24, 2015. The fair value of the shares was $0.08 per share for a total of $859,332. As a result, a loss of $322,250 loan settlement was recorded at the year ended December 31, 2014.

8. Share Capital

a) *Authorized share capital*

An unlimited number of common shares without par value and an unlimited number of preferred shares without par value. On September 9, 2014, the Company's common shares were consolidated on a 4-old for 1-newbasis.

All common share, warrant, and stock option information presented in these consolidated financial statements is on a post-consolidation basis.

b) *Issued share capital*

Issued in the year ended December 31, 2014:

On September 10, 2014, the Company issued 10,741,643 common shares in lieu of share settlement as described in Note 7.

On September 10, 2014, the Company issued 15,000 common shares to settle an obligation to issue shares measured at $15,000 as described in Note 7.

On September 17, 2014, the Company completed a non-brokered private placement of 6,000,000 units at a price of $0.05 per unit for total proceeds of $300,000. Each unit consists of one common share and one share purchase warrant, each warrant entitling the holder to purchase a further common share at a price of $0.06 per share until September 17, 2017. Share issuance costs of $8,057 were incurred in connection with the private placement.

c) *Share purchase warrants*

Details of the status of the Company's share purchase warrants as at December 31, 2014 are as follows:

	Number of Warrants	Weighted Average Exercise Price
		$
Balance, December 31, 2012 and 2013	-	-
Granted	6,000,000	0.06
Balance, December 31, 2014	6,000,000	0.06

All warrants expire on September 17, 2017.

(expressed in Canadian dollars)

8. Share Capital *(continued)*

d) Stock options

The Company has a shareholder approved "rolling" stock option plan (the "Plan") in compliance with TSX-V policies. Under the Plan the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of granting. The exercise price of each stock option shall not be less than the market price of the Company's stock at the date of grant. Options can have a maximum term of 10 years and typically terminate 90 days following the termination of the optionee's employment or engagement, except in the case of retirement or death. Vesting of options is at the discretion of the Board of Directors at the time the options are granted.

Details of the status of the Company's stock options as at December 31, 2014 are as follows:

	Number of Options	Weighted-Average Exercise Price
		$
Balance, December 31, 2012	469,000	0.61
Expired / Cancelled	(82,000)	0.50
Balance, December 31, 2013	387,000	0.63
Granted	1,800,000	0.155
Expired	(25,000)	2.25
Cancelled	(362,000)	(0.52)
Balance, December 31, 2014	1,800,000	0.155

During the year ended December 31, 2014, the Company granted 1,800,000 options (2013 – Nil) to directors and officers of the Company. The options vested immediately upon grant and share-based compensation expense of $251,270 was charged to net loss (2013 $Nil). The Company uses the Black-Scholes option pricing model to value stock options which requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

The weighted average assumptions used in calculating the fair value of the options were as follows:

	2014	2013
Risk-free rate	1.54%	-
Expected life of options in years	5 years	-
Expected volatility	146%	-
Expected dividend yield	0%	-
Expected forfeiture rate	0%	-

The weighted average grant date fair value for the options granted in 2014 was $0.14.

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for stock options granted to employees. Stock options granted to non-employee are valued using the Black-Scholes Option Pricing Model as the fair values of services received were not reliably measurable.

(expressed in Canadian dollars)

8. Share Capital *(continued)*

As at December 31, 2014, the following stock options were outstanding and exercisable:

Outstanding Number of Options	Expiry Date	Exercise Price
1,800,000	October 31, 2019	0.155

The weighted average remaining contractual life of stock options outstanding at December 31, 2014 is 4.84 years (2013 – 1.89 years).

9. Related Party Transactions

a) The Company's related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers and directors as follows:

Name	Nature of transactions
Golden Oak Corporate Services Limited	Consulting fees to former CFO
JRI Strategic Consultants Inc.	Consulting fees to former Chairman and CEO
Resinco Capital Partners Inc.	Consulting fees and interest expense

	2014	2013
	$	$
Consulting fees	6,937	69,098
Interest expense	19,995	34,751
Total	26,932	103,849

b) Compensation of key management personnel:

During the year ended December 31, 2014, the Company granted 1,800,000 stock options to the key management and directors, with a fair value of $251,270.

All transactions have been recorded at the exchange amounts, being the amount agreed upon by the related parties.

10. Segmented Information

The Company's operations are segmented on a regional basis and 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 defined as the Chief Executive Officer.

The Company operates in a single segment, being mineral exploration.

