71 CAPITAL CORP.

FILING STATEMENT

QUALIFYING TRANSACTION

INVOLVING THE ACQUISITION
BY 71 CAPITAL CORP.
OF TCB CORPORATION
(O/A PRODIGY VENTURES)

Dated as of August 17, 2015

All information contained in this Filing Statement with respect to TCB Corporation o/a Prodigy Ventures. ("**Prodigy**") and the future plans for the Resulting Issuer (as defined herein) was supplied by Prodigy for inclusion herein.

*Neither the TSX Venture Exchange Inc. (the "**Exchange**") nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this filing statement.*

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FORWARD-LOOKING INFORMATION

This Filing Statement contains forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "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, 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 71 Capital, Prodigy, Amalco or the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information.

Examples of such statements include: (i) the intention to complete the Transaction, (ii) the description of the Resulting Issuer that assumes completion of the Transaction; and (iii) in respect of the Resulting Issuer and Prodigy, statements pertaining to Prodigy's proposed operations and method for funding thereof, expectations regarding the ability to raise capital and to be able to develop the proposed products and to continue to provide services, capital expenditure programs and the timing and method of financing thereof and future development plans and status of assets, future growth and performance.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking information contained in this Filing Statement. Such forward-looking information is based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of 71 Capital and Prodigy to complete the Transaction, satisfy conditions under the Amalgamation Agreement, satisfy the requirements of the Exchange such that it will issue the Final Exchange Bulletin, obtain necessary financing, successfully integrate 71 Capital and Prodigy and manage risks; the economy generally; and current and future stock prices, results of operations, market conditions, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities and anticipated and unanticipated costs. The factors identified above are not intended to represent a complete list of the factors that could affect 71 Capital, the Resulting Issuer or Prodigy. Additional risk factors are noted under the heading "Resulting Issuer Risk 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 Filing Statement. These risk 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 Filing Statement. All subsequent forward-looking information attributable to 71 Capital, the Resulting Issuer or Prodigy herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. 71 Capital, the Resulting Issuer and Prodigy 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 Filing Statement or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

GLOSSARY OF DEFINED TERMS

In this Filing Statement, and all Appendices hereto, unless the context otherwise requires, the following words and phrases shall have the indicated meanings:

71 Capital:	71 Capital Corp., a corporation incorporated under the federal laws of Canada.
71 Capital Board:	The board of directors of 71 Capital.
71 Capital Meeting	The annual and special meeting of holders of 71 Capital Common Shares to be held at the offices of Fogler Rubinoff LLP, 77 King Street West, Suite 3000, TD Centre North Tower, Toronto, Ontario on the 16th day of July, 2015 at the hour of 11:00 a.m. (Toronto time) for the purpose of voting on the Consolidation, the Name Change, the Director Elections, the creation of the 71 Capital Restricted Voting Shares and such other business as may be properly brought before the meeting or any adjournment or postponement thereof.
71 Capital Common Shares:	The issued and outstanding common shares in the capital of 71 Capital.
71 Capital Options:	Options granted pursuant to the 71 Capital Stock Option Plan.
71 Capital Post-Consolidation Common Shares:	The 71 Capital Common Shares as constituted immediately following the Consolidation.
71 Capital Restricted Voting Shares:	The restricted voting common shares in the share capital of the Resulting Issuer.
71 Capital Shareholders:	The holders of the 71 Capital Common Shares, or singularly a "71 Capital Shareholder" means any one of the 71 Capital Shareholders.
71 Capital Stock Option Plan:	The rolling stock option plan authorized by the 71 Capital Shareholders pursuant to which the aggregate number of shares which may be issued and sold thereunder will not exceed 10% of the issued and outstanding 71 Capital Common Shares at the time of grant of such option. See "*Part II – Information Concerning 71 Capital – Incentive Stock Option Plan*" for a more detailed description of the 71 Capital Stock Option Plan.
2478677 Ontario Limited	A company incorporated under the laws of the Province of Ontario and a wholly-owned subsidiary of 71 Capital.

Affiliate:	A company is an "Affiliate" with another company if: (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A company is "controlled" by a Person if: (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company. A person beneficially owns securities that are beneficially owned by: (a) a company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.
Amalco:	The corporation to be formed by the Amalgamation and which will be a wholly-owned subsidiary of the Resulting Issuer.
Amalgamation:	The amalgamation of Prodigy and 2478677 Ontario Limited pursuant to Section 178 of the OBCA to form Amalco, which shall result in the indirect acquisition by 71 Capital of all of the issued and outstanding securities of Prodigy.
Amalgamation Agreement:	The amalgamation agreement made as of the 14th day of August, 2015 between 71 Capital, Prodigy and 2478677 Ontario Limited
Amalgamation Closing Date:	The date of closing of the Amalgamation, which will be within three Business Days following the earlier of (i) the satisfaction or waiver of all conditions precedent to the Amalgamation or (ii) a date to be agreed to by Prodigy and 71 Capital, acting reasonably, and in any event not later than August 31, 2015.
Articles of Amalgamation:	The articles of amalgamation with respect to the Amalgamation to be filed with the registrar pursuant to the OBCA.
Associate:	When used to indicate a relationship with a Person, means (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer, (b) any partner of the Person, (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity, or (d) in the case of a Person who is an individual, (i) that Person's spouse or child, or (ii) any relative of the Person or of his spouse who has the same residence as that person; but (e) where the Exchange determines that two persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company.
Business Day:	Any day except a Saturday or Sunday or a day recognized as a holiday in Toronto, Ontario, or a day on which banks in Toronto are not open for business.
BDC	Business Development Bank of Canada
CBCA:	The *Canada Business Corporations Act*, as amended.

Certificate of Amalgamation:	The certificate of amalgamation issued by the Director under the OBCA in connection with the Amalgamation.
Company:	Unless specifically indicated otherwise, a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
Completion of the Qualifying Transaction:	The date the Final Exchange Bulletin is issued by the Exchange.
Consolidation:	The consolidation of the 71 Capital Common Shares on the basis of one "new" 71 Capital Post-Consolidation Common Share for each two "old" 71 Capital Common Shares then outstanding.
Control Person:	Any person or company that holds or is one of a combination of persons or companies 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.
CPC:	A corporation: (a) that has been incorporated in a jurisdiction in Canada, (b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and (c) in regard to which the Completion of the Qualifying Transaction has not yet occurred.
Director Elections:	Means the election of directors to take place at the 71 Capital Meeting.
Effective Date:	The effective date of the Amalgamation, which will be the date of the Certificate of Amalgamation.
Escrow Agreement:	The escrow agreement dated September 26, 2008 between 71 Capital, Computershare Investor Services Inc. and the Escrow Shareholders.
Escrow Shareholders:	Collectively, Greg Hewitt, A. George Matthew, Mark E. Crossett, Eric R. Roblin, Leonard K. Brennenstuhl, Adam Brookes, Blair Pytak, Wyatt Roadhouse and Carolyn M. S. Townshend.
Escrowed Funds:	Those funds raised in connection with the Prodigy Financing and placed in escrow pending satisfaction of the Release Conditions.
Exchange:	The TSX Venture Exchange Inc.
Exchange Agent:	Computershare Investor Services Inc.
Filing Statement:	This filing statement of 71 Capital, together with all schedules attached hereto and including the summary hereof.
Final Exchange Bulletin:	The Exchange Bulletin which is issued following closing of the Qualifying Transaction and the submission of all required documentation and that

	evidences the final Exchange acceptance of the Qualifying Transaction.
Government Authority:	Any foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory instrumentality, court, tribunal, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or person or entity in question including, without limitation, the TSXV.
IFRS:	International Financial Reporting Standards.
Insider:	If used in relation to an issuer, means (a) a director or senior officer of the issuer; (b) a director or senior officer of the company that is an Insider or subsidiary of the issuer; (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or (d) the issuer itself if it holds any of its own securities.
Letter of Intent:	The amended and restated term sheet dated May 15, 2015 between Prodigy and 71 Capital.
Name Change:	The change of name of 71 Capital to "Prodigy Ventures Inc." or such other name as shall be approved by the 71 Capital Board and as shall be acceptable to the Canadian Ministry of Consumer and Corporate Affairs and the Exchange.
Non-Arm's Length Party:	In relation to a Company, a promoter, officer, director, other Insider or Control Person of that Company (including an Issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, any Associate of the individual or any Company of which the individual is a promoter, officer, director, Insider or Control Person.
Non-Arm's Length Qualifying Transaction:	A proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction.
OBCA:	*Business Corporations Act* (Ontario), as amended from time to time.
Person:	A Company or individual.
Policy 2.4:	The Exchange's Policy 2.4 – Capital Pool Companies.
Policy 4.4:	The Exchange's Policy 4.4 – Incentive Stock Options.
Policy 5.4:	The Exchange's Policy 5.4 – Escrow, Vendor Consideration and Resale Restrictions.
Prodigy:	TCB Corporation, a corporation existing under the OBCA, operating as Prodigy Ventures.

Prodigy Board:	The board of directors of Prodigy.
Prodigy Common Share:	The common shares in the capital of Prodigy.
Prodigy Financing:	The non-brokered private placement of Subscription Receipts for aggregate gross proceeds to Prodigy of $85,773 to 37 separate subscribers.
Prodigy Named Executives:	Tom Beckerman, Andrew Hilton, Andrew Kieran and Hussein Vastani.
Prodigy Non-Voting Shares:	The non-voting shares in the capital of Prodigy.
Prodigy Shareholders:	The holders of Prodigy Shares, or singularly a "Prodigy Shareholder" means any one of the Prodigy Shareholders.
Prodigy Shares:	The Prodigy Common Shares and Prodigy Non-Voting Shares, as constituted immediately prior to the Effective Date.
Qualifying Transaction:	A transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means pursuant to Exchange Policy 2.4 – Capital Pool Companies and, specifically in the case of 71 Capital, means the Amalgamation, and the related transactions as more particularly described herein.
Regulatory Approval:	Any approval, consent, waiver, permit or exemption from any Government Authority having jurisdiction or authority over any party or the subsidiary of any party which is required or advisable to be obtained in order to permit the Amalgamation to be effected including, for greater certainty, the approval by the Exchange, and "Regulatory Approvals" means all such approvals, consents, waivers, permits, orders or exemptions.
Release Conditions:	The occurrence of all of the following events: (i) other than the release of the Escrowed Funds, all of the conditions precedent to the completion of the Amalgamation having been satisfied or waived; (ii) the receipt of all required shareholder, third party (as applicable) and regulatory approvals including, without limitation, the conditional approval of the Exchange for the Amalgamation and the Prodigy Financing, if applicable, and the conditional approval of the Exchange of the listing of the 71 Capital Post-Consolidation Common Shares issuable in exchange for the Prodigy Shares pursuant to the Amalgamation; and (iii) Prodigy and 71 Capital having delivered a joint notice to the Subscription Receipt Agent confirming that the conditions set forth in (i) and (ii) above have been met or waived.
Resulting Issuer:	71 Capital as it exists upon completion of the Amalgamation to be known as "Prodigy Ventures Inc.", or such other name determined by the 71 Capital

	Board.
Resulting Issuer Board:	The board of directors of the Resulting Issuer.
Resulting Issuer Stock Option Plan:	The 71 Capital Stock Option Plan to be continued by the Reporting Issuer following completion of the Transaction.
Robson Capital Agreement:	Means the advisory agreement dated September 11, 2014 between Robson Capital Inc. and Prodigy pursuant to which Robson Capital Inc. has agreed to provide certain financial advisory services in connection with the Transaction in exchange for consideration equal to 2% of the outstanding shares of the Resulting Issuer.
Significant Assets:	One or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions would result in the CPC meeting the initial listing requirements of the Exchange.
Sponsor:	Jacob Securities Inc.
Sponsorship Engagement Letter:	The means the letter between 71 Capital and the Sponsor dated May 28, 2015, whereby 71 Capital has engaged the Sponsor to act as sponsor to the Transaction.
Subscription Receipt Agent:	Fogler, Rubinoff LLP in its capacity as subscription receipt agent appointed pursuant to the terms of the Subscription Receipt Agreement.
Subscription Receipt Agreement:	The subscription receipt agreement entered into between the Subscription Receipt Agent, Prodigy and 71 Capital governing the terms of the Subscription Receipts.
Subscription Receipt Conversion Time:	The time at which the last of the Release Conditions is satisfied or waived on or before the Termination Deadline.
Subscription Receipts:	The subscription receipts of Prodigy issued pursuant to the Prodigy Financing, each such Subscription Receipt entitling the holder thereof to acquire one Prodigy Common Share for no additional consideration in accordance with the terms thereof, all in accordance with the terms of the Subscription Receipt Agreement.
Tax Act:	The *Income Tax Act* (Canada), as amended, re-enacted or replaced from time to time.
Termination Deadline:	August 31, 2015, or such other date as the parties may agree upon in writing.
Transaction:	Collectively the Amalgamation, the Consolidation and the Name Change.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to 71 Capital, Prodigy and Amalco and the Resulting Issuer (assuming the completion of the Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

Capitalized terms used in this summary, and not defined in this summary, have the respective meanings provided in the Glossary or elsewhere in this Filing Statement. No Person is authorized to give any information or to make any representation not contained in this Filing Statement and, if given or made, such information or representation should not be relied upon as having been authorized. This Filing Statement does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, by any Person in any jurisdiction in which such an offer or solicitation is not authorized or in which the Person making such offer or solicitation is not qualified to do so or to any Person to whom it is unlawful to make such an offer or solicitation. **Neither delivery of this Filing Statement nor any distribution of the securities referred to in this Filing Statement shall, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Filing Statement**.

