

Peak Positioning Technologies Inc.
Interim Consolidated Financial Statements
For the three-month periods ended
March 31, 2016 and 2015

Financial Statements

Consolidated Statements of Comprehensive Income	2
Consolidated Statements of Changes in Equity	3
Consolidated Statements of Cash Flows	4
Consolidated Statements of Financial Position	5
Notes to Interim Consolidated Financial Statements	6

Note to reader: The Interim Consolidated Financial Statements have not been reviewed by the auditor

Peak Positioning Technologies Inc.

Consolidated Statements of Comprehensive Income

For the three-month periods ended March 31, 2016 and 2015

(In Canadian dollars, except weighted average number of outstanding shares)

(Unaudited)

	2016	2015
	\$	\$
Revenues		
Consulting revenues	-	20,120
Expenses		
Subcontracting	-	10,500
Consulting fees	53,686	-
Management fees	72,941	49,290
Professional fees	27,968	41,181
Public relations and press releases	51,385	2,339
Rental expenses	6,701	6,000
Telecommunications	2,590	1,863
Insurance	13,337	4,127
Finance costs (Note 15)	47,014	52,783
Server hosting and network fees	2,028	12,961
Travel and entertainment	15,307	3,121
Transfer agent costs	3,413	3,520
Stock exchange costs	3,000	4,485
Other	2,941	1,017
Amortization of Quickable.com marketplace technology platform	-	35,500
Amortization of property and equipment (Note 3)	6,833	7,218
	<u>309,144</u>	<u>235,905</u>
Net loss and total comprehensive loss	<u>(309,144)</u>	<u>(215,785)</u>
Weighted average number of outstanding shares	<u>192,559,514</u>	<u>133,311,889</u>
Basic and diluted loss per share	<u>(0.002)</u>	<u>(0.002)</u>

The accompanying notes are an integral part of the interim consolidated financial statements.

Peak Positioning Technologies Inc.

Consolidated Statements of Changes in Equity

For the three-month periods ended March 31, 2016 and 2015

(In Canadian dollars)

(Unaudited)

						2016
	Number of common shares	Share capital	Contributed surplus	Equity component of convertible debentures	Deficit	Shareholders' equity (deficiency)
		\$	\$	\$	\$	\$
Balance as of January 1, 2016	192,599,514	7,905,789	2,016,174	155,152	(10,824,991)	(747,876)
Net loss and total comprehensive loss					(309,144)	(309,144)
Issuance of shares	1,507,400	56,785				56,785
Issuance costs						
Share-based remuneration (Note 14)			12,941			12,941
Balance as of March 31, 2016	194,106,914	7,962,574	2,029,115	155,152	(11,134,135)	(987,294)
						2015
	Number of common shares	Share capital	Contributed surplus	Equity component of convertible debentures	Deficit	Shareholders' equity (deficiency)
		\$	\$	\$	\$	\$
Balance as of January 1, 2015	132,386,889	6,916,913	1,391,797	66,406	(8,885,932)	(510,816)
Net loss and total comprehensive loss					(215,785)	(215,785)
Issuance of shares	5,550,000	111,000				111,000
Issuance costs		(2,400)				(2,400)
Share-based remuneration (Note 14)			1,561			1,561
Balance as of March 31, 2015	137,936,889	7,025,513	1,393,358	66,406	(9,101,717)	(616,440)

The accompanying notes are an integral part of the interim consolidated financial statements.

Peak Positioning Technologies Inc.

Consolidated Statements of Cash Flows

For the three-month periods ended March 31, 2016 and 2015

(In Canadian dollars)

(Unaudited)

	2016	2015
	\$	\$
OPERATING ACTIVITIES		
Net loss	(309,144)	(215,785)
Non-cash items		
Amortization of property and equipment	6,833	7,218
Amortization of Quickable.com marketplace technology platform	–	35,500
Accretion of convertible debentures	20,148	15,837
Share-based remuneration	12,941	1,561
Interest charges	26,071	(81,331)
Interest paid	(14,199)	98,136
Changes in working capital items		
Debtors	41,540	
Commodity taxes receivable	19,192	2,151
Work in progress	–	(2,745)
Prepaid expenses	30,028	(13,852)
Accounts payable and accrued liabilities	34,517	4,449
Cash flows from operating activities	<u>(132,073)</u>	<u>(148,861)</u>
INVESTING ACTIVITIES		
	–	–
FINANCING ACTIVITIES		
Proceeds from other current financial liabilities	(31,188)	37,156
Advance on investment (Note 9)	40,000	–
Issuance of shares	18,585	111,000
Issuance costs	–	(2,400)
Cash flows from financing activities	<u>27,397</u>	<u>145,756</u>
Decrease in cash	(104,676)	(3,105)
Cash, beginning of period	<u>150,006</u>	<u>8,125</u>
Cash, end of period	<u><u>45,330</u></u>	<u><u>5,020</u></u>

The accompanying notes are an integral part of the interim consolidated financial statements.