As at December 31, 2014 and 2013, all of the Company's assets were held in Canada.

(expressed in Canadian dollars)

11. Management of Capital

The Company loans from related parties and considers all components of shareholders' equity (deficiency) as capital (see Note 8). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital requirements to which it is subject.

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 the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash on hand.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. Cash consist of cash on hand and balances with banks.

There have been no changes to the Company's approach to capital management during the year ended December 31, 2014.

12. Income Taxes

Significant components of the Company's deferred income tax assets are as follows:

	2014	2013
	$	$
Exploration and evaluation assets	605,000	434,000
Non-capital and capital losses	1,378,000	1,266,000
Share issue costs	4,000	1,000
Allowable capital losses and other items	5,000	53,000
Unrecognized deferred tax assets	1,992,000	1,754,000

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

	2014	2013
	$	$
Expected income tax recovery	(264,000)	(311,000)
Effect of change of income tax rates	(17,000)	(97,000)
Change in estimates	43,000	175,000
Deferred tax unrecognized	238,000	233,000
Income tax expense	-	-
Combined statutory rate	26%	25.75%

The Company has available for deduction against future taxable income non-capital losses of approximately $4,534,000. These losses, if not utilized, will expire through to 2034. In addition, the Company has resource expenditures of approximately $2,158,000 available to reduce taxable income in future years. Future tax benefits which may arise as a result of these non-capital losses and resource expenditures have not been recognized in these consolidated financial statements.

13. Subsequent Event

On April 23, 2015, the Company entered into an amalgamation agreement with Accel Telecom Ltd. ("Accel"), its wholly-owned subsidiary, Truckfone Inc. ("Truckfone") and 1033819 B.C. Ltd., a wholly-owned subsidiary of the Company ("Acquisition Co") to complete a three-cornered amalgamation of Truckfone and Acquisition Co. Acquisition Co. was incorporated on April 15, 2015 under the Business Corporations Act, British Columbia solely for the purpose of this transaction. Upon completion, the Company will issue 33,333,333 common shares to Accel which will result in Accel obtaining control of the Company. The transaction is considered a purchase of the Company by Accel and is expected to be accounted for as a reverse acquisition.

Prior to the close of the transaction, the Company will be required to:

a) cancel all stock options (being 1,800,000 options exercisable at $0.155 per share);
b) cause its warrant holders to exercise all of the issued and outstanding warrants (being an aggregate of 6,000,000 warrants exercisable at $0.06 per share for aggregate proceeds of $360,000;
c) complete a share consolidation of all the issued shares at the ratio of 2.2:1;
d) have $450,000 of cash including the proceeds raised from (b) above less applicable transaction costs as clarified in the agreement; and
e) secure a minimum equity financing of $4,000,000 at a price of $0.30 per subscription receipt. Each subscription receipt is to consist of one common share and one-half warrant (post-consolidation) with each whole warrant exercisable for one common share at $0.60 per warrant for a period of two years.

The agreement is subject to a $100,000 break fee under certain circumstances.

TESLIN RIVER
RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three months ended March 31, 2015 and 2014

(Expressed in Canadian dollars)
(unaudited)

Notice to Reader

These interim financial statements of Teslin River Resources Corp. have been prepared by management and approved by the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

TESLIN RIVER RESOURCES CORP.

Condensed Consolidated Interim Statements of Financial Position

(expressed in Canadian dollars)

(unaudited)

	Note		March 31, 2015		December 31, 2014
ASSETS					
CURRENT ASSETS					
Cash	*5*	$	146,873	$	166,447
Receivables	*6*		3,492		2,794
			150,365		169,241
NON-CURRENT ASSETS					
Deposits	*7*		5,238		4,798
			5,238		4,798
		$	155,603	$	174,039
LIABILITIES AND SHAREHOLDERS' DEFICIENCY					
CURRENT LIABILITIES					
Trade and other payables	*8*	$	27,260	$	27,031
			27,260		27,031
SHAREHOLDERS' DEFICIENCY					
Share capital	*9*		13,029,764		13,029,764
Reserves	*9*		1,564,407		1,564,407
Deficit			(14,465,828)		(14,447,163)
			128,343		147,008
		$	155,603	$	174,039
Nature of operations and going concern	*1*				
Subsequent events	*13*				

These condensed consolidated interim financial statements are authorized for issue on behalf of the Board of Directors on May 29, 2015.