Any material change reports (excluding confidential reports), comparative interim financial statements, comparative annual financial statements and the auditors' report thereon, information circulars, annual information forms and business acquisition reports filed by 71 Capital with the securities commissions or similar authorities in the provinces of Ontario, Alberta, Saskatchewan and British Columbia subsequent to the date of this Filing Statement and prior to Closing, shall be deemed to be incorporated by reference in this Filing Statement, as if set out fully herein.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Filing Statement to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, 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 not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Filing Statement.

71 Capital

71 Capital was incorporated under the CBCA on February 6, 2008. 71 Capital is a CPC listed on the NEX, a separate board of the Exchange, and the Amalgamation will constitute its Qualifying Transaction pursuant to the policies of the Exchange. For additional information, see "*Part II - Information Concerning 71 Capital – General Development of the Business*". The 71 Capital Common Shares are listed on the Exchange under the symbol "SVN.H". The closing price of the 71 Capital Shares on the Exchange on April 6, 2015, the last day upon which trading of the 71 Capital Common Shares occurred prior to the halt of such shares in connection with the announcement of the Transaction, was $0.005.

71 Capital's registered and head office is located at Suite 3000 – 77 King Street West, Toronto Dominion Centre, Toronto, Ontario, M5K 1G8. See "*71 Capital*".

2478677 Ontario Limited. was incorporated under the OBCA on August 12, 2015 as a wholly-owned subsidiary of 71 Capital, for the sole purpose of effecting the Amalgamation. The registered and head office of 2478677 Ontario Limited is located at Suite 3000 – 77 King Street West, Toronto Dominion Centre, Toronto, Ontario, M5K 1G8. See "*The Transaction – Principal Steps of the Transaction*".

71 Capital is a CPC within the meaning of the regulations of the Exchange. Accordingly, the principal business of 71 Capital has been the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. 71 Capital has not commenced commercial operations and has no assets other than cash.

See "*Part II: Information Concerning 71 Capital – General Development of the Business*".

Prodigy

Prodigy was incorporated under the OBCA on July 7, 1992. Prior to April 1, 2014, Prodigy did business under its legal name, TCB Corporation, providing the consulting services of Tom Beckerman to a small group of clients. On April 1, 2014, Prodigy took on two minority shareholders and eight initial subcontractors, rebranded itself as Prodigy Ventures, and began to perform technology services for Canadian banks. See "*Part III – Information Concerning Prodigy – General Development of the Business*". No securities of Prodigy are currently publicly traded on any stock exchange, and Prodigy is not a reporting issuer in any jurisdiction. The registered and head office of Prodigy is located at 44 Charles Street. Suite 4502.

Prodigy is a private company which is engaged in two related businesses: (1) a technology services business, Prodigy Labs, which provides enterprise clients with technology consulting services, and (2) a venture builder business, which is creating new business platforms and applications in many of the highest growth technology segments including mobile video, wearables, proximity marketing, mobile payments, augmented reality, 3D and social.

See "*Part III: Information Concerning Prodigy - Narrative Description of the Business*".

THE TRANSACTION

As announced in a press release dated May 19, 2015, 71 Capital and Prodigy entered into the Letter of Intent to complete the Transaction.

Subject to any regulatory or other approvals that may be required, and the satisfaction of other conditions contained in the Amalgamation Agreement, the Transaction will occur via a reverse three-cornered amalgamation and will be treated as a tax-deferred transfer by the Prodigy Shareholders under the OBCA. Pursuant to the Amalgamation Agreement, 71 Capital will issue to certain Persons who are, immediately prior to Closing, holders of Prodigy Shares, approximately 23,482,597 71 Capital Post-Consolidation Common Shares and approximately 88,051,416 71 Capital Restricted Voting Shares. The deemed issue price per 71 Capital Common Share is C$0.03625 per share on a pre-Consolidation basis, (assuming the completion of the Consolidation, the deemed issue price is C$0.0725).

Prodigy Financing

On August 14, 2015 the Prodigy Financing was completed on a non-brokered basis, pursuant to which an aggregate of 1,183,080 Subscription Receipts were issued at a price of $0.0725 per Subscription Receipt. Upon closing of the Prodigy Financing, the subscription funds were deposited with the Subscription Receipt Agent pursuant to the terms of the Subscription Receipt Agreement, and such funds will only be released in accordance with the terms thereof in the event that the Release Conditions are satisfied on or prior to the Termination Date, all in accordance with the terms of the Subscription Receipt Agreement. Each Subscription Receipt will be deemed to be exchanged for one Prodigy Common Share in accordance with the terms of the Subscription Receipt Agreement automatically, without any further action or formality on the part of the holder thereof, at the Subscription Receipt Conversion Time. Upon the exchange of the Subscription Receipts as set forth above, holders of Subscription Receipts shall automatically receive, without any further action or formality, for no additional consideration, one Prodigy Common Share for each Subscription Receipt and the Subscription Receipts shall be automatically cancelled. If either (i) the Release Conditions have not been satisfied on or before the Termination Deadline, or (ii) Prodigy, prior to the Termination Deadline, shall have provided notice to the Subscription Receipt Agent that the Transaction shall not occur, then on the date of either such event, the Subscription Receipts shall be automatically cancelled without any further action or formality and the Subscription Receipt Agent shall refund the aggregate proceeds raised from the same of such Subscription Receipts as soon as possible thereafter, all in accordance with the terms and conditions of the Subscription Receipt Agreement.

71 Capital Meeting

On June 25, 2015, 71 Capital mailed to its shareholders the 71 Capital Information Circular in connection with the 71 Capital Meeting. At the 71 Capital Meeting, holders of 71 Capital Common Shares will be asked to approve, among other things, the Consolidation, Name Change, Director Elections and the creation of the 71 Capital Restricted Voting Shares.

Qualifying Transaction

In the event the foregoing approvals are obtained, on or before the Effective Date, the following matters are anticipated to be effected in connection with the Transaction:

1. 71 Capital shall amend its articles of incorporation to effect the Consolidation and Name Change and to authorize the issuance of the 71 Capital Restricted Voting Shares;

2. Articles of Amalgamation shall be filed pursuant to which (i) the Amalgamation shall be effected as a result of which Prodigy and 2478677 Ontario Limited shall amalgamate to form Amalco, which shall continue as a wholly-owned subsidiary of 71 Capital; (ii) each Prodigy Common Share shall be automatically exchanged for one 71 Capital Post-Consolidation Common Share; and (iii) each Prodigy Non-Voting Share shall be automatically exchanged for one 71 Capital Restricted Voting Share; provided that no fractional 71 Capital Post-Consolidation Common Shares or 71 Capital Restricted Voting Shares shall be issued in connection therewith and any such fractions shall be rounded down to the nearest whole number (and no cash payment or other form of consideration will be payable in lieu thereof);

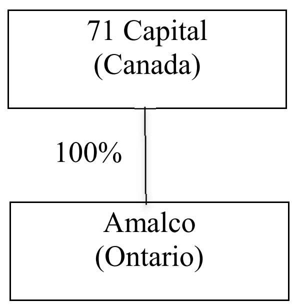
3. each of the existing directors of 71 Capital shall resign and be replaced by nominees of Prodigy, which shall be Tom Beckerman, Robert MacLean and Stephen Moore (subject to the receipt of applicable regulatory approvals); and

4. each of the existing officers of 71 Capital shall resign and be replaced by nominees of Prodigy, which shall include Tom Beckerman as President and Chief Executive Officer, Andrew Hilton as Chief Financial Officer and Corporate Secretary, Andrew Kieran as Vice President, and Hussein Vastani as Chief Technology Officer (subject to the receipt of applicable regulatory approvals).

Effect of the Amalgamation

The effect of the Amalgamation is that: (i) Prodigy and 2478677 Ontario Limited will amalgamate to form Amalco which will continue as a wholly-owned subsidiary of the Resulting Issuer, as a result of which all of the property and assets of Prodigy will become indirectly held by the Resulting Issuer; and (ii) current shareholders of Prodigy will continue to hold an indirect interest in the property and assets of Prodigy through the 71 Capital Post-Consolidation Common Shares and 71 Capital Restricted Voting Shares which they receive pursuant to the Amalgamation. The Amalgamation does not change any of the assets, properties, rights, liabilities, obligations, business or operations of any of 71 Capital, 2478677 Ontario Limited or Prodigy on a consolidated basis.

A corporate organizational chart reflecting the proposed structure of the Resulting Issuer after giving effect to the above-noted matters is set forth below:



Upon completion of the Transaction and assuming: (i) an aggregate of 20,024,724 71 Capital Post-Consolidation Common Shares and 88,051,416 71 Capital Restricted Voting Shares are issued in consideration for the Prodigy Common Shares and the Prodigy Non-Voting Shares, respectively, held by current shareholders of Prodigy; (ii) an aggregate of 1,183,080 71 Capital Post-Consolidation Common Shares are issued in consideration for the Prodigy Common Shares issued upon conversion of the Subscription Receipts; (iii) there are 2,205,636 71 Capital Post-Consolidation Common Shares issued and outstanding immediately prior to the Amalgamation; and (iv) an aggregate of 2,274,793 71 Capital Post-Consolidation Common Shares are issued in consideration for the Prodigy Common Shares issued to Robson Capital Inc. pursuant to the Robson Capital Agreement, then 71 Capital will have 25,688,232 71 Capital Post-Consolidation Common Shares and 88,051,416 71 Capital Restricted Voting Shares issued and outstanding immediately following the completion of the Transaction.

The following table summarizes the distribution of 71 Capital Post-Consolidation Common Shares and 71 Capital Restricted Voting Shares following the completion of the Transaction based upon the foregoing assumptions:

Shareholders	**Number of 71 Capital Post- Consolidation Common Shares**	**Number of 71 Capital Restricted Voting Shares**	**Percentage of Resulting Issuer's Total Equity on a Pro Forma Basis**
Current 71 Capital Shareholders	2,205,636[(1)]		1.94%
Current Prodigy Shareholders	20,024,724		17.61%
Current Prodigy Shareholders		88,051,416	77.41%
Robson Capital Inc.	2,274,793		2.00%

Shareholders	Number of 71 Capital Post- Consolidation Common Shares	Number of 71 Capital Restricted Voting Shares	Percentage of Resulting Issuer's Total Equity on a Pro Forma Basis
Subscribers in Prodigy Financing	1,183,080		1.04%
	25,688,232	88,051,416	100.00%

(1) This is an approximate number and may be lower or higher depending on the rounding associated with the Consolidation.

See "*Part I: The Transaction*".

PRODIGY SELECTED FINANCIAL INFORMATION

The following table sets out selected financial information for Prodigy for the years indicated and should be considered in conjunction with the more complete information contained in the financial statements of Prodigy attached as Schedule "B" to this Filing Statement. All currency amounts are stated in Canadian dollars.

Statement of Earnings	Year Ended March 31, 2015 (1)	Year Ended March 31, 2014 (2)	Year Ended March 31, 2013 (2)
Revenue	$2,730,698	$174,942	$32,834
Direct costs	$2,086,093	$Nil	$Nil
Expenses	$350,528	$99,647	$88,513
Net income (or loss)	$159,229	$33,245	($55,679)
Balance Sheet Data:	**As at March 31, 2015 (1)**	**As at March 31, 2014 (2)**	**As at March 31, 2013 (2)**
Total Assets	$666,818	$7,609	$4,469
Total Liabilities	$591,283	$41,795	$71,900
Shareholder's Equity	$75,535	($34,186)	($67,431)

(1) Audited
(2) Unaudited. Given the changes in Prodigy's business as disclosed herein between the year ended March 31, 2015 and the prior years, the results for prior years are not directly comparable.

71 CAPITAL SELECTED FINANCIAL INFORMATION

Information For Last Three Fiscal Years

	For the 12 months ended December 31, 2012	For the 12 months ended December 31, 2013	For the 12 months ended December 31, 2014
Total assets	$173,000	$133,000	$109,000
Total expenses	$24,710	$39,835	$24,048

	For the 12 months ended December 31, 2012	For the 12 months ended December 31, 2013	For the 12 months ended December 31, 2014
Total liabilities	$7,000	$7,000	$7,000
Amounts deferred in connection with the Transaction	Nil	Nil	Nil

The above summary of financial information for the period from January 1, 2012 to December 31, 2014 is based on the audited annual financial statements of 71 Capital appearing at Schedule "A" hereto.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Funds Available

Following the Transaction, the Resulting Issuer expects to have funds available as set forth below, based upon the current financial position of each of 71 Capital and Prodigy:

Source	Amount
Estimated working capital of 71 Capital as of July 31, 2015	$91,000
Estimated working capital of Prodigy as of March 31, 2015	$576,845
Net proceeds from Prodigy Financing	$85,773
Prodigy revenue in excess of operating expenses	$154,314
Total available funds	$907,932

Principal Purposes of Funds

The primary purposes of the Transaction are to obtain additional equity capital, create a public market for the Resulting Issuer's shares, provide additional working capital in order to execute on the Resulting Issuer's future business strategies and facilitate future access by the Resulting Issuer to financing opportunities. The principal purposes for which the available funds of the Resulting Issuer as set forth above are expected to be used during the twelve-month period following the Transaction are described below:

Estimated Use of Funds	Amount
Estimated expenses of the Transaction	$170,000
Ventures research and development	$537,932
Unallocated funds	$200,000
Total	$907,932

See "*Part IV: Information Concerning The Resulting Issuer – Available Funds*".