Peak Positioning Technologies Inc.
Consolidated Statements of Financial Position

March 31, 2016 and December 31, 2015

(In Canadian dollars)

(Unaudited)

	<u>2016-03-31</u>	<u>2015-12-31</u>
	\$	\$
ASSETS		
Current		
Cash	45,330	150,006
Debtors (Note 3)	11,599	72,332
Prepaid expenses	<u>135,347</u>	<u>165,374</u>
	192,276	387,712
Property and equipment (Note 4)	11,400	18,233
Investment (Note 5)	350,000	350,000
Quickable.com marketplace technology platform (Note 6)	-	-
Goodwill (Note 7)	<u>-</u>	<u>-</u>
	<u><u>553,676</u></u>	<u><u>755,945</u></u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 8)	323,954	315,765
Advance on investment (Note 9)	140,000	100,000
Lease	39,607	39,607
Other current financial liabilities (Note 10)	224,385	224,385
Liability component of convertible debentures (Note 11)	541,610	562,919
Debenture (Note 12)	<u>271,414</u>	<u>261,145</u>
	1,540,970	1,503,821
SHAREHOLDERS' DEFICIENCY		
Capital stock	7,962,574	7,905,789
Contributed surplus	2,029,115	2,016,174
Equity component of convertible debentures (Note 11)	155,152	155,152
Deficit	<u>(11,134,135)</u>	<u>(10,824,991)</u>
	<u>(987,294)</u>	<u>(747,876)</u>
	<u><u>553,676</u></u>	<u><u>755,945</u></u>

The accompanying notes are an integral part of the interim consolidated financial statements.

On behalf of the Board,

/S/ Johnson Joseph
 Director

/S/ Laval Bolduc
 Director

Peak Positioning Technologies Inc.

Notes to Interim Consolidated Financial Statements

For the three-month periods ended March 31, 2016 and 2015

(In Canadian dollars)

(Unaudited)

1 - GOVERNING STATUTES, NATURE OF OPERATIONS, GENERAL INFORMATION AND DECLARATION OF CONFORMITY

Peak Positioning Technologies Inc. (hereinafter the "Corporation") is incorporated under the Canada Business Corporations Act. Peak Positioning Technologies Inc.'s executive offices are located at 550 Sherbrooke Street West, Suite 250-A, Montréal, Quebec, Canada. Its shares are traded on the Toronto Stock Exchange Venture (TSXV) under the symbol "PKK". Its shares are quoted in the U.S. on the OTC Market's Groups "Pink Sheet": PKKFF.

Peak is an IT portfolio management company whose mission is to assemble, finance and manage a portfolio of high-growth potential companies and assets in some of the fastest growing tech Quickable.com marketplace technology platform (Note 5)

sectors in China, including fintech, e-commerce and cloud computing. The Company provides its shareholders with the opportunity to participate in the fastest growing economic sectors of the world's fastest growing economy, in partnership with some of the most reputable and high-profile institutions in those sectors.

The consolidated financial statements include the accounts of Peak Positioning Technologies Inc. and its wholly owned subsidiary, Peak Positioning Corporation.

The unaudited interim condensed consolidated financial statements (the "consolidated interim financial statements") are in compliance with the International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). Since they are condensed financial statements, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), have been voluntarily omitted or summarized.

The preparation of financial statements in accordance with IAS 34 requires the use of certain accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements have been set out in note 5 of the Company's consolidated financial statements for the year ended December 31, 2015. There has not been any significant change in judgments, estimates or assumptions since then. These consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2015.

The consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended December 31, 2015.

The interim consolidated financial statements for the three-month period ended March 31, 2016 (including comparative figures) were approved by the Board of Directors on May 26, 2016.