They are signed on the Company's behalf by:

"Neil Currie"	*"Minaz Devji"*
Neil Currie, Director	Minaz Devji, Director

The accompanying notes form an integral part of these condensed consolidated interim financial statements

TESLIN RIVER RESOURCES CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(expressed in Canadian dollars)
(unaudited)

		Three months ended March 31,	
	Note	2015	2014
GENERAL EXPENSES			
Administration and management fees		$ 677	$ -
Foreign exchange		(1,204)	(787)
Insurance		-	609
Interest expense	*11*	-	8,649
Office and rent		3,668	346
Professional fees		6,119	336
Regulatory and filing fees		1,157	6,097
Shareholder relations		394	275
Travel		7,854	-
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		$ (18,665)	$ (15,525)
Basic and diluted loss per common share		$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding		7,235,991	11,121,798

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

TESLIN RIVER RESOURCES CORP.
Condensed Consolidated Interim Statements of Cash Flows
(expressed in Canadian dollars)
(unaudited)

	Note		Three months ended March 31, 2015		2014
Cash provided from (used for)					
Operating activities					
Income (Loss) for the period		$	(18,665)	$	(15,525)
Adjustment for non-cash items:					
Amortization of bonus shares included in interest expense	*11*		-		1,349
Amortization of loan administration fee included in interest expense	*11*		-		2,364
Share-based compensation			-		-
Unrealized foreign exchange			(1,378)		(727)
Changes in non-cash working capital:			-		-
Receivables			698		294
Prepaid expenses			-		-
Deposits			-		-
Trade and other payables			(229)		11,889
Change in cash during the period			(19,574)		(356)
Cash, beginning of the period			166,447		9,538
Cash, end of the period		$	146,873	$	9,182

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

TESLIN RIVER RESOURCES CORP.

Condensed Consolidated Interim Statements of Changes in Equity / (Deficiency)

(expressed in Canadian dollars)
(unaudited)

	Number of Shares	Share Capital	Obligation to issue common shares	Reserves		Deficit	Total
				Share-based	Warrants		
Balance, December 31, 2013	11,121,798	$ 11,863,489	$ 15,000	$ 1,182,537	$ 130,600	$ (13,433,697)	$ (242,071)
Loss and comprehensive loss for the period	-	-	-	-	-	(15,525)	(15,525)
Balance, March 31, 2014	11,121,798	$ 11,863,489	$ 15,000	$ 1,182,537	$ 130,600	$ (13,449,222)	$ (257,596)

	Number of Shares	Share Capital	Obligation to issue common shares	Reserves		Deficit	Total
				Share-based	Warrants		
Balance, December 31, 2014	19,537,074	$ 13,029,764	$ -	$ 1,433,807	$ 130,600	$ (14,447,163)	$ 147,008
Income and comprehensive income for the period	-	-	-	-	-	(18,665)	(18,665)
Balance, March 31, 2015	19,537,074	$ 13,029,764	$ -	$ 1,433,807	$ 130,600	$ (14,465,828)	$ 128,343

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

1. Nature of Operations and Going Concern

Teslin River Resources Corp. (the "Company") is incorporated under the Business Corporations Act, British Columbia and is considered to be in the exploration stage with respect to its exploration and evaluation assets. The Company's shares are listed on the TSX Venture Exchange ("TSX-V"). The corporate office of the Company is Unit 100 – 736 Granville Street, Vancouver, BC V6Z 1G3.

As at March 31, 2015, the Company was engaged in the identification, acquisition, exploration and, if warranted, development of exploration and evaluation assets in Canada. See also Subsequent Events Note 13.

The condensed consolidated interim financial statements of the Company as at and for the three month period ended March 31, 2015, comprise the Company and its two subsidiaries.

Management anticipates that the minimum cash requirements to fund continued operations will exceed the amount of cash on hand at March 31, 2015. Accordingly, the Company does not have sufficient funds to meet planned expenditures over the next twelve months, and will need to seek additional equity financing and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. These material uncertainties raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Basis of Presentation

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standard Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, using accounting policies that the Company expects to adopt in its annual consolidated financial statements for the year ended December 31, 2015. These condensed consolidated interim financial statements do not include all of the information required for the annual consolidated financial statements and should be read in conjunction with the Company's most recent audited consolidated financial statements for the year ended December 31, 2014, which are available on www.sedar.com.

The condensed consolidated interim financial statements include the accounts of the Company and its two wholly-owned inactive subsidiaries:

Name of Subsidiary	Place of Incorporation	Ownership
Queensgate Resources Corp.	B.C., Canada	100%
Queensgate Resources US Corp.	Nevada, USA	100%

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional currency of the Company, and were authorized for issuance by the Board of Directors on June 1, 2015.