Based on current projections, (i) the Resulting Issuer's working capital available for funding ongoing operations is expected to meet its expenses for a minimum period of 12 months commencing immediately after the completion of the Transaction and (ii) the Resulting Issuer will have an additional $200,000 in unallocated funds at the completion of the Transaction.

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management of 71 Capital and Prodigy consider it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates. See "Forward-Looking Information".

RESULTING ISSUER UNAUDITED PRO FORMA CONSOLIDATED SUMMARY FINANCIAL INFORMATION

The following table sets out selected unaudited pro forma consolidated financial information for the Resulting Issuer, assuming completion of the Amalgamation, as of March 31, 2015 and for the twelve month period then ended (reflecting the pro-forma consolidation of each of the companies as at such dates), and should be considered in conjunction with the more complete information contained in the unaudited pro forma consolidated financial statements of the Resulting Issuer attached as Schedule "C" to this Filing Statement. Unless otherwise indicated, all currency amounts are stated in Canadian dollars.

Balance Sheet Data:	As at March 31, 2015(1)
Current Assets	$844,660
Total Assets	$848,107
Current Liabilities	$619,639
Shareholders' Equity	$86,824

(1) Amounts presented reflect pro forma adjustments as further detailed in Notes 2 and 3 to the unaudited pro forma consolidated financial statements of the Resulting Issuer attached as Schedule "C" to this Filing Statement, to which reference should be made for a complete summary of all assumptions underlying these amounts.

INTERESTS OF INSIDERS, PROMOTER OR CONTROL PERSON OF 71 CAPITAL, PRODIGY AND THE RESULTING ISSUER

The following is a summary of the interests of any Insider, Promoter or Control Person of 71 Capital, Prodigy and the Resulting Issuer and their respective Associates and Affiliates (before and after giving effect to the Transaction), including any consideration that such individual may receive if the Transaction proceeds:

Name and proposed position with the Resulting Issuer following the Transaction	Number and Percentage of Prodigy Shares held as of August 17, 2015(1)(2)	Number and Percentage of 71 Capital Common Shares held as of August 17, 2015(1)(3)	Number and percentage of 71 Capital Post Consolidation Common Shares to be held following the Transaction(4)(5)
Tom Beckerman President, Chief Executive Officer and Director	82 (70.7%)	nil	14,155,408 (55.1%)
Robert MacLean Director	Nil (Nil%)	nil	137,931(0.5%)
Stephen Moore(6) Director	Nil (Nil%)	nil	387,931 (1.5%)
Andrew Hilton Chief Financial Officer and Corporate Secretary	Nil (Nil%)	nil	Nil (Nil%)
Hussein Vastani Chief Technology Officer	1 (0.9%)	nil	172,627 (0.7%)
Andrew Kieran(7) Vice President	13 (11.2%)	nil	2,244,150 (8.7%)
Paul Andrusyshyn(8) Control Person	20 (17.2%)	nil	3,452,539 (13.4%)

(1) The information as to the number and percentage of securities beneficially owned, controlled or directed, has been obtained from the persons listed individually.
(2) Percentage based on 116 Prodigy Shares currently issued and outstanding.
(3) Percentage based on 2,205,636 71 Capital Post-Consolidation Common Shares being issued and outstanding immediately prior to the Amalgamation.
(4) Calculated based upon the securities of each of Prodigy and 71 Capital beneficially owned, controlled or directed by such persons reported as of the date of this Filing Statement, after giving effect to the Transaction as contemplated in this Filing Statement. See also "Part IV: Information Concerning the Resulting Issuer – Escrowed Securities".
(5) Percentage based on 25,888,232 71 Capital Post-Consolidation Common Shares being issued and outstanding on closing of the Transaction.
(6) Including shares held by Associates of Mr. Moore.
(7) Shares held through Mobistrat Consulting Ltd., a company controlled by Mr. Kieran.
(8) Shares held through 7797958 Canada Corp., a company wholly owned by Mr. Andrusyshyn.

CONFLICTS OF INTEREST

There are no known existing or potential conflicts of interest between the Resulting Issuer or a subsidiary of the Resulting Issuer and a proposed director, officer or Promoter of the Resulting Issuer or a subsidiary of the Resulting Issuer.

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon the completion of the Transaction are also directors and/or officers of other reporting and non-reporting issuers. As of the date of this Filing Statement and to the knowledge of the directors and officers of 71 Capital and Prodigy, there are no existing conflicts of interest between the Resulting Issuer and any of the individuals proposed for appointment as directors or officers of the Resulting Issuer following the completion of the Transaction.

ARM'S LENGTH TRANSACTION

The Transaction is not a Non-Arm's Length Qualifying Transaction.

SHAREHOLDER APPROVALS

The Transaction constitutes a Qualifying Transaction and as such is subject to approval of the shareholders of each of 2478677 Ontario Limited and Prodigy, which approvals are a condition to closing the Transaction. This Filing Statement is filed in connection with the requirements of the policies of the Exchange.

The Consolidation, Name Change, Director Elections and creation of the 71 Capital Restricted Voting Shares must also be approved by the shareholders of 71 Capital in connection with the Transaction.

CONDITIONS TO THE AMALGAMATION

The obligations of the parties to complete the Transaction, as contemplated by the Amalgamation Agreement, are subject to the satisfaction, on or before the Effective Date, of a number of specified conditions, including:

1. the approval of the Consolidation, Name Change, Director Elections and creation of the 71 Capital Restricted Voting Shares by the requisite percentage of 71 Capital Shareholders;

2. the approval of the Transaction by the requisite percentage of Prodigy Shareholders; and

3. conditional approval of the Exchange with respect to the Transaction and the listing of the 71 Capital Post-Consolidation Common Shares.

The Amalgamation Agreement also provides that it may be terminated in certain circumstances by the 71 Capital Board or Prodigy Board before the Effective Date. See "*Part III: Information Concerning Prodigy - The Transaction – Effective Date and Conditions*".

SPONSORSHIP AND VALUATION REPORT

The Sponsor has agreed to act as a sponsor in connection with the Transaction. The Sponsorship Engagement Letter dated May 28, 2015 provides for Jacob to be paid a sponsorship fee of a cash payment of $15,000, plus applicable taxes, payable on the date of the submission of the final Sponsorship Report to the Exchange. In addition to the sponsorship fee, 71 Capital shall reimburse Jacob for all of its costs and expenses, including legal fees of Jacob's legal counsel related to its engagement as sponsor. Jacob has also agreed to provide a valuation of Prodigy for the purposes of satisfying the Exchange's initial listing requirements. The valuation engagement letter dated May 28, 2015 provides for Jacob to be paid a fee of a cash payment of $10,000, plus applicable taxes, payable on the date of the submission of the final version of the valuation to the Exchange. In addition to the valuation fee, 71 Capital shall reimburse Jacob for all of its costs and expenses, including legal fees of Jacob's legal counsel related to its engagement to provide a valuation.

INTERESTS OF EXPERTS AND OTHERS

No Person, whose profession or business gives authority to a statement made by the Person and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement, holds any beneficial interest, directly or indirectly, in any property of 71 Capital, Prodigy or the Resulting Issuer or of an Associate or Affiliate of 71 Capital, Prodigy or the Resulting Issuer, other than as described below.

Audit reports described or included in this Filing Statement in respect of the financial statements of 71 Capital for the fiscal years ended December 31, 2014, 2013 and 2012 were prepared by Buttle & Tavano Professional Corporation, Chartered Professional Accountants.

Buttle & Tavano Professional Corporation, Chartered Professional Accountants, does not beneficially own, directly or indirectly, any securities of, nor does it have any interest in the property of, either of 71 Capital or Prodigy.

Audit reports described or included in this Filing Statement in respect of the financial statements of Prodigy for the fiscal year ended March 31, 2015 were prepared by RZN, LLP Chartered Professional Accountants & Licensed Public Accountants,

RZN, LLP, Chartered Professional Accountants & Licensed Public Accountants does not beneficially own, directly or indirectly, any securities of, nor does it have any interest in the property of, either of 71 Capital or Prodigy.

Moreover, none of the foregoing persons or any of their respective directors, officers, partners or employees is, or expects to be, elected, appointed or employed as a director, officer or employee of the Resulting Issuer or its Associates or Affiliates.

Certain legal matters relating to the Qualifying Transaction will be passed upon by Fogler, Rubinoff LLP on behalf of both 71 Capital and Prodigy. Eric Roblin is a partner at Fogler, Rubinoff LLP and is also a director of 71 Capital and has acted for 71 Capital. Mr. Roblin owns 450,000 71 Capital Common Shares and after the Amalgamation will own 225,000 71 Capital Post-Consolidation Common. Mr. Roblin does not own any shares of Prodigy. Karen Murray is a partner at Fogler, Rubinoff LLP and has acted for Prodigy does not own any shares of Prodigy or 71 Capital.

RISK FACTORS

The current business of Prodigy will be the business of the Resulting Issuer upon Closing. Accordingly, risk factors relating to Prodigy's current business will be risk factors relating to the Resulting Issuer's business. Due to the nature of Prodigy's business, the economic climate and its present stage of development, Prodigy is subject to significant risks. Prodigy's future development and operating results may be very different from those expected as at the date of this Filing Statement. Readers should carefully consider all such risks. Risk factors relating to Prodigy include, but are not limited to, the following: (i) Prodigy is a development stage company with a limited operating history; (ii) Prodigy may not maintain profitability; (iii) economic dependence on a limited number of customers, (iv) future growth dependent upon success of venture business; (v) need for ongoing innovation; (vi) ongoing need for financing; (vii) attraction and retention of key personnel; (viii) competition; (ix) dependence on key executives; (x) Prodigy operates in an industry with the risk of intellection property litigation. Claims of infringement against it may hurt its business; (xi) management of growth; (xii) the requirements of being a public company may strain the Resulting Issuer's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members; (xiii) completion of the Transaction and Exchange approval; (xiv) as a result of becoming a public company, the Resulting Issuer is obligated to develop and maintain proper and effective internal control over financial reporting, but it may not complete its analysis of its internal control over financial reporting in a timely manner, or these internal controls may not be determined to be effective, either of which may harm investor confidence in the Resulting Issuer and the value of the 71 Capital Post-Consolidation Common Shares; (xv) the Resulting Issuer will be a holding company with its only asset being its direct ownership of Amalco; (xvi) dilution; (xvii) an investment in the securities of the Resulting Issuer is extremely speculative and there can be no assurance of any return on any such investment; (xviii) volatile stock price; (xix) potential conflicts of interest; (xx) market for Prodigy Shares; (xxi) future sales of 71 Capital Post Consolidation Shares by existing shareholders; (xxii) market price of 71 Capital Post Consolidation Common Shares; (xxiii) the Resulting Issuer does not intent to pay dividends on the 71 Capital Post Consolidation Common Shares for the foreseeable future; (xxiv) the Resulting Issuer may issue additional equity securities, or engage in other transactions that could dilute its book value or affect the priority of the 71 Capital Post Consolidation Shares which may adversely affect the market price of the 71 Capital Post Consolidation Common Shares; and (xxv) current global financial conditions.

CONDITIONAL APPROVAL

The Exchange has conditionally accepted the Transaction subject to 71 Capital fulfilling all of the requirements of the Exchange on or before October 12, 2015.

RISK FACTORS

AN INVESTMENT IN SECURITIES OF 71 CAPITAL AND, FOLLOWING THE COMPLETION OF THE TRANSACTION, THE RESULTING ISSUER, IS HIGHLY SPECULATIVE, AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

Prior to making an investment decision, investors should consider the investment risks set forth below and those described elsewhere in this Filing Statement, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of 71 Capital and Prodigy consider the risks set forth below to be the most significant, but do not consider them to be all of the risks associated with an investment in securities of Prodigy or the Resulting Issuer. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with the

Resulting Issuer's business, actually occur, the Resulting Issuer's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Resulting Issuer's securities could decline and investors may lose all or part of their investment. References below to "Prodigy" shall, as the context permits or requires, be read to include the Resulting Issuer upon Closing.

Risk Factors Relating to 71 Capital

The Transaction may not be completed.