Peak Positioning Technologies Inc.

Notes to Interim Consolidated Financial Statements

For the three-month periods ended March 31, 2016 and 2015

(In Canadian dollars)

(Unaudited)

1 - GOVERNING STATUTES, NATURE OF OPERATIONS, GENERAL INFORMATION AND DECLARATION OF CONFORMITY (Continued)

1.1 - New IFRS and IFRIC interpretations not yet adopted

At the date of authorization of these interim consolidated financial statements, certain new accounting standards and interpretations from the International Financial Reporting Interpretations Committee ("IFRIC") have been published but are not yet effective for the Company. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements are provided in Note 3.1 of the Company's audited consolidated financial statements for the year ended December 31, 2015.

2 - GOING CONCERN ASSESSMENT

These interim consolidated financial statements have been prepared on the basis of the going concern assumption meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

The level of revenues currently being generated is not presently sufficient to meet the working capital requirements. The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future. Also, the Company incurred a net loss of \$309,144 for the three-month period ended March 31, 2016 (\$215,785 for 2015), it has an accumulated deficit of \$11,134,136 as at March 31, 2016 (\$10,824,991 as at December 31, 2016) and it has not yet generated positive cash flows from operations. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern.

The Company is in the process to complete the private placement investment whereby an additional investment of \$3.4M will be injected to complete the transaction with Mr. Wang. In the opinion of management, this additional investment will be sufficient to meet the Company's current obligations and allow to continue as a going concern for the next 12 months (Note 17)

The interim consolidated financial statements do not include any adjustments or disclosures that may be necessary should the Company not be able to continue as a going concern. If this were the case, these adjustments could be material.

Peak Positioning Technologies Inc.

Notes to Interim Consolidated Financial Statements

For the three-month periods ended March 31, 2016 and 2015

(In Canadian dollars)

(Unaudited)

3 - DEBTORS

	2016-03-31	2015-12-31
	\$	\$
Sales tax receivable	11,599	30,792
Accounts receivable	–	21,540
Subscription receivable	–	20,000
	<u>11,599</u>	<u>72,332</u>

4 - PROPERTY AND EQUIPMENT

	2016-03-31	2015-12-31
	\$	\$
Carrying amount		
Balance at the beginning	18,233	191,996
Additions	–	–
Depreciation	6,833	173,763
Balance at the end	<u>11,400</u>	<u>18,233</u>

5 - INVESTMENT

	2016-03-31	2015-12-31
	\$	\$
9,600,000 common shares of LongKey Hong Kong Ltd.	<u>350,000</u>	<u>350,000</u>

On September 3, 2014 and on November 28, 2014, the Company acquired a total of 9,600,000 shares in LongKey Hong Kong Ltd. representing 4%, following the issuance, of the total issued and outstanding shares of LongKey. The investment was paid cash.

6 - QUICKABLE.COM MARKETPLACE TECHNOLOGY PLATFORM

	2016-03-31	2015-12-31
	\$	\$
Carrying amount		
Balance at the beginning	–	633,084
Additions	–	–
Depreciation	–	142,000
Impairment loss recognized	–	491,084
Balance at the end	<u>–</u>	<u>–</u>

7 - GOODWILL

	2016-03-31	2015-12-31
	\$	\$
Carrying amount		
Balance at the beginning	–	698,750
Additions	–	–
Impairment	–	698,750
Balance at the end	<u>–</u>	<u>–</u>

8 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016-03-31	2015-12-31
	\$	\$
Officer and a director	38,048	36,048
Company held by an officer and a director	86,779	84,779
Trade accounts payable and accruals	199,127	194,938
	<u>323,954</u>	<u>315,765</u>

9 - ADVANCE ON INVESTMENT

On December 22, 2015 and March 24, 2016, the Company received non-interest bearing, unsecured, advances of \$100,000 and \$40,000 respectively on the \$3,980,000 investment to be made by Mr. Jian Wang, Chairman of the Zhonghai Wanyue Group during the first quarter of fiscal 2016, which will result in Mr. Wang owing 51% of the Company's issued and outstanding common shares. The advance will be used primarily in 2016 to set up subsidiaries in Hong Kong and mainland China, to incur recruitment costs and maintain investor relation activities.