3. Significant Accounting Policies

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company as at and for the year ended December 31, 2014, with the addition of these new standards, interpretations, and amendments effective for annual periods beginning on or after January 1, 2015.

The Company has adopted these revised standards, assessed the impact of these standards on the financial statements, and determined that none of these revised standards has had a material effect on the interim financial statements of the Company.

Amendments to IAS 32 *Financial Instruments: Presentation*

The amendments to the disclosure requirements in IFRS 7 *Financial Instruments: Disclosure* require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32.

The amendments to IAS 32 are not effective until annual periods beginning on or after 1 January 2014. However, the new offsetting disclosure requirements are effective sooner - for annual periods beginning on or after 1 January 2013, and interim periods within those annual periods. The amendments need to be provided retrospectively to all comparative periods.

Indefinitely postponed, with a proposed effective date of January 1, 2018:

New standard IFRS 9 *Financial Instruments*

Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This standard simplifies the current measurement model for financial instruments under IFRS and establishes two measurement categories for financial assets: amortized cost, and fair value. The existing IAS 39 categories of loans and receivables, held to maturity investments, and available for sale financial assets will be eliminated.

(expressed in Canadian dollars)(unaudited)

4. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities – All financial instruments are classified into one of the following categories: FVTPL; held-to-maturity investments; loans and receivables; available-for-sale; or other liabilities, and the classification of the financial instruments is consistent with those disclosed in the consolidated financial statements as at and for the year ended December 31, 2013.

Financial Risk Management - All aspects of the Company's risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended December 31, 2014.

5. Cash

		As at March 31, 2015		As at December 31, 2014
Canadian dollar denominated deposits held in Canada	$	137,809	$	158,128
US dollar denominated deposits held in Canada and the USA		9,064		8,319
Total	$	146,873	$	166,447

6. Receivables

		As at March 31, 2015		As at December 31, 2014
Amounts due from the Government of Canada pursuant to GST input tax credits	$	3,492	$	2,794
Total	$	3,492	$	2,794

7. Deposits

		As at March 31, 2015		As at December 31, 2014
Amounts on deposit with the State of Nevada pursuant to reclamation	$	5,238	$	4,798
Total	$	5,238	$	4,798

(expressed in Canadian dollars)(unaudited)

8. Trade and Other Payables

		As at March 31, 2015		As at December 31, 2014
Trade and other payables	$	12,147	$	11,918
Amounts payable to related parties		2,113		2,113
Accrued liabilities		13,000		13,000
Total	$	27,260	$	27,031

9. Share Capital and Reserves

a) *Authorized share capital*

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

b) *Issued share capital*

Issued in the three month period ended March 31, 2015:

There were no shares issued in the three month period ended March 31, 2015.

Issued in the three month period ended March 31, 2014:

There were no shares issued in the three month period ended March 31, 2014.

c) *Share purchase warrants*

Details of the status of the Company's share purchase warrants as at March 31, 2015 are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2014 and March 31, 2015	6,000,000	$ 0.06

All warrants expire on September 17, 2017.

d) *Stock options*

The Company has a shareholder approved "rolling" stock option plan (the "Plan") in compliance with TSX-V policies. Under the Plan the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of granting. The exercise price of each stock option shall not be less than the market price of the Company's stock at the date of grant. Options can have a maximum term of ten years and typically terminate 90 days following the termination of the optionee's employment or engagement, except in the case of retirement or death. Vesting of options is at the discretion of the Board of Directors at the time the options are granted.

(expressed in Canadian dollars)(unaudited)

10. Share Capital and Reserves *(continued)*

d) *Stock options (continued)*

No stock options were granted, exercised, cancelled or expired during the three months ended March 31, 2015. As at March 31, 2015, the following stock options were outstanding and exercisable:

Number of Options Outstanding and Exercisable	Expiry Date	Weighted Average Exercise Price
1,800,000	October 31, 2019	$0.155

The weighted average remaining contractual life of the options outstanding as at March 31, 2015, is 4.59 years.

e) *Share-based compensation*

Recorded in the three month period ended March 31, 2015:

There were no options granted or vested during the three month period ended March 31, 2015.

Recorded in the three month period ended March 31, 2014:

There were no options granted or vested during the three month period ended March 31, 2014.