The Transaction is subject to final acceptance of the Exchange. There can be no assurance that all of the necessary regulatory approvals will be obtained. If the Transaction contemplated by the Amalgamation Agreement is not completed for these reasons or for any other reason, 71 Capital will have incurred significant costs associated with the failed implementation of the Transaction.

Furthermore, 71 Capital has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that 71 Capital will be able to identify a suitable Qualifying Transaction in the future. Even if a proposed Qualifying Transaction is identified in the future, there can be no assurance that 71 Capital will be able to successfully complete such transaction and the completion of such other Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, approval of the majority of the minority shareholders.

Limited operating history.

71 Capital was only recently incorporated, has not commenced commercial operations and has no assets other than cash. 71 Capital has no history of earnings and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction. Until completion of a Qualifying Transaction, 71 Capital is not permitted to carry on any business other than the identification and evaluation of potential transactions.

Management and conflicts of interest.

The ability of 71 Capital to successfully complete a Qualifying Transaction is dependent on the performance of its current directors and officers, who only devote a portion of their time to the business and affairs of 71 Capital and are, or will be, engaged in other projects or businesses. The current directors, officers and Promoters of 71 Capital also serve as directors and/or officers of other companies which may compete with 71 Capital in its search for the businesses or assets targeted in order to complete a Qualifying Transaction. Accordingly, situations may arise where the directors, officers and Promoters of 71 Capital are in a position of conflict with the Issuer.

Risk Factors Relating to Prodigy and the Resulting Issuer

<u>Risks Related to its Business</u>

Prodigy is a development stage company with a limited operating history.

Prodigy is a development stage company, subject to all the risks and uncertainties inherent in a new business and the development and sale of new products. As a result, it still must establish many functions necessary to operate a business, including finalizing its administrative structure, continuing product development, assessing and commencing its marketing activities, implementing financial systems and controls and personnel recruitment.

Accordingly, investors should consider the Resulting Issuer's prospects in light of the costs, uncertainties, delays and difficulties frequently encountered by companies in the early stages of development. Potential investors should carefully consider the risks and uncertainties that a company with a limited operating history will face. In particular, potential investors should consider that Prodigy and the Resulting Issuer cannot assure that it will be able to:

- successfully implement or execute its current business plan, or that its business plan is sound;
- maintain its management and advisory team;
- raise sufficient funds in the capital markets to effectuate its business plan;
- determine that the processes and technologies that it has developed are commercially viable;
- attract, enter into or maintain contracts with, and retain customers; and/or
- compete effectively in the extremely competitive environment in which it operates.

If Prodigy or the Resulting Issuer cannot successfully execute any one of the foregoing, the business may not succeed.

Prodigy may not maintain profitability.

Prodigy, while incorporated in 1992, only commenced its current operations on April 1, 2014. Prodigy is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that Prodigy will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Prodigy may not be able to maintain profitability. In addition, Prodigy expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If Prodigy's revenues do not increase to offset these expected increases in costs and operating expenses, Prodigy will not be profitable.

Economic dependence on a limited number of customers.

Prodigy's revenue is obtained exclusively from its services business and 100% of the revenue from the services business is derived from three customers. Prodigy's contracts with these customers are limited in duration, typically with terms of 6-12 months. Prodigy's ability to continue to generate revenue from its services business depends on its ability to regularly renew these contracts and enter into contracts with new customers. Prodigy's ability to renew existing contracts and enter into new contracts in turn depends to a great degree on the quality of services provided and technology developed for its customers.

Prodigy believes that its focus on customer service and support is critical to onboarding new customers and retaining its existing customers. Prodigy's reputation among customers is critical for the growth and success of its business. Any perception that it does not provide satisfactory customer service, even if factually incorrect or based on isolated incidents, could damage Prodigy's reputation, undermine the trust and credibility it has established and have a negative impact on its ability to attract new, or retain existing, customers and enter into new markets or sectors.

Future growth dependent upon success of venture business.

Prodigy's future growth depends on the success of its venture builder business, the strategy of identifying, developing and launching new business platforms and applications in potentially high growth technology segments such as mobile video, wearables, proximity marketing, mobile payments, augmented reality, 3D and social. These areas are highly competitive and Prodigy may not be able to develop and implement its new platforms or applications before its competitors. Prodigy only has a small window of opportunity in which to gain the customer acceptance necessary to become a market leader in a particular target market, and it may not be able to develop its ventures before its potential competitors do so.

There is also no guarantee that Prodigy's platforms or applications will gain market acceptance ahead of those of its competitors, and thus may only have limited potential. Prodigy may realize, only after investing significant resources in a new platform or application, that such platform or application is not likely to generate the profits, growth or value that it expected.

Need for ongoing innovation.

The markets in which Prodigy competes are characterized by constant change and innovation and they are expected to continue to evolve rapidly. Prodigy's success has been based on its ability to identify and anticipate the needs of its customers and design platforms that provides them with the tools to serve their needs. Prodigy's ability to attract new customers, retain existing customers and increase revenue from both new and existing customers will depend in large part on its ability to continue to improve and enhance the functionality, performance, reliability, design, security and scalability of its platforms.

Ongoing need for financing.

As the Resulting Issuer will have limited revenue from its new ventures, its ability to continue operations will be largely reliant on its continued attractiveness to equity investors. The Resulting Issuer may incur operating losses as it expends funds to develop its venture builder business operations. Even if its financial resources upon completion of the Transaction are sufficient to fund its current operations, there is no guarantee that the Resulting Issuer will be able to achieve its business objectives. The continued development of Prodigy following the Transaction may require substantial additional financing in future. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Resulting Issuer going out of business. While the services business will provide some level of funding, a critical source of funding available to the Resulting Issuer will consist of equity financing. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Resulting Issuer. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the 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.

Attraction and retention of key personnel.

The Resulting Issuer will have a small management team and the loss of a key individual or inability to attract suitably qualified staff could have a material adverse impact on its business. The Resulting Issuer may also encounter difficulties in obtaining and maintaining suitably qualified staff. Prodigy has sought to and will continue to ensure that management, directors and any key employees are provided with appropriate incentives; however, their services cannot be guaranteed.

Prodigy's future growth and success will depend upon its ability to identify, hire, develop, motivate and retain talented personnel with outstanding skills. There is no guarantee that it will be able to retain the services of any of its employees or other members of senior management in the future. Competition for talent is intense, particularly in technology driven industries such as Prodigy's, and its competitors may be able to offer Prodigy's potential or current personnel better pay, experience, benefits or opportunities. Failure to effectively recruit and retain talent could limit Prodigy's ability to increase sales, expand operations and achieve other strategic objectives.

Competition.

The industries in which Prodigy operates are highly competitive. The Resulting Issuer will face strong competition from other companies in the industry. Many of these companies have greater financial resources, operational experience and technical capabilities than the Resulting Issuer. As a result of this competition, the Resulting Issuer may be unable to maintain its operations or develop them as currently proposed, on terms it considers acceptable or at all. Consequently, the revenues, operations and financial condition of the Resulting Issuer could be materially adversely affected.

To remain competitive, the Resulting Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis, which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Dependence on Key Executives.

Prodigy and the Resulting Issuer are each dependent on the services of key executives, including the directors of Prodigy and the Resulting Issuer and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of each of Prodigy and the Resulting Issuer, the loss of these persons or either company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Prodigy operates in an industry with the risk of intellectual property litigation. Claims of infringement against it may hurt its business.

Prodigy and the Resulting Issuer's success depends, in part, upon non-infringement of intellectual property rights owned by others and being able to resolve claims of intellectual property infringement without major financial expenditures or adverse consequences. Participants that own, or claim to own, intellectual property may aggressively assert their rights. From time to time, Prodigy or the Resulting Issuer may be subject to legal proceedings and claims relating to the intellectual property rights of others.

Future litigation may be necessary to defend Prodigy or the Resulting Issuer or its clients by determining the scope, enforceability, and validity of third-party proprietary rights or to establish its proprietary rights. Some competitors have substantially greater resources and are able to sustain the costs of complex intellectual property litigation to a greater degree and for longer periods of time. Regardless of whether claims that Prodigy or the Resulting Issuer are infringing patents or other intellectual property rights have any merit, these claims are time-consuming and costly to evaluate and defend and could:

- adversely affect relationships with future clients;
- cause delays or stoppages in providing products or services;
- divert management's attention and resources;
- require technology changes to its products that would cause Prodigy and the Resulting Issuer to incur substantial cost;
- subject Prodigy or the Resulting Issuer to significant liabilities; and

- require Prodigy or the Resulting Issuer to cease some or all of its activities.

In addition to liability for monetary damages, which may be tripled and may include attorneys' fees, or, in some circumstances, damages against clients, Prodigy or the Resulting Issuer may be prohibited from developing, commercializing, or continuing to provide some or all of its products unless it obtains licenses from, and pays royalties to, the holders of the patents or other intellectual property rights, which may not be available on commercially favorable terms, or at all.

Management of growth.

Prodigy may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of Prodigy to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Prodigy to deal with this growth may have a material adverse effect on Prodigy's business, financial condition, results of operations and prospects.

Risks Related to the Transaction.

The Resulting Issuer's proposed management team has limited experience managing a public company, and regulatory compliance may divert its attention from the day-to-day management of its business.

The individuals who now constitute the Resulting Issuer's proposed management team have limited experience managing a publicly-traded company and limited experience complying with the increasingly complex laws pertaining to public companies. The Resulting Issuer's management team may not successfully or efficiently manage a public company that is subject to significant regulatory oversight and reporting obligations. In particular, these new obligations will require substantial attention from the Resulting Issuer's senior management and could divert their attention away from the day-to-day management of Resulting Issuer's business.

The requirements of being a public company may strain the Resulting Issuer's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members.

As a reporting issuer, the Resulting Issuer will be subject to the reporting requirements of applicable securities legislation of the jurisdiction in which it is a reporting issuer, the listing requirements of the Exchange and other applicable securities rules and regulations. Compliance with these rules and regulations will increase the Resulting Issuer's legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on its systems and resources. Applicable securities laws require the Resulting Issuer to, among other things, file certain annual and quarterly reports with respect to its business and results of operations. In addition, applicable securities laws require the Resulting Issuer to, among other things, maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve its disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Resulting Issuer's business and results of operations.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. If the Resulting Issuer's efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against the Resulting Issuer and the Resulting Issuer's business may be adversely affected.

As a public company subject to these rules and regulations, the Resulting Issuer may find it more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for the Resulting Issuer to attract and retain qualified members of its board of directors, particularly to serve on its audit committee and compensation committee, and qualified executive officers.

Completion of the Transaction and Exchange approval.

The completion of the Transaction is subject to several conditions precedent. There can be no assurances that the Transaction 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 Transaction may not be completed. In addition, there is no guarantee that the Resulting Issuer will be able to satisfy the requirements of the Exchange such that it will issue the Final Exchange Bulletin, or the requirements of the Exchange such that it will list the common shares of the Resulting Issuer.

As a result of becoming a public company, the Resulting Issuer is obligated to develop and maintain proper and effective internal control over financial reporting, but it may not complete its analysis of its internal control over financial reporting in a timely manner, or these internal controls may not be determined to be effective, either of which may harm investor confidence in the Resulting Issuer and the value of the 71 Capital Post-Consolidation Common Shares.

The Resulting Issuer will be required to furnish a report by management on, among other things, the effectiveness of its internal control over financial reporting. This assessment will need to include disclosure of any material weaknesses identified by the Resulting Issuer's management in its internal control over financial reporting.

If the Resulting Issuer is unable to assert that its internal control over financial reporting is effective, it could lose investor confidence in the accuracy and completeness of its financial reports, which could cause the price of its common stock to decline, and the Resulting Issuer may be subject to investigation or sanctions by the Canadian securities commissions.

The Resulting Issuer will be a holding company with its only asset being its direct ownership of Amalco.

The Resulting Issuer will be a holding company and has no material non-financial assets other than its ownership of Amalco. The Resulting Issuer will have no independent means of generating revenue. To the extent that the Resulting Issuer will need funds beyond its own financial resources to pay liabilities or to fund operations, and Prodigy is restricted from making distributions to it under applicable laws or regulations or agreements such as credit arrangements with third parties, or does not have sufficient earnings to make these distributions, the Resulting Issuer may have to borrow or otherwise raise funds sufficient to meet these obligations and operate its business and, thus, its liquidity and financial condition could be materially adversely affected.

Dilution

It is anticipated that immediately prior to the Transaction, 71 Capital will have 2,205,636 71 Capital Post-Consolidation Common Shares issued and outstanding. In the event that the Transaction is completed as contemplated hereby, an aggregate of 20,024,724 71 Capital Post-Consolidation Common Shares and 88,051,416 71 Capital Restricted Shares shall be issued to former shareholders of Prodigy in consideration of the acquisition by 71 Capital of all such issued and outstanding Prodigy Shares (exclusive of subscribers in the Prodigy Financing and exclusive of Robson Capital Inc.).

The increase in the number of 71 Capital Post-Consolidation Common Shares issued and outstanding, and the sales of such shares, may have a depressive effect on the price of the 71 Capital Post-Consolidation Common Shares. In addition, as a result of the issuance of such additional 71 Capital Post-Consolidation Common Shares, the voting power of the existing 71 Capital Shareholders will be substantially diluted.