Peak Positioning Technologies Inc.
Notes to Interim Consolidated Financial Statements

For the three-month periods ended March 31, 2016 and 2015

(In Canadian dollars)

(Unaudited)

10 - OTHER CURRENT FINANCIAL LIABILITIES

	<u>2016-03-31</u>	<u>2015-12-31</u>
	\$	\$
Promissory notes, 10%	196,885	196,885
Promissory notes to shareholder, without interest	<u>27,500</u>	<u>27,500</u>
	<u>224,385</u>	<u>224,385</u>

11 - LIABILITY COMPONENT OF CONVERTIBLE DEBENTURES

Debentures secured by a pledge on the aggregate assets of the Company, maturing in February 2017,

The debentures allow their subscribers to convert them into common shares of the Company at any time

	<u>2016-03-31</u>	<u>2015-12-31</u>
Debentures, 10%, maturing in February 2017, secured by the aggregate assets of the Company	\$	\$
Balance at the beginning	562,919	524,415
Debenture payment	(31,188)	-
Equity component of convertible debentures	-	-
Accretion of convertible debentures	<u>9,879</u>	<u>38,504</u>
Balance at the end	<u>541,610</u>	<u>562,919</u>

On February 24, 2016, the Company reached an agreement to extend the term of \$538,600 worth of convertible debentures with a 10% annual interest rate, convertible into the Company's common shares at any prior to maturity at a price of \$0.10 per share, that were set to mature on February 28, 2016 (the "Agreement").

Under the terms of the Agreement, the debentures kept the same annual interest rate of 10% and now carry a conversion price that allows for the principal amount to be converted into the Company's common shares at any time prior to maturity at the price of \$0.05 per share. \$230,500 worth of the debentures will mature on March 31, 2016, while the remaining \$308,100 will mature on February 28, 2017. As of this date, the debentures maturing March 31, 2016 have not been paid.

Discussions are currently being held with the debentures holder to agree on a new maturity date.

Peak Positioning Technologies Inc.
Notes to Interim Consolidated Financial Statements

For the three-month periods ended March 31, 2016 and 2015

(In Canadian dollars)

(Unaudited)

12 - DEBENTURE

Non-convertible debenture, secured by the aggregate assets of the Company, maturing on January 2016, bearing interest at a nominal rate of 10% payable monthly. The debenture was originally discounted by \$25,160 for net proceeds of \$252,840. The debenture included a total of 1,000,800 bonus shares.

The debenture and the bonus shares are accounted for separately as debt and equity. The value of the debenture was determined, at the time of issuance, by discounting the future interest obligations and the principal payment due at maturity, using a discount rate of 19.13%, which represents the estimated borrowing rate available to the Company for similar debentures having no bonus shares. The result of the calculation indicated that the amount attributed to the bonus shares was nil.

On December 31, 2015 the Company reached an agreement with the debenture holder whereby the maturity date which was set to mature on January 1, 2016 is now extended to January 1, 2017. The debenture kept the same interest rate of 10% and now includes a conversion feature that allows for the principal amount to be converted into the Company's common shares at any time prior to maturity at the

The effective rate of the debenture is 19.13%.

	2016-03-31	2015-12-31
	\$	\$
Balance, beginning of period	261,145	258,674
Accretion of discount on debenture	10,269	19,326
Equity component of convertible debentures	-	(106,429)
Extinguishment of debt	-	89,574
Balance at the end	<u>271,414</u>	<u>261,145</u>

Peak Positioning Technologies Inc.

Notes to Interim Consolidated Financial Statements

For the three-month periods ended March 31, 2016 and 2015

(In Canadian dollars)

(Unaudited)

13 - SHAREHOLDERS' EQUITY

13.1 - Authorized share capital

The share capital of the Company consists of an unlimited number of common shares without par value.

13.2 - Descriptions of the shareholders equity operations

On January 8, 2016, the Company issued 764,000 common shares as a compensation for a debt settlement amounting to \$38,200 related to consulting services rendered.

In March 2016, the Company issued 423,400 common shares and 320,000 common shares respectively as a result of the exercise of 743,400 warrants at \$0.025 per share for gross proceeds of \$18,585.