11. Related Parties

a) The Company's related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers and directors as follows:

Name	Nature of transactions
Resinco Capital Partners Inc. "Resinco"	Consulting, provision of administration and management services; provision of accounting and corporate secretarial services; provision of office space; provision of loans.

11. Related Parties *(continued)*

The Company incurred the following fees and expenses in the normal course of operations in connection with individuals and companies owned by key management and directors.

	Three month period ended March 31, 2015	Three month period ended March 31, 2014
Interest and financing costs - Resinco	$ -	$ 8,649
Total	$ -	$ 8,649

12. Segmented Information

The Company's operations are segmented on a regional basis and 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 defined as the Chief Executive Officer.

The Company currently operates in a single segment, being mineral exploration. See also Subsequent Events Note 13.

All of the Company's significant assets are held in Canada, with the exception of a cash balance held in the United States (Note 5), and a deposit held in Nevada, USA (Note 7).

13. Subsequent Event

On April 23, 2015, the Company entered into an amalgamation agreement with Accel Telecom Ltd. ("Accel"), to acquire certain assets associated with the company's Truckfone business operations. The acquisition will be accomplished by way of a three-cornered amalgamation of Accel's wholly-owned subsidiary Siyata Mobile Inc., formerly Truckfone Inc. ("Siyata"), and 1033819 B.C. Ltd., a newly incorporated wholly-owned subsidiary of the Company ("Acquisition Co"). Acquisition Co. was incorporated on April 15, 2015 under the Business Corporations Act, British Columbia solely for the purpose of this transaction. As consideration for the acquisition, the Company will issue 33,333,333 post-consolidated common shares to Accel.

Accel is a private Israel-based cellular technology company, which since 2006, has been providing communications consulting, importing, distribution and implementation firm serving. Accel's Truckfone product line was first commercialized in 2010. The Truckfone product line provides 3G connected vehicle mobile devices targeted to commercial professional vehicles such as trucks, vans, buses, ambulances, and more. Its technology provides a cellular-based platform to facilitate replacement of current in-vehicle multi-devices with a single device which incorporates voice, data, and fleet management solutions.

As conditions of closing, the Company is required to:

a) cancel all stock options (being 1,800,000 options exercisable at $0.155 per share);
b) cause its warrant holders to exercise all of the issued and outstanding warrants (being an aggregate of 6,000,000 warrants exercisable at $0.06 per share for aggregate proceeds of $360,000;
c) complete a share consolidation of all the issued shares at the ratio of 2.2 old shares for one new share of the Company;

It is also a condition of closing that the Company completes a concurrent private placement financing for proceeds of not less than $4 million, through the issuance of subscription receipts at a price of $0.30 per subscription receipt. On closing of the transaction, each subscription receipt will automatically convert into one unit of the Company. Each unit consists of one post-consolidated common share and one-half of one share purchase warrant. Each full warrant will be exercisable into one post-consolidated common share at a price of $0.60 per share for a period of 24 months from the date of issuance. Certain finders' fees will be paid in relation to the financing in accordance with applicable regulatory policies.

The transaction will constitute a reverse takeover and change of business for the Company under the policies of the TSX Venture Exchange. Closing of the transaction is subject to a number of conditions, including the transfer of certain Truckfone business assets into Siyata, Teslin's share consolidation, the completion of the concurrent financing, receipt of all required shareholder, regulatory and third party consents, including exchange approval, and satisfaction of other customary closing conditions pursuant to the amalgamation agreement. There can be no assurance that the transaction will be completed as proposed or at all.

The parties to the transaction are at arms' length. Following the completion of the transaction, it is anticipated that the Company will become a Tier 1 technology issuer on the exchange. Trading in the common shares of the Company will remain halted pending further filings with the Exchange

TESLIN RIVER RESOURCES CORP.

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

TESLIN RIVER RESOURCES CORP.

Pro Forma Consolidated Statement of Financial Position

March 31, 2015
(Expressed in Canadian Dollars)
(Unaudited)

	Teslin River Resources Corp.	Siyata Mobile Group	Note	Pro Forma Adjustments	Pro Forma Consolidated
ASSETS					
Current assets					
Cash	146,873	-	4(a)	360,000	2,508,873
			4(c)	4,000,000	
			4(g)	(1,560,000)	
			4(h)	(175,000)	
			4(i)	(263,000)	
Trade and other receivables	3,492	1,558,000	4(g)	(1,558,000)	3,492
Advances to suppliers	-	1,053,000	4(g)	(1,053,000)	-
Inventory	-	1,560,000		-	1,560,000
Total Current Assets	150,365	4,171,000		(249,000)	4,072,365
Deposits	5,238	-		-	5,238
Intangible assets	-	2,667,000		-	2,667,000
	5,238	2,667,000		-	2,672,238
TOTAL ASSETS	155,603	6,838,000		(249,000)	6,744,603
LIABILITIES					
Current liabilities					
Accounts payable	27,260	215,000	4(g)	(215,000)	27,260
Due to parent company	-	7,297,000	4(g)	(7,297,000)	-
Other payables	-	231,000	4(g)	(231,000)	-
Total Current Liabilities	27,260	7,743,000		(7,743,000)	27,260
Liability for severance pay	-	16,000	4(g)	(16,000)	-
TOTAL LIABILITIES	27,260	7,759,000		(7,743,000)	27,260
SHAREHOLDERS' EQUITY					
Common shares	13,029,764	-	4(d)	100	5,016,830
			4(a)	360,000	
			4(c)	3,140,861	
			4(e)	(13,029,764)	
			4(f)	1,861,778	
			4(h)	94,226	
			4(i)	(440,135)	
Shares issued but not paid			4(d)	(100)	(100)
Contributed surplus	1,564,407	-	4(e)	(1,564,407)	1,062,048
			4(c)	859,139	
			4(h)	25,774	
			4(i)	177,135	
Retained earnings (deficit)	(14,465,828)	(921,000)	4(e)	14,465,828	638,565
			4(g)	3,588,000	
			4(f)	(2,028,435)	
Total Shareholders' Equity	128,343	(921,000)		7,510,000	6,717,343
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	155,603	6,838,000		(249,000)	6,744,603

The accompanying notes are integral part of these pro forma consolidated financial statements

TESLIN RIVER RESOURCES CORP.

Pro Forma Consolidated Statement of Comprehensive Loss

For the Three Month Period Ended March 31, 2015

(Expressed in Canadian Dollars)

(Unaudited)

	Teslin River Resources Corp.	**Siyata Mobile Group**	**Note**	**Pro Forma Adjustments**	**Pro Forma Consolidated**
Revenues	-	2,320,000		-	2,320,000
Cost of sales	-	1,770,000		-	1,770,000
Gross profit	-	550,000		-	550,000
Research and development expenses	-	23,000		-	23,000
Selling and marketing expenses	-	323,000		-	323,000
General and administrative expenses	18,665	151,000		-	169,665
Total expenses	18,665	497,000		-	515,665
Operating profit (loss)	(18,665)	53,000		-	34,335
Other income (expenses)					
Financing expenses, net	-	(71,000)		-	(71,000)
Listing expense			4(f)	(2,028,435)	(2,028,435)
Total other income (expense)	-	(18,000)		(2,028,435)	(2,099,435)
Net loss	(18,665)	(18,000)		(2,028,435)	(2,065,100)
Other comprehensive income (loss) – items that may or may not be reclassified to profit or loss					
Presentation currency translation adjustments	-	(86,000)		-	(86,000)
Comprehensive loss	(18,665)	(104,000)		(2,028,435)	(2,151,100)
Pro Forma loss per share – basic and diluted				(0.04)	
Pro Forma weighted average number of common shares outstanding		58,674,427			

The accompanying notes are integral part of these pro forma consolidated financial statements

1. Basis of presentation

The unaudited pro forma consolidated financial statements of Teslin River Resources Corp. ("TLR" or the "Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") from information derived from the unaudited condensed consolidated interim financial statements of TLR and the condensed interim financial statements of Siyata Mobile Group ("Siyata") to show effect to the proposed transactions described in Notes 3 and 4.

The pro forma consolidated statement of financial position has been prepared from the consolidated interim statement of financial position of TLR as at March 31, 2015 and the carve-out statement of financial position of Siyata as at March 31, 2015, giving effect to the accounting acquisition of TLR as if it had occurred on March 31, 2015.

The consolidated statement of comprehensive loss has been derived from the consolidated interim statement of comprehensive loss of TLR for the three month period ended March 31, 2015 and the interim carve-out statement of comprehensive loss of Siyata for the three month period ended March 31, 2015, giving effect of the acquisition by Siyata as if it had occurred on January 1, 2015.

The carve-out financial statements of Siyata include certain operations which have been conducted by Accel Telecom Ltd. ("Accel") and its related companies, which represent the operations of the assets to be transferred from Accel pursuant to the amalgamation agreement (see Note 3).

The unaudited pro forma consolidated financial statements are not necessarily indicative of the financial position that would have been achieved if the proposed transactions had been completed on the date indicated, and does not purport to project the financial position of the consolidated entities for any future period. In the opinion of the management of TLR and Siyata, the unaudited pro forma consolidated financial statements include all adjustments necessary for a fair presentation of the proposed transactions described in Note 3. Unless otherwise noted, the unaudited pro forma consolidated financial statements and accompanying notes are presented in Canadian dollars.

The unaudited pro forma consolidated financial statements should be read in conjunction with the historical financial statements and notes thereto of TLR and Siyata.

2. Significant accounting policies

The accounting policies used in the preparation of the unaudited pro forma consolidated financial statements are those set out in Siyata's audited carve-out financial statements as at December 31, 2014. In preparing the unaudited pro forma consolidated financial statements, a review was undertaken to identify accounting policy differences between TLR and Siyata where the impact was potentially material. The significant accounting policies of TLR conform in all material respects to those of Siyata.

3. Transaction

Pursuant to an amalgamation agreement dated April 23, 2015 between TLR and Accel (the "Transaction"), the Company will complete an amalgamation involving a wholly-owned subsidiary of TLR and a wholly-owned subsidiary of Accel. The name of the amalgamated company will be Siyata Mobile Inc. ("New Siyata").

Prior to the amalgamation, TLR is to cancel all of its issued and outstanding options (being 1,800,000 options exercisable at $0.155 per TLR share), exercise all 6,000,000 outstanding warrants for proceeds of $360,000, complete a consolidation of all of the issued TLR shares at a ratio of 2.2 shares to 1, and complete an equity financing of $4,000,000 at $0.30 per unit (see Note 4).

Subsequent to these conditions precedent, Accel will transfer the carve-out assets to New Siyata in exchange for 33,333,333 common shares of TLR.

3. Transaction (continued)

As a result of the Transaction, the shareholders of Accel will acquire control of TLR. The Transaction is considered a purchase of TLR's net assets by the shareholders of Accel and will be accounted for as a reverse acquisition.

The Transaction will be accounted for in accordance with guidance provided in IFRS 2, "Share-Based Payment" and IFRS 3, "Business Combinations". As TLR did not qualify as a business according to the definition in IFRS 3, this Transaction does not constitute a business combination; rather it is treated as an issuance of shares by Accel for the net assets of TLR and the Company's listing status.

The Transaction is subject to, amongst other things, regulatory approval and the approval of the Boards of TLR and Accel. Subsequent to the amalgamation, the board of directors of TLR will consist of five directors. Accel has the right to nominate and elect up to four directors. Shareholders of TLR have the right to nominate and elect one director.

4. Pro-forma assumptions and adjustments

The unaudited pro-forma consolidated financial statements include the effects of the following pro forma assumptions and adjustments:

(a) All issued and outstanding warrants to purchase TLR shares, being an aggregate of 6,000,000 warrants exercisable at $0.06 per TLR share, will be exercised for aggregate proceeds of $360,000.

(b) TLR shares are consolidated at a ratio of 2.2 shares to 1 (see Note 3).

(c) TLR shall secure a minimum equity financing of $4,000,000 at a price of $0.30 per unit. Each unit consists of one New Teslin share and one-half of one New Teslin warrant. Each whole New Teslin warrant is exercisable $0.60 per warrant. All shares raised in this financing will be held in escrow. Of the assumed $4,000,000 in proceeds, $3,140,861 and $859,139 have been allocated to shares and warrants, respectively, based on the residual method.

(d) 33,333,333 common shares of TLR are issued to Accel. The carrying value of the share capital of New Siyata is $100.

(e) The carrying values of share capital, contributed surplus and deficit of TLR are eliminated.

(f) As the share consideration to be retained by the former shareholders of TLR on closing is considered within the scope of IFRS 2, and the Company cannot specifically identify some or all of the goods or services received in return for the allocation of the shares, the value in excess of the net identifiable assets of TLR acquired on closing is to be expensed as listing costs.

(Expressed in Canadian Dollars)

4. Pro-forma assumptions and adjustments (continued)

(f) (continued)

The assets acquired and liabilities assumed are at their fair values which are the same as their carrying values. The net assets of TLR at fair value on March 31, 2015 and the listing expense are as follows:

	$
TLR's Identifiable Net Assets	
Cash and cash equivalents	146,873
Other assets	3,492
Accounts payable	(27,260)
Identifiable net assets	123,105
Purchase Price	
Estimated fair value of shares of TLR retained by TLR shareholders	1,861,778
Transaction Costs	
Corporate finance fee in cash	25,000
Corporate finance fee in units	120,000
Other cash transaction costs	150,000
	295,000
Listing expense, net of identified assets	2,033,673

The estimated fair value of shares of TLR retained by TLR shareholders of $1,861,778 represents an allocation of $0.24 from the proceeds of the concurrent unit financing, adjusted by the price effect on escrowed shares. The fair value of the New Teslin Warrants from the unit financing was estimated to be $0.06 per one-half warrant and was determined using the Black Scholes option pricing model assuming a risk-free interest rate of 1%, a dividend yield of 0%, an expected volatility of 146% and an expected life of two years.

(g) Pursuant to the Transaction, Accel will transfer inventory and intangible assets to New Siyata. New Siyata is to pay for the inventory using the proceeds from the unit offering described in Note 4(c). Accordingly, an adjustment has been made to eliminate other assets and liabilities unrelated to this transaction.

(h) On May 21, 2015, New Siyata entered into a financial advisory agreement with Haywood Securities Inc. ("Haywood"). According to the agreement, Haywood will provide consultation and advisory services to New Siyata. As consideration, the Company will pay a work fee of $25,000 in cash, plus 3% of gross proceeds raised from a brokered private placement agreement (see Note 4(i) below) in equity by the issuance of units at a deemed price of $0.30 per unit. Accordingly, 400,000 units will be granted with a value of $120,000. These units have the same terms as the units to be issued under Note 4(c). Of the $120,000, $94,226 and $25,774 have been allocated to shares and warrants, respectively, based on the residual method. The Company expects to incur $150,000 in other cash transaction costs.

(i) On May 21, 2015, New Siyata entered into a private placement financing agreement with Haywood to assist with the private placement in Note 4(c). Haywood may earn a 7% cash commission on proceeds raised and earn compensation options for common shares equal to 10% of the common shares issued in excess of 2,000,000 on which no commission or compensation options will be paid. The compensation options may be exercised at $0.30 per share for a period of two years. The estimated cash commission is $238,000. The fair value of the options was estimated to be $177,135 and was determined using the Black Scholes option pricing model assuming a risk-free interest rate of 1%, a dividend yield of 0%, an expected volatility of 146% and an expected life of two years. The expects to incur $25,000 in other cash issuance costs.

(Expressed in Canadian Dollars)

5. Pro forma share capital

After giving effect to the pro forma assumptions in Note 4, the pro forma share capital of TLR has been determined as follows:

	Note	Common Shares	Amount ($)
Balance, TLR, March 31, 2015		19,537,074	13,029,764
Exercise of warrants	4(a)	6,000,000	360,000
Share consolidation	4(b)	(13,929,313)	-
Equity financing	4(c)	13,333,333	3,140,861
Adjustment of TLR share capital	4(e)	-	(13,029,764)
Estimated fair value of shares of TLR retained by TLR shareholders	4(f)	-	1,861,778
Shares issued to Accel	4(d)	33,333,333	100
Shares issued to Haywood for advisory services	4(h)	400,000	94,226
Finder's fees paid to Haywood	4(i)		(415,135)
Other cash issuance costs	4(i)		(25,000)
Pro forma share capital at March 31, 2015		58,674,427	5,016,830

6. Pro forma basic and diluted earnings per share

Pro forma basic and diluted earnings per share for the three (3) month period ended March 31, 2015 have been calculated based on the assumed number of Accel common shares issued in exchange for the TLR common shares from the TLR shareholders effective on January 1, 2015.

	Number of shares	Weighted average
Balance, TLR, January 1, 2015 (post-consolidation)	8,880,488	8,880,488
Exercise of warrants	2,727,273	2,727,273
Equity financing	13,333,333	13,333,333
Shares issued to Accel	33,333,333	33,333,333
Shares issued to Haywood	400,000	400,000
Pro forma weighted average number of shares outstanding	58,674,427	58,674,427

CERTIFICATE OF SIYATA MOBILE INC.

Dated: June 15, 2015

This Offering Memorandum does not contain a misrepresentation.

"Gil Gurfinkel"

Director

CERTIFICATE OF ACCEL TELECOM LTD.

Dated: June 15, 2015

This Offering Memorandum, as it relates to Accel Telecom Ltd. and the Siyata Mobile Group does not contain a misrepresentation.

"Marc Seelenfreund"

Chief Executive Officer