Risks Related to Ownership of its Securities

An investment in the securities of the Resulting Issuer is extremely speculative and there can be no assurance of any return on any such investment.

An investment in the securities of the Resulting Issuer is extremely speculative and there is no assurance that investors will obtain any return on their investment. Investors will be subject to substantial risks involved in an investment in the Resulting Issuer, including the risk of losing their entire investment.

Volatile stock price

The stock price of the Resulting Issuer is expected to be highly volatile. The Resulting Issuer cannot predict the results of its operations expected to take place in the future. The results of these activities will inevitably affect the Resulting Issuer's decisions related to future operations and will likely trigger major changes in the trading price of the 71 Capital Post-Consolidation Common Shares.

Potential conflicts of interest

Some of the individuals who will be appointed as directors or officers of the Resulting Issuer are also directors and/or officers of other reporting and non-reporting issuers. As of the date of this Filing Statement, and to the knowledge of the directors and officers of 71 Capital and Prodigy, there are no existing conflicts of interest between the Resulting Issuer and any of the individuals who will continue as directors or officers following the completion of the Transaction. See "*Conflicts of Interest*" above. Situations may arise where the directors and/or officers of the Resulting Issuer may be in competition with the Resulting Issuer. Any conflicts will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of the Resulting Issuer's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Resulting Issuer are required to act honestly, in good faith and in the best interests of the Resulting Issuer.

Market for Prodigy Shares

There is currently no market through which the Prodigy Shares may be sold. An active public market for the 71 Capital Post-Consolidation Common Shares may not develop or be sustained following the Transaction. If an active public market does not develop or is not sustained, the liquidity of the 71 Capital Post-Consolidation Common Shares may be limited, and the price of the 71 Capital Post-Consolidation Common Shares may decline below the purchase price of the Prodigy Shares.

Future sales of 71 Capital Post-Consolidation Common Shares by existing shareholders

Sales of a large number of 71 Capital Post-Consolidation Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the 71 Capital Post-Consolidation Common Shares and could impair the Resulting Issuer's ability to raise capital through future sales of 71 Capital Post-Consolidation Common Shares. Prodigy and 71 Capital may from time to time have previously issued securities at an effective price per share which was lower than the market price of the 71 Capital Post-Consolidation Common Shares from time to time. Accordingly, certain shareholders of the Resulting Issuer may have an investment profit in the 71 Capital Post-Consolidation Common Shares that they may seek to liquidate following the closing of the Transaction.

Market Price of 71 Capital Post-Consolidation Common Shares

The Prodigy Shares do not currently trade on any exchange or market, and the 71 Capital Common Shares are currently listed and posted for trading on the Exchange. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. Other factors unrelated to the performance of Resulting Issuer or Prodigy that may have an effect on the price of the 71 Capital Post-Consolidation Common Shares include the following: the extent of analytical coverage available to investors concerning the business of the Resulting Issuer or Prodigy may be limited if investment banks with research capabilities do not follow the Resulting Issuer's securities; lessening in trading volume and general market interest in the Resulting Issuer's securities may affect an investor's ability to trade significant numbers of 71 Capital Post-Consolidation Common Shares; the size of the Resulting Issuer's public float may limit the ability of some institutions to invest in the Resulting Issuer's securities; and a substantial decline in the price of the 71 Capital Post-Consolidation Common Shares that persists for a significant period of time could cause the Resulting Issuer's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the 71 Capital Post-Consolidation Common Shares at any given point in time may not accurately reflect the long-term value of the Resulting Issuer or Prodigy following the completion of the Transaction or otherwise. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Resulting Issuer may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The Resulting Issuer does not intend to pay dividends on the 71 Capital Post-Consolidation Common Shares for the foreseeable future.

The Resulting Issuer currently does not plan to declare dividends on the 71 Capital Post-Consolidation Common Shares in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of the Resulting Issuer Board. Consequently, an investor's only opportunity to achieve a return on the investment in the Resulting Issuer will be if the market price of the 71 Capital Post-Consolidation Common Shares appreciates and the investor sells shares at a profit. There is no guarantee that the price of the 71 Capital Post-Consolidation Common Shares that will prevail in the market after the Amalgamation will ever exceed the price that an investor paid.

The Resulting Issuer may issue additional equity securities, or engage in other transactions that could dilute its book value or affect the priority of the 71 Capital Post-Consolidation Common Shares, which may adversely affect the market price of 71 Capital Post-Consolidation Common Shares.

The Resulting Issuer Board may determine from time to time that it needs to raise additional capital by issuing additional 71 Capital Post-Consolidation Common Shares or other securities. Except as otherwise described in this Filing Statement, the Resulting Issuer will not be restricted from issuing additional 71 Capital Post-Consolidation Common Shares, including securities that are convertible into or exchangeable for, or that represent the right to receive, 71 Capital Post-Consolidation Common Shares. Because the Resulting Issuer's decision to issue securities in any future offering will depend on market conditions and other factors beyond the Resulting Issuer's control, it cannot predict or estimate the amount, timing, or nature of any future offerings, or the prices at which such offerings may be affected. Additional equity offerings may dilute the holdings of its existing shareholders or reduce the market price of its common shares, or both. Holders of 71 Capital Post-Consolidation Common Shares are not entitled to pre-emptive rights or other protections against dilution. New investors also may have rights, preferences and privileges that are senior to, and that adversely affect, the Resulting Issuer's then-current holders of 71 Capital Post-Consolidation Common Shares. Additionally, if the Resulting Issuer raises additional capital by making offerings of debt or preference shares, upon liquidation of the Resulting Issuer, holders of its debt securities and preference shares, and lenders with respect to other borrowings, may receive distributions of its available assets before the holders of 71 Capital Post-Consolidation Common Shares.

Current global financial conditions

Current global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of the Resulting Issuer to obtain equity or debt financing in the future and, if obtained, on terms favourable to it. If these increased levels of volatility and market turmoil continue, the operations of the Resulting Issuer could be adversely impacted and the value and the price of the 71 Capital Post-Consolidation Common Shares and other securities could be adversely affected.

PART I – THE TRANSACTION

71 Capital, 2478677 Ontario Limited and Prodigy intend to complete the Amalgamation pursuant to the Amalgamation Agreement.

Upon the terms and conditions of the Amalgamation Agreement, 2478677 Ontario Limited will, pursuant to the applicable provisions of the OBCA, be amalgamated with and into Prodigy, and the separate corporate existence of 2478677 Ontario Limited and Prodigy will thereupon cease in accordance with the provisions of the OBCA.

Principal Steps of the Transaction

On August 14, 2015 the Prodigy Financing was completed on a non-brokered basis, pursuant to which an aggregate of 1,183,080 Subscription Receipts were issued at a price of $0.0725 per Subscription Receipt. Upon closing of the Prodigy Financing, the subscription funds were deposited with the Subscription Receipt Agent pursuant to the terms of the Subscription Receipt Agreement, and such funds will only be released in accordance with the terms thereof in the event that the Release Conditions are satisfied on or prior to the Termination Date, all in accordance with the terms of the Subscription Receipt Agreement. Each Subscription Receipt will be deemed to be exchanged for one Prodigy Common Share in accordance with the terms of the Subscription Receipt Agreement automatically, without any further action or formality on the part of the holder thereof, at the Subscription Receipt Conversion Time. Upon the exchange of the Subscription Receipts as set forth above, holders of Subscription Receipts shall automatically receive, without any further action or formality, for no additional consideration, one Prodigy Common Share for each Subscription Receipt and the Subscription Receipts shall be automatically cancelled. If either (i) the Release Conditions have not been satisfied on or before the Termination Deadline, or (ii) Prodigy, prior to the Termination Deadline, shall have provided notice to the Subscription Receipt Agent that the Transaction shall not occur, then on the date of either such event, the Subscription Receipts shall be automatically cancelled without any further action or formality and the Subscription Receipt Agent shall refund the aggregate proceeds raised from the same of such Subscription Receipts as soon as possible thereafter, all in accordance with the terms and conditions of the Subscription Receipt Agreement.

Prodigy must obtain the requisite approval of the Amalgamation from the Prodigy Shareholders. 71 Capital must also obtain the requisite approval of the Consolidation, Name Change, Director Elections and the creation of the 71 Capital Restricted Voting Shares from the 71 Capital Shareholders. In the event the foregoing approvals are obtained, on or before the Effective Date, the following matters are anticipated to be effected in connection with the Transaction:

1. 71 Capital shall amend its articles of incorporation to effect the Consolidation and Name Change and to authorize the issuance of the 71 Capital Restricted Voting Shares;

2. Articles of Amalgamation shall be filed pursuant to which (i) the Amalgamation shall be effected as a result of which Prodigy and 2478677 Ontario Limited shall amalgamate to form Amalco, which shall continue as a wholly-owned subsidiary of 71 Capital; (ii) each Prodigy Common Share shall be automatically exchanged for one 71 Capital Post-Consolidation Common Shares; and (iii) and each Prodigy Non-Voting Share shall be automatically exchanged for one 71 Capital Restricted Voting Shares, provided that no fractional 71 Capital Post-Consolidation Common Shares or 71 Capital Restricted Voting Shares shall be issued in connection therewith and any such fractions shall be rounded down to the nearest whole number (and no cash payment or other form of consideration will be payable in lieu thereof.

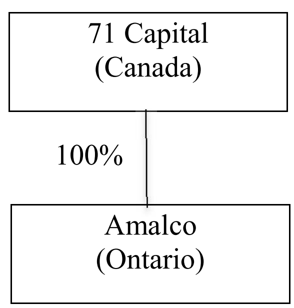
3. each of the existing directors of 71 Capital shall resign and be replaced by nominees of Prodigy, which shall be Tom Beckerman, Robert MacLean and Stephen Moore (subject to the receipt of applicable regulatory approvals); and

4. each of the existing officers of 71 Capital shall resign and be replaced by nominees of Prodigy, which shall include Tom Beckerman as President and Chief Executive Officer, Andrew Hilton as Chief Financial Officer and Corporate Secretary, Hussein Vastani as Chief Technology Officer and Andrew Kieran as Vice President (subject to the receipt of applicable regulatory approvals).

Effect of the Amalgamation

The effect of the Amalgamation is that: (i) Prodigy and 2478677 Ontario Limited will amalgamate to form Amalco which will continue as a wholly-owned subsidiary of the Resulting Issuer, as a result of which all of the property and assets of Prodigy will become indirectly held by the Resulting Issuer; and (ii) current shareholders of Prodigy will continue to hold an indirect interest in the property and assets of Prodigy through the 71 Capital Post-Consolidation Common Shares and 71 Capital Restricted Voting Shares which they receive pursuant to the Amalgamation. The Amalgamation does not change any of the assets, properties, rights, liabilities, obligations, business or operations of any of 71 Capital, 2478677 Ontario Limited or Prodigy on a consolidated basis.

A corporate organizational chart reflecting the proposed structure of the Resulting Issuer after giving effect to the above-noted matters is set forth below:



Upon completion of the Transaction and assuming: (i) an aggregate of 20,024,724 71 Capital Post-Consolidation Common Shares and 88,051,416 71 Capital Restricted Voting Shares are issued in consideration for the Prodigy Common Shares and the Prodigy Non-Voting Shares, respectively, held by current shareholders of Prodigy; (ii) an aggregate of 1,183,080 71 Capital Post-Consolidation Common Shares are issued in consideration for the Prodigy Common Shares issued upon conversion of the Subscription Receipts; (iii) there are 2,205,636 71 Capital Post-Consolidation Common Shares issued and outstanding immediately prior to the Amalgamation; and (iv) an aggregate of 2,274,793 71 Capital Post-Consolidation Common Shares are issued in consideration for the Prodigy Common Shares issued to Robson Capital Inc., then 71 Capital will have 25,688,232 71 Capital Post-Consolidation Common Shares and 88,051,416 71 Capital Restricted Voting Shares issued and outstanding immediately following the completion of the Transaction.

The following table summarizes the distribution of 71 Capital Post-Consolidation Common Shares and 71 Capital Restricted Voting Shares following the completion of the Transaction based upon the foregoing assumptions:

Shareholders	Number of 71 Capital Post- Consolidation Common Shares	Number of 71 Capital Restricted Voting Shares	Percentage of Resulting Issuer's Total Equity on a Pro Forma Basis
Current 71 Capital Shareholders	2,205,636[(1)]		1.94%
Current Prodigy Shareholders	20,024,724		17.61%
Current Prodigy Shareholders		88,051,416	77.41%
Robson Capital Inc.	2,274,793		2.00%
Subscribers in Prodigy Financing	1,183,080		1.04%
	25,688,232	88,051,416	100.00%

Note:
(1) This is an approximate number and may be lower or higher depending on the rounding associated with the Consolidation.

Reasons for the Transaction

The business combination between Prodigy and 71 Capital pursuant to the Amalgamation Agreement was negotiated by Prodigy and 71 Capital on the basis that the Transaction is in the best interests of their respective shareholders for numerous reasons, but in particular Prodigy and 71 Capital believe that developing the business of Prodigy through a combined public entity will create the best prospects for long-term value for shareholders. As the Transaction will result in a larger publicly traded company with greater market capitalization that has prospective operations, an additional benefit will be the potentially greater ability to attract financing.

In determining the number of 71 Capital Post-Consolidation Common Shares to be issued in exchange for the Prodigy Shares, the Prodigy Board and 71 Capital Board, respectively, considered a number of relevant factors including the market value, financial and other assets, liabilities, contingent liabilities and risks as applicable to each of Prodigy and 71 Capital.

Regulatory Approvals

In addition to the shareholder approvals described above, certain Regulatory Approvals will also be required in order to consummate the Transaction. It is a condition of the Transaction that the Transaction be approved by the Exchange. The Exchange has conditionally approved the Transaction subject to 71 Capital fulfilling all of the requirements of the Exchange.

Final approvals have not yet been given by the regulatory authorities or shareholders. Neither Prodigy nor 71 Capital can provide any assurances that such approvals will be obtained.

Fees and Expenses

In accordance with the Amalgamation Agreement, each of 71 Capital and Prodigy will bear its own fees and expenses in connection with the Transaction, provided that 71 Capital will bear the fees and expenses of the sponsorship and valuation report and Prodigy shall be responsible for paying the costs and fees payable to the Exchange regarding their review of the personal information forms to be submitted by the proposed executive officers, directors and promoters and insiders of the Resulting Issuer following completion of the Amalgamation and all listing fees payable in connection with any securities issued to

Prodigy Shareholders pursuant to the Amalgamation. Any other application fees payable to the Exchange in connection with the transactions contemplated herein will be divided equally between the parties.

Amalgamation Agreement

The following is a summary of the material terms of the Amalgamation Agreement. This summary does not purport to be a complete summary of the Amalgamation Agreement and is qualified in its entirety by reference to the full text of the Amalgamation Agreement, a copy of which is available for review under 71 Capital's SEDAR profile at www.sedar.com.

The steps of the Amalgamation, as set out in the Amalgamation Agreement, are summarized under "*The Transaction – Principal Steps of the Transaction*".

Effective Date

Unless the Amalgamation Agreement is terminated pursuant to its terms, Closing will take place no later than the Termination Date. Upon Closing, the parties shall cause the Amalgamation to be consummated by filing articles of amalgamation with the Director under the OBCA.

Representations and Warranties

Pursuant to the Amalgamation Agreement, Prodigy made customary representations and warranties to 71 Capital. The Amalgamation Agreement also contains customary representations and warranties made by 71 Capital to Prodigy. These representations and warranties include, among other things, representations and warranties made by Prodigy on the one hand and 71 Capital on the other hand as to: (i) corporate organization and valid existence, power to conduct business, qualification and good standing of the respective entities and their subsidiaries; (ii) ownership of subsidiaries and other investments; (iii) the requisite corporate power and capacity of the respective entities to enter into and perform their obligations under the Amalgamation Agreement, and the valid authorization, execution and delivery thereof; (iv) that other than as disclosed in the Amalgamation Agreement, no consents, authorizations or approvals are required in connection with the execution and delivery of the Amalgamation Agreement and that such execution and delivery will not violate applicable laws, constating documents, contracts and court orders; (v) compliance with disclosure obligations of the Exchange, Canadian securities regulators and any other applicable securities laws, as the case may be, and the applicable rules and regulations promulgated thereunder; (vi) compliance with other applicable laws and regulations and with the organizational documents of each of the respective entities; (vii) financial statements; (viii) tax matters; (ix) matters affecting the voting, control or sale of the securities of the respective entities and their subsidiaries; (x) litigation and government proceedings; (xi) material contracts; (xii) capitalization; (xiii) indebtedness; (iv) employment matters; (xv) corporate records; and (xvi) brokers' fees.

Furthermore, Prodigy made additional representations and warranties to 71 Capital as to matters including the following: (i) the intellectual property of Prodigy; (ii) environmental matters; (iii) insurance; and (iii) premises.

Conditions to the Amalgamation Becoming Effective

In order for the Transaction contemplated by the Amalgamation Agreement to be completed, certain conditions must have been satisfied (or in certain cases waived) on or before the Effective Date including, without limitation, the conditions summarized below:

Conditions to Obligations of Prodigy:

(a) the Amalgamation shall have received all regulatory and third party approvals, authorizations and consents, including the approval of the Exchange and any other regulatory authorities;

(b) the Consolidation, Name Change, Director Elections and the creation of the Restricted Voting Shares shall have been approved by the shareholders of 71 Capital;

(c) no Material Adverse Change shall have occurred with respect to 71 Capital since the date of the Amalgamation Agreement, other than a reduction of its cash position in order to pay its ongoing operating expenses and professional fees; and

(d) 71 Capital shall be in compliance, in all material respects, with applicable securities laws and the rules and policies of the Exchange and there shall be no cease-trade order made or threatened by a governmental authority in respect of the shares of 71 Capital except pursuant to policies of the Exchange.

Conditions to Obligations of 71 Capital:

(a) the Amalgamation shall have received all regulatory and third party approvals, authorizations and consents, including the approval of the Exchange and any other regulatory authorities;

(b) the Consolidation, Name Change, Director Elections and the creation of the Restricted Voting Shares shall have been approved by the shareholders of 71 Capital;

(c) no Material Adverse Change shall have occurred in the business, results of operations, assets, liabilities, financial condition or affairs of Prodigy since the date of the Amalgamation Agreement; and

(d) the Prodigy Financing will have been completed to ensure acceptable distribution of the 71 Capital Post-Consolidation Common Shares by the Exchange.

The full particulars of the Transaction are contained in the Amalgamation Agreement, a copy of which will be available for inspection at the head office of 71 Capital, Suite 3000 – 77 King Street West, Toronto Dominion Centre, Toronto, Ontario, M5K 1G8, during ordinary business hours, until the Effective Date and for a period of thirty (30) days thereafter or online under 71 Capital's SEDAR profile at www.sedar.com.

Termination

The Amalgamation Agreement may be terminated at any time prior to the Effective Date, in the circumstances specified in the Amalgamation Agreement, including: (a) by mutual agreement in writing by 71 Capital and Prodigy; (b) at any time, by either Prodigy or 71 Capital if the Transaction has not been completed by August 31, 2015; or (c) upon written notice by either Prodigy or 71 Capital if any of the conditions to their respective obligations have not been fulfilled or performed by the Termination Date.

Amendment

At any time on or before the Effective Date, the Amalgamation Agreement may be amended by written agreement of the parties.

PART II - INFORMATION CONCERNING 71 CAPITAL

The following information is presented on a pre-Transaction basis and is reflective of the current business, financial and share capital position of 71 Capital. See "Part IV: Information Concerning the Resulting Issuer" for pro forma business, financial and share capital information relating to the Resulting Issuer after giving effect to the Transaction.

CORPORATE STRUCTURE

Name and Incorporation

71 Capital is a corporation incorporated on February 6, 2008, under the provisions of the CBCA with its registered office in the City of Toronto in the Province of Ontario, and its head office in the City of Toronto, in the Province of Ontario.

The authorized share capital of 71 Capital currently consists of an unlimited number of 71 Capital Common Shares, of which as of the date of this Filing Statement, 4,411,271 71 Capital Common Shares are currently issued and outstanding.

The 71 Capital Shareholders are entitled to receive notice of and attend all meetings of the 71 Capital Shareholders and are entitled to one vote at such meetings, in respect of each 71 Capital Common Share held. In the event of the liquidation, dissolution or winding-up of 71 Capital, the 71 Capital Shareholders are entitled to share rateably in the remaining assets of 71 Capital.

The head office and registered office of 71 Capital is located at Suite 3000 – 77 King Street West, Toronto Dominion Centre, Toronto, Ontario, M5K 1G8.

71 Capital has no subsidiaries, other than 2478677 Ontario Limited

GENERAL DEVELOPMENT OF THE BUSINESS OF 71 CAPITAL

History

71 Capital is a CPC pursuant to the policies of the Exchange and to date has not carried on any operations. The principal business of 71 Capital has been to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation agreement, subject to acceptance for filing by the Exchange. 71 Capital does not have business operations or assets, other than cash, and currently has no written or oral agreements in principle for the acquisition of an asset or business other than the Amalgamation Agreement. 71 Capital previously announced six Qualifying Transactions which were not completed. In accordance with the rules of the Exchange as a result of not completing a Qualifying Transaction by the second anniversary of its listing, on March 30, 2011, 71 Capital cancelled one-half of the 71 Capital Common Shares held by its officers and directors and moved its listing to the NEX, a separate board of the Exchange.

NARRATIVE DESCRIPTION OF THE BUSINESS

As stated above under "General Development of the Business of 71 Capital – History", 71 Capital is a CPC and, pursuant to the policies of the Exchange, to date has not carried on any operations. For information on the proposed principal business to be conducted following the Amalgamation, see "*Part III: Information Concerning Prodigy – Narrative Description of Prodigy's Business*".

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Information For Last Three Fiscal Years

The following financial data of 71 Capital is provided for the three years ended December 31, 2012, 2013 and 2014 for which audited annual financial statements of 71 Capital are included in Schedule "A".

	For the 12 months ended December 31, 2012	For the 12 months ended December 31, 2013	For the 12 months ended December 31, 2014
Total assets	$173,000	$133,000	$109,000
Total expenses	$24,710	$39,835	$24,048
Total liabilities	$7,000	$7,000	$7,000
Amounts deferred in connection with the Transaction	Nil	Nil	Nil

Management's Discussion and Analysis

The Management's Discussion and Analysis for 71 Capital for the years ended December 31, 2012, December 31, 2013 and December 31, 2014, are set forth in Schedule "D".

DESCRIPTION OF SECURITIES

Existing Securities

The authorized capital of 71 Capital consists of an unlimited number of 71 Capital Common Shares without nominal or par value of which 4,411,271 71 Capital Common Shares are currently issued and outstanding as fully paid and non-assessable. Following the 71 Capital Common Share Consolidation, there will be approximately 2,205,636 71 Capital Post-Consolidation Common Shares issued and outstanding as fully paid and non-assessable.

The holders of 71 Capital Common Shares are entitled to dividends, if, as and when declared by the board of directors of 71 Capital, to receive notice of and one vote per 71 Capital Common Share at meetings of the shareholders of 71 Capital and, upon liquidation, to share equally in such assets of 71 Capital as are distributable to the holders of 71 Capital Common Shares. All 71 Capital Common Shares to be outstanding after Completion of the Qualifying Transaction will be fully paid and non-assessable.

There are currently no options outstanding to purchase 71 Capital Common Shares.

71 Capital Options on 234,000 71 Capital Common Shares were granted on June 12, 2008, to the directors and officers of 71 Capital at $0.10 per share exercisable until June 11, 2013. As a result of the

cancellation of 1,000,000 71 Capital Common Shares on March 30, 2011 (see below), 100,000 of these 71 Capital Options were cancelled in order to comply with the 71 Capital Stock Option Plan, leaving options to acquire 134,000 71 Capital Common Shares outstanding. All of these remaining options expired on June 11, 2013.

71 Capital Options on 305,060 71 Capital Common Shares were granted on December 18, 2008, to the directors and officers of 71 Capital at $0.10 per share exercisable until December 17, 2013. All of these options expired on December 17, 2013.

On March 30, 2011 1,000,000 71 Capital Common Shares held by officers and directors of 71 Capital were cancelled due to the inability of 71 Capital to complete a Qualifying Transaction by the second anniversary of the listing of the 71 Capital Common Shares. Concurrently with the cancellation of these shares 71 Capital also cancelled 100,000 options held by the officers and directors.

Compensation options on 305,060 71 Capital Common Shares were granted to the agents of 71 Capital as a portion of their compensation pertaining to the initial public offering of 71 Capital, at $0.10 per 71 Capital Common Share exercisable until December 17, 2010. In May 2009, one of the agents exercised options on 20,671 71 Capital Common Shares. The remaining options on 284,389 71 Capital Common Shares expired on December 17, 2010.

Please see "*Part II – Information Concerning 71 Capital – Incentive Stock Option Plan*" and "*Part IV – Information Concerning the Resulting Issuer – Description of Restricted Voting Securities*".

INCENTIVE STOCK OPTION PLAN

71 Capital has adopted the 71 Capital Stock Option Plan, which provides that the board of directors of 71 Capital may from time to time, in its discretion, and in accordance with Exchange requirements, grant to directors, officers, employees and technical consultants of 71 Capital, non-transferable options to purchase 71 Capital Common Shares. The following is a summary of the 71 Capital Stock Option Plan.

Purpose of the 71 Capital Stock Option Plan

The purpose of the 71 Capital Option Plan is to provide an incentive to 71 Capital's directors, senior officers, employees and consultants to continue their involvement with 71 Capital and to increase their efforts on 71 Capital's behalf.

General Description of the 71 Capital Stock Option Plan

A "rolling" stock option plan is one under which options may be granted equal in number to up to 10% of the issued capital of 71 Capital at the time of the grant of the stock option. A "fixed number" stock option plan is a plan under which a fixed number of shares are reserved for the granting of stock options up to a maximum of 20% of the issued capital of 71 Capital at the time of the establishment of the plan. "Rolling" stock option plans are required to be approved by the shareholders at each annual general meeting on a yearly basis and "fixed number" stock option plans are required to be approved by shareholders upon establishment of the stock option plan and, thereafter when the number of shares reserved under the "fixed number" stock option plan is increased.

The 71 Capital Stock Option Plan is administered by the 71 Capital Board or, if applicable, by a compensation committee (the "**Compensation Committee**") thereof. A full copy of the 71 Capital Stock Option Plan is available to shareholders of 71 Capital upon request.

The following is a brief description of the principal terms of the 71 Capital Stock Option Plan, which description is qualified in its entirety by the terms of the 71 Capital Stock Option Plan:

1. The aggregate number of 71 Capital Common Shares which may be issued and sold under the 71 Capital Stock Option Plan will not exceed 10% of the issued and outstanding 71 Capital Common Shares at the time of grant of any option under the 71 Capital Stock Option Plan.

2. The option price of any 71 Capital Common Shares in respect of which an option may be granted shall be fixed by the board of directors of 71 Capital provided that the minimum exercise price shall not be less than the market price of the 71 Capital Common Shares at the time the option is granted, less the discounts permitted by the Exchange.

3. Stock options under the 71 Capital Stock Option Plan may be granted by the 71 Capital Board or the Compensation Committee to directors, senior officers, employees or consultants of 71 Capital, collectively known as the "**Participants**".

4. Options granted under the 71 Capital Stock Option Plan are exercisable over a period not exceeding ten years, provided that notwithstanding the foregoing, if the term of any option granted under the 71 Capital Stock Option Plan ends on a day occurring during a blackout period (being the period imposed by 71 Capital during which insiders are prohibited from trading in the securities of 71 Capital) or within seven business days thereafter, such option shall continue to be exercisable until 5:00 p.m. on the seventh business day following the end of such black-out period.

5. At the discretion of the 71 Capital Board or the Compensation Committee, options granted may vest immediately on the date of grant or in stages.

6. The aggregate number of 71 Capital Common Shares that can be issued under the 71 Capital Stock Option Plan is restricted as follows:

   (a) the aggregate number of 71 Capital Common Shares reserved for issuance pursuant to all 71 Capital Options granted to any one individual shall not exceed 5% of the number of 71 Capital Common Shares outstanding on a non-diluted basis at the time of granting.

   (b) the maximum number of securities issued to any one individual pursuant to the 71 Capital Stock Option Plan and all other share compensation arrangements, within any 12 month period, shall not exceed 5% of the number of 71 Capital Common Shares outstanding on a non-diluted basis of 71 Capital at the time of granting;

   (c) the number of 71 Capital Options which can be granted to Insiders, in any 12 month period, shall not exceed 10% of the number of issued 71 Capital Common Shares;

   (d) the number of securities issuable to insiders, at any time, pursuant to the 71 Capital Stock Option Plan and all other share compensation arrangements, shall not exceed 10% of the number of 71 Capital Common Shares outstanding on a non-diluted basis of 71 Capital at the time of granting;

   (e) the number of securities issuable to any one service provider pursuant to the 71 Capital Stock Option Plan shall not exceed 2% of the number of 71 Capital Common Shares outstanding on a non-diluted basis of 71 Capital at the time of granting; and

(f) the aggregate number of securities granted in any 12 month period to persons employed to provide investor relations services shall not exceed 2% of the number of 71 Capital Common Shares outstanding on a non-diluted basis of 71 Capital at the time of granting

7. In the event of (i) the sale of all or substantially all of the assets of 71 Capital, (ii) any merger, arrangement, amalgamation or other similar form of business combination resulting in a change of control of 71 Capital or (iii) a take-over bid for all of the shares of 71 Capital, 71 Capital may provide 71 Capital Option holders with notice that all 71 Capital Options will expire on a date determined by the board of directors of 71 Capital. In the event such a notice is provided, subject to regulatory approval, the 71 Capital Option holders shall have the right to exercise all 71 Capital Options then held by them and such holders will also have the right to receive, in lieu of the 71 Capital Common Shares, a cash amount equal to the difference between the exercise price of the option and the market price of the 71 Capital Common Shares on the date of completion of the sale, arrangement or take-over bid.

8. No option is transferable or assignable by the Participant other than by will or the laws of descent and distribution and an option shall be exercisable during his or her lifetime only by the Participant.

9. The 71 Capital Board may, without 71 Capital Shareholder approval, amend, vary or discontinue the 71 Capital Stock Option Plan at any time subject to certain regulatory restrictions. Any such amendment, variance or discontinuance of the 71 Capital Stock Option Plan is subject to the approval thereof by any stock exchanges on which the 71 Capital Common Shares are listed and posted for trading. In addition, certain types of amendments such as, increases in the number of 71 Capital Common Shares issuable under the 71 Capital Stock Option Plan, reductions in the exercise price of outstanding options held by insiders (except in connection with adjustments), extensions of the term of an option held by an insider (except where the expiry would have fallen in a black-out period) and increases in the limit on the number of securities issued or issuable to insiders pursuant to equity compensation plans, also require 71 Capital Shareholder approval.

Amendments which do not require 71 Capital Shareholder approval include changing the class of persons who are eligible to be granted options, changes designed to ensure continuing compliance with applicable laws and regulations and requirements of stock exchanges having authority over 71 Capital, changes of a "housekeeping" nature, changes in the method of determining the option price provided that the option price shall not in any case be lower than the "market price" of a 71 Capital Common Share, as that term is interpreted and applied by the Exchange, changing vesting terms, changing payment method and frequency, adding a cashless exercise feature, changing terms relating to financial assistance, adding or amending provisions for options to qualify for favourable tax treatment to optionees, to fairly and properly take into account a sale, business combination, take-over bid (or similar transaction), changing terms relating to transferability or assignability, adjustments pursuant to the adjustment provisions, changes regarding the effect of termination of employment, providing for the granting of non-equity based kinds of awards under the 71 Capital Stock Option Plan including, without limitation, stock-appreciation rights, and changes regarding the administration of the 71 Capital Stock Option Plan.

Notwithstanding the terms of the 71 Capital Stock Option Plan described above, the Exchange's CPC Policy imposes certain restrictions on incentive stock options during the period that 71 Capital remains a CPC. Such restrictions shall remain in place until the Exchange issues the Final Exchange Bulletin (such bulletin indicating that the Resulting Issuer will not be considered a CPC). Under the CPC Policy, 71 Capital, while it remains a CPC, is limited to granting incentive stock options to only directors, officers and technical consultants of 71 Capital. In addition, the total number of 71 Capital Common Shares reserved under option for issuance pursuant to the 71 Capital Stock Option Plan may not exceed 10% of the 71 Capital Common Shares that were outstanding at the closing of 71 Capital's IPO. In addition, while 71 Capital is a CPC, it is prohibited from granting incentive stock options to any person providing investor relations activities, promotional or market making services.

71 Capital Capitalization

The following table sets forth the capitalization of 71 Capital as at March 31, 2015. There has been no change in the consolidated capitalization of 71 Capital since such date.

71 Capital Common Shares (authorized – unlimited)	Number of 71 Capital Common Shares Outstanding on March 31, 2015
Balance, March 31, 2015	4,411,271

Stock Options

71 Capital has no outstanding 71 Capital Options or convertible securities of any nature.

PRIOR SALES

Since the date of incorporation of 71 Capital, 5,411,271 71 Capital Common Shares have been issued as follows:

Date Issued	Number of Shares(1)	Issue Price per Share	Aggregate Issue Price	Nature of Consideration
June 12, 2008	2,340,000	$0.05	$117,000	Cash
December 18, 2008	3,050,600	$0.10	$305,060	Cash
May, 2009	20,671(2)	$0.10	$2,067	Cash

Notes:
(1) Number of shares stated on a pre-Consolidation basis
(2) In May, 2009, one of the agents for 71 Capital on its initial public offering, exercised options on 20,671 71 Capital Common Shares
(3) On March 30, 2011, 1,000,000 71 Capital Common Shares held by the officers and directors of 71 Capital were cancelled due to the inability of 71 Capital to complete a Qualifying Transaction by the second anniversary of the listing of the 71 Capital Common Shares.

STOCK EXCHANGE PRICE

The 71 Capital Common Shares were listed and posted for trading on the Exchange under the symbol "SVN.P" on December 24, 2008. Trading was halted on May 19, 2015 in connection with the announcement of the Transaction. The current public trading market for the 71 Capital Common Shares is the NEX, a separate board of the Exchange, symbol "SVN.H".

The following table sets forth the high and low trading prices and volume of the 71 Capital Common Shares on the Exchange for the periods noted:

Period	High ($)	Low ($)	Volume
July 2014	0.03	0.03	10,000
August 2014	N/A	N/A	Nil
September 2014	N/A	N/A	Nil
October 2014	N/A	N/A	Nil
November 2014	N/A	N/A	Nil
December 2014	N/A	N/A	Nil
January 2015	N/A	N/A	Nil
February 2015	N/A	N/A	Nil
March 2015	0.005	0.005	160,000
April 2015	0.005	0.005	10,000
May 2015	N/A	N/A	Nil
June 2015	N/A	N/A	Nil
July 1- 31, 2015	N/A	N/A	Nil
August 1 - 13, 2015	N/A	N/A	Nil

Note:
(1) 71 Capital Common Shares were listed for trading on December 24, 2008.
(2) Trading halted on May 19, 2015 pending the announcement of the Transaction. The final closing price on April 6, 2015, the last day on which 71 Capital Common Shares traded prior to the halt in trading, was $0.005 per 71 Capital Common Share.

NON-ARM'S LENGTH PARTY / ARM'S LENGTH TRANSACTIONS

Non-Arm's Length Party Transactions

71 Capital is not currently a party to any material Non-Arm's Length Transactions other than the legal services provided by Fogler, Rubinoff LLP to 71 Capital in connection with the transactions described in this Filing Statement. Eric Roblin is a partner at Fogler, Rubinoff LLP and is also a director of 71 Capital.

Arm's Length Transaction

The proposed Amalgamation is not a Non-Arm's Length Qualifying Transaction.

STATEMENT OF CORPORATE GOVERNANCE MATTERS

Corporate governance relates to the activities of the 71 Capital Board, the members of which are elected by and accountable to the shareholders, and accounts for the role of management who are appointed by the 71 Capital Board and charged with the day-to-day management of 71 Capital. The 71 Capital Board and senior management consider good corporate governance to be central to the effective and efficient operation of 71 Capital.

National Policy 58-201 of the Canadian Securities Administrators has set out a series of guidelines for effective corporate governance (the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards and the effectiveness and education of board members.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires 71 Capital to disclose annually in its management information circular certain information concerning its corporate governance practices.

Set out below is a description of 71 Capital's approach to corporate governance in relation to the Guidelines.

Board of Directors

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with 71 Capital. A "material relationship" is in turn defined as a relationship that could, in the view of the 71 Capital Board, be reasonably expected to interfere with such member's independent judgment. The 71 Capital Board is currently comprised of five members; two of whom the 71 Capital Board has determined are "independent" directors within the meaning of NI 58-101.

Mr. Hewitt is not considered "independent" as the result of his positions as the President and Chief Executive Officer of 71 Capital. Mr. Matthew is not considered "independent" as the result of his positions as the Corporate Secretary and Chief Financial Officer of 71 Capital. Mr. Roblin is not considered "independent" as the result of the fact that he is a partner with the law firm that acts as counsel to 71 Capital. The remaining directors are considered to be independent directors since they are all independent of management and free from any material relationship with 71 Capital. The basis for this determination is that, since the beginning of the fiscal year ended December 31, 2008, none of the independent directors has been an executive officer of the Corporation, received remuneration from 71 Capital or had material contracts with or material interests in 71 Capital which could interfere with their ability to act with a view to the best interests of 71 Capital.

Given that 71 Capital is a CPC the 71 Capital Board believes that its composition is appropriate and when necessary that it functions independently of management. To enhance its ability to act independently of management, the members of the 71 Capital Board may meet in the absence of members of management and the non-independent directors or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate.

Directorships

Certain of the directors of 71 Capital are also directors of other reporting issuers (or the equivalent) as set forth below:

Director	Issuer
A. George Matthew	McChip Resources Inc. Matachewan Consolidated Mines, Limited
Eric R. Roblin	St. Andrew Goldfields Ltd.

Orientation and Continuing Education

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the 71 Capital Board, and this is considered to be appropriate, given 71 Capital's size and current level of operations. However, if the growth of 71 Capital's operations warrants it, it is likely that a formal orientation process will be implemented.

Ethical Business Conduct

The 71 Capital Board expects management to operate the business of 71 Capital in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute 71 Capital's business plan and to meet performance goals and objectives. To date, the 71 Capital Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of 71 Capital's operations and the small number of officers and employees allow the independent members of the 71 Capital Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. Should 71 Capital's operations grow in size and scope, the 71 Capital Board anticipates that it would then formulate and implement a formal Code of Business Conduct and Ethics.

Nomination of Directors

The 71 Capital Board has not appointed a nominating committee. As a result of 71 Capital's size, its stage of development as a CPC and the limited number of individuals on the 71 Capital Board, the 71 Capital Board considers a nominating committee to be inappropriate at this time.

Compensation

As a CPC, no salaries have or will be paid until following a Qualifying Transaction. Given 71 Capital's size, its stage of development as a CPC and the fact that no officers or directors receive any financial compensation, 71 Capital has not appointed a compensation committee or formalized any guidelines with respect to compensation.

Committees

The Audit Committee is the only 71 Capital Board committee. The Audit Committee is currently composed of the following three members: Mark Crossett, A. George Matthew and Leonard Kirk Brennenstuhl, the majority of whom are independent directors and each of whom is financially literate. Mark Crossett is Chair of the Audit Committee. In addition to other duties, the Audit Committee reviews all financial statements, annual and interim, intended for circulation among shareholders and reports upon these to the 71 Capital Board. In addition, the 71 Capital Board may refer to the Audit Committee other matters and questions relating to the financial position of the Corporation and its affiliates.

Mr. Crossett has been the President of Bin There Dump That Inc. since May 2001 and his experience in this position has provided him with a thorough understanding of financial statements of the nature of those prepared in respect of 71 Capital.

Mr. Matthew is a charted professional accountant with over 40 years' experience with public company financial reporting. Mr. Matthew also currently serves on the audit committees of two other TSX Venture Exchange listed issuers.

Mr. Brennenstuhl has been the President of Caldercor Ltd. since April 1993 and his experience in this position has provided him with a thorough understanding of financial statements of the nature of those prepared in respect of 71 Capital.

Audit Fees

The aggregate fees billed by 71 Capital's external auditor for professional services rendered for the audits of the financial statements of 71 Capital were $5,500 for the fiscal year ended December 31, 2014 and $5,500 for the fiscal year ended December 31, 2013.

Audit-Related Fees

No fees have been billed since the date of incorporation for assurance or related services by 71 Capital's external auditor that are reasonably related to the performance of the audit or review of 71 Capital's financial statements and are not reported under the heading "Audit Fees" above.

Tax Fees

Tax fees billed to 71 Capital for the fiscal year ended December 31, 2014 were $500 and for the fiscal year ended December 31, 2013 were $500 for tax compliance, tax advice or tax planning services by 71 Capital's external auditor.

All Other Fees

During 2014 and 2013 there were no other fees paid to the auditors.

Pre-Approval Policy for Services of Independent Auditors

As part of its duties, the Audit Committee is required to pre-approve non-audit services performed by the independent auditors in order to assure that the provision of such services does not impair the auditors' independence. In considering the appointment of the auditor for non-audit services, the Audit Committee will consider the compatibility of the service with the auditor's independence. The Audit Committee may delegate to an independent member of the Audit Committee the responsibility for pre-approval of non-audit services, provided that any such pre-approval is reported to the full Audit Committee. The Audit Committee does not delegate to management its responsibilities to pre-approve services performed by the independent auditors.

Exemption

71 Capital has relied upon the exemption in section 6.1 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") in respect of the requirements in section 3.1 of NI 52-110 for all members of an audit committee to be independent. Furthermore, as 71 Capital is not required to prepare an Annual Information Form, 71 Capital has relied on the exemption in section 6.1 of NI 52-110 in respect of the requirement set forth in section 5.2 of NI 52-110.

Assessments

The 71 Capital Board has not yet implemented a process for assessing its effectiveness. As a result of 71 Capital's size, its stage of development as a CPC and the limited number of individuals on the 71 Capital Board, the 71 Capital Board considers a formal assessment process to be inappropriate at this time. The 71 Capital Board plans to continue evaluating its own effectiveness on an ad hoc basis. The 71 Capital Board does not formally assess the performance or contribution of individual directors or committee members.

STATEMENT OF EXECUTIVE COMPENSATION
COMPENSATION DISCUSSION AND ANALYSIS

This section of the Filing Statement explains how 71 Capital's executive compensation program is designed and operated with respect to its President and Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**"), and the three other most highly compensated executives whose total compensation was more than $150,000 in the year ended December 31, 2014, of which there are none (collectively referred to as the "**Named Executive Officers**").

Compensation Discussion and Analysis

As a CPC, no salaries have or will be paid until following a Qualifying Transaction. Given 71 Capital's size, its stage of development as a CPC and the fact that no officers or directors receive any financial compensation, 71 Capital has not appointed a compensation committee or formalized any guidelines with respect to compensation. If and when a Qualifying Transaction is completed the 71 Capital Board intends to appoint such a committee and adopt such guidelines.

The directors have made an initial grant of options for the services performed in connection with the services performed relating to formation, financing and listing of 71 Capital. The 71 Capital Board determined that such options would be granted equally to each of the directors with the exception of Mr. Matthew who received additional options as a result of the additional services he provides as Chief Financial Officer, without any financial compensation. The option grants were determined by the full 71 Capital Board. It is not anticipated that any additional options will be granted until following the completion of the Qualifying Transaction, at the earliest.

Summary Compensation Table

Name and principal position	Year (1)	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Gregory W. Hewitt, President and CEO	2014 2013 2012	nil nil nil	- - -	nil nil nil	nil nil nil	- - -	nil nil nil	- - -	nil nil nil
A. George Matthew CFO and Corporate Secretary	2014 2013 2012	nil nil nil	- - -	nil nil nil	nil nil nil	- - -	nil nil nil	- - -	nil nil nil

Incentive Plan Awards – Outstanding Option-based Awards Outstanding at the end of the Most Recently Completed Financial Year

	Option-based Awards			
Name	**Number of securities underlying unexercised options (#)**	**Option exercise prices ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**
Gregory W. Hewitt, President and CEO	Nil	NA	NA	NA
A. George Matthew, CFO and Corporate Secretary	Nil	NA	NA	NA

Incentive Plan Awards – Value Vested During the Most Recently Completed Financial Year

Name	Option-based awards - Value vested during the year ($)	Non-equity incentive plan compensation - Value earned during the year ($)
Gregory W. Hewitt, President and CEO	Nil	Nil
A. George Matthew, CFO and Corporate Secretary	Nil	Nil

Details regarding the terms of the 71 Capital Option Plan in addition to that provided in the above tables can be found in the section entitled "*Information Concerning 71 Capital Corp – Incentive Stock Option Plan*".

Compensation of Directors

Directors of 71 Capital do not currently receive any fees in their capacities as directors, but are reimbursed for travel and other out-of-pocket expenses incurred in connection with such duties. Directors of 71 Capital receive no fee for attending meetings of the 71 Capital Board or any committee of the 71 Capital Board. Directors may also be compensated for services provided to 71 Capital as consultants or experts on the same basis and at the same rate as would be payable if such services were provided by a third party, arm's length service provider. During the fiscal year ended December 31, 2014, no services were provided to 71 Capital by any of its directors for which they received any compensation.

As of March 31, 2015, 71 Capital had no outstanding options to purchase 71 Capital Common Shares.

Equity Compensation Plan Information

Set out below is information as of December 31, 2014 with respect to compensation plans under which equity securities of 71 Capital are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) (c)
Equity compensation plans approved by securityholders	Nil	Nil	Nil
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	Nil	Nil	Nil

Employment Contracts and Termination and Change of Control Benefits

71 Capital has not entered into employment agreements with any of its officers.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or executive officers are now or have ever been indebted to the Corporation.

COMPENSATION OF DIRECTORS

Name	Fees earned ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Gregory W. Hewitt	Nil	Nil	Nil	Nil	Nil	Nil
A. George Matthew	Nil	Nil	Nil	Nil	Nil	Nil
Mark E. Crossett	Nil	Nil	Nil	Nil	Nil	Nil
Leonard Kirk Brennenstuhl	Nil	Nil	Nil	Nil	Nil	Nil
Eric R. Roblin	Nil	Nil	Nil	Nil	Nil	Nil

INCENTIVE PLAN AWARDS – OUTSTANDING OPTION-BASED AWARDS OUTSTANDING AT THE END OF THE MOST RECENTLY COMPLETED FINANCIAL YEAR

	Option-based Awards			
Name	**Number of securities underlying unexercised options (#)**	**Option exercise prices ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**
Mark E. Crossett	Nil	Nil	Nil	Nil
Leonard Kirk Brennenstuhl	Nil	Nil	Nil	Nil
Eric R. Roblin	Nil	Nil	Nil	Nil

INCENTIVE PLAN AWARDS – VALUE VESTED DURING THE MOST RECENTLY COMPLETED FISCAL YEAR

Name	Option-based awards - Value vested during the year ($)	Non-equity incentive plan compensation - Value earned during the year ($)
Mark E. Crossett	Nil	Nil
Leonard Kirk Brennenstuhl	Nil	Nil
Eric R. Roblin	Nil	Nil

CONDITIONAL LISTING APPROVAL

The Exchange has conditionally accepted the Amalgamation as 71 Capital's Qualifying Transaction subject to 71 Capital fulfilling all of the requirements of the Exchange on or before October 12, 2015.

LEGAL PROCEEDINGS

There are no legal proceedings to which 71 Capital is a party or of which any of its property is subject, and there are no proceedings known to 71 Capital which are contemplated.

AUDITOR, TRANSFER AGENTS AND REGISTRAR

Auditor

The auditors of 71 Capital are Buttle & Tavano Professional Corporation, Chartered Accountants, located at 348 Guelph Street, Unit 4, Georgetown, Ontario L7G 4B5.

Transfer Agent and Registrar

Computershare Investor Services Inc., 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, is the registrar and transfer agent for the 71 Capital Common Shares.

MATERIAL CONTRACTS

Since inception, 71 Capital has entered into, or will enter into prior to the completion of the Amalgamation, in addition to contracts in the ordinary course of business, the following material contracts that remain in effect:

(a) the Amalgamation Agreement;

(b) Letter of Intent;

(c) Escrow Agreement; and

(d) Transfer Agent Agreement.

Copies of these agreements will be available for inspection at the registered office of 71 Capital located at the offices of Fogler Rubinoff LLP, solicitors of 71 Capital, located at 77 King Street West, Suite 3000, Toronto-Dominion Centre, Toronto, Ontario, M5K 1G8 (Attention: Eric Roblin), during ordinary business hours until the Qualifying Transaction Date and for a period of thirty (30) days thereafter.

ADDITIONAL INFORMATION

Additional information with respect to 71 Capital may be found on the SEDAR website at www.sedar.com.

PART III - INFORMATION CONCERNING PRODIGY

The following information has been provided by Prodigy and is presented on a pre-Transaction basis and is reflective of the current business, financial and share capital position of Prodigy. See "*Part IV: Information Concerning the Resulting Issuer*" for pro forma business, financial and share capital information relating to the Resulting Issuer following the Transaction.

NAME AND INCORPORATION

Prodigy was incorporated under the OBCA on July 7, 1992. The registered and head office of Prodigy is located at 188 Avenue Road, Toronto, Ontario M5R 2J1. No securities of Prodigy are currently publicly traded on any stock exchange, and Prodigy is not a reporting issuer in any jurisdiction. Prodigy has no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

History

Prodigy was incorporated on July 7, 1992 and had no prior business history. Prior to April 1, 2014, Prodigy did business under its legal name, TCB Corporation, providing the consulting services of Tom Beckerman to a small group of clients.

On April 1, 2014, Prodigy commenced doing business under the registered name "Prodigy Ventures" and issued participating, Prodigy Non-Voting Shares to two new minority shareholders, representing 30% of Prodigy's equity after the transaction. Prodigy is based in Toronto, Canada.

Also in April 2014, Prodigy took on eight initial subcontractors and shortly thereafter signed agreements with two Canadian banks to provide technology services and began work under those master service agreements.

Prodigy is comprised of two main business units: Prodigy Labs and a "venture builder" business.

Prodigy Labs is Prodigy's technology services business, a trusted technology supplier to leading Canadian financial institutions, providing clients with consulting services for strategy, design, project management, application development, staff augmentation and services related to Prodigy's business platforms. It provides these technology services to the aforementioned clients. Prodigy Labs' technology consulting services currently represent 100% of Prodigy's revenue.

Prodigy is also a "venture builder". This unit is creating new business platforms and applications in many of the highest growth technology segments: mobile video, wearables, proximity marketing, mobile payments, augmented reality, 3D and social. Prodigy's business platforms and applications are or will be designed to deliver B2B, B2C, P2P (Peer to Peer) and IoT (Internet of Things) capabilities.

NARRATIVE DESCRIPTION OF THE BUSINESS

Strategic Plan

Prodigy's strategic plan consists of two tracks. The first track is to aggressively expand its services business, Prodigy Labs, into new market segments, new technologies, and a broader geographic reach. The second track is to create growth as a venture builder by building and marketing its innovative new business platforms and applications.

Management of Prodigy believes that there are a number of primary strategic benefits to operating a services business and venture builder business within one company.

1. Growth multiplier;

2. Top talent attraction and retention;

3. Shared management resources;

4. Shared infrastructure, administration, marketing and sales;

5. Streamlined access to capital for all ventures; and