13.3 - Warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of common shares as follows:

	2016-03-31		2015-12-31	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Outstanding, beginning of period	67,558,750	0.06	22,610,320	0.13
Granted	—	0.05	50,188,750	0.06
Exercised	(743,400)	—	(5,240,320)	0.13
Expired	—	—	—	—
Outstanding and warrants exercisable, end of period	<u>66,815,350</u>	0.058	<u>67,558,750</u>	0.06

As of March 31, 2016 and December 31, 2015, the number of outstanding warrants which could be exercised for an equivalent number of common shares is as follows:

	2016-03-31		2015-12-31	
	Number	Exercise price	Number	Exercise price
		\$		\$
Expiration date				
November 2016	25,000,000	0.050	25,000,000	0.050
November 2017	24,580,350	0.025	25,003,750	0.025
March 2017	<u>17,235,000</u>	0.025	<u>17,555,000</u>	0.025
	<u>66,815,350</u>		<u>67,558,750</u>	

Peak Positioning Technologies Inc.
Notes to Interim Consolidated Financial Statements

For the three-month periods ended March 31, 2016 and 2015

(In Canadian dollars)

(Unaudited)

14 - SHARE-BASED REMUNERATION

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may, from time to time, at its discretion and in accordance with the Exchange requirements, grant to directors, officers, employees and others providing similar services to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares exercisable for a period of up to 5 years from the date of grant. The options reserved for issuance to any individual director, officer or employee will not exceed 5% of the issued and outstanding common shares and the number of Common Shares reserved for issuance to others providing services will not exceed 2% of the issued and outstanding common shares. Options may be exercised as of the grant date for a period determined by the Board, but shall not be greater than 5 years from the date of the grant and 90 days following cessation of the option's position with the Company. Provided that the cessation of office, directorship or employment or other similar service arrangement was by reason of death (in the case of an individual), the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

Share options and weighted average exercise prices are as follows for the reporting periods presented :

	2016-03-31		2015-12-31	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding, beginning of period	15,395,000	0.07	5,365,000	0.10
Granted			12,650,000	0.05
Forfeited			(2,620,000)	0.05
Outstanding, end of period	<u>15,395,000</u>	0.07	<u>15,395,000</u>	0.07
Exercisable, end of period	<u>10,307,500</u>	0.08	<u>9,195,000</u>	0.08

The table below summarizes the information related to outstanding share options at end of period

Range of exercise price \$	Number of options	Weighted average remaining contractual life (years)
0.10	1,925,000	1 year
0.14	2,000,000	nil
0.15	200,000	1 year and 5 months
0.05	1,220,000	2 years and 5 months
0.05	10,050,000	4 years and 3 months
	<u>15,395,000</u>	

Peak Positioning Technologies Inc.
Notes to Interim Consolidated Financial Statements

For the three-month periods ended March 31, 2016 and 2015

(In Canadian dollars)

(Unaudited)

15 - FINANCE COSTS

	<u>2016-03-31</u>	<u>2015-03-31</u>
	\$	\$
Interests on convertible debentures and the debenture	21,149	25,402
Interest on promissory notes	4,922	11,019
Interest on research and development loan	-	-
Accretion on convertible debentures and the debenture	20,148	15,836
Total interest expense	<u>46,219</u>	<u>52,257</u>
Miscellaneous	795	526
	<u><u>47,014</u></u>	<u><u>52,783</u></u>

16 - RELATED PARTY TRANSACTIONS

The Company's related party transactions do not include, unless otherwise stated, special terms and conditions. No guarantees were given or received. Outstanding balances are usually settled in cash.

	<u>2016-03-31</u>	<u>2015-03-31</u>
	(3 months)	(3 months)
	\$	\$
Management fees to officers and directors	72,941	49,290
Officers and directors		
Interests on promissory notes and convertible debentures	4,475	5,640

17 - SUBSEQUENT EVENTS

On April 8, 2016, the Company received an amount of \$400,000 from Mr. Jian Wang, Chairman of the Zhonghai Wanyue Group, as partial payment on the total of \$3,980,000 strategic investment partnership agreement between Mr. Wang and the Company.

The \$400,000 transfer represents the first of 2 remaining payments to be made by Mr. Wang to officially close the transaction between the parties and brings the total funds transferred to Peak by Mr. Wang toward the completion of the transaction to \$540,000.

This now leaves a balance remaining of \$3,440,000 for the final transfer to close the transaction which is expected to be received shortly.

On May 3rd 2016, the Company issued 206,240 shares at a price of \$0,05 per share for a total of \$10,312 which corresponds to a subscriber converting his debenture. The convertible debenture will be reduced accordingly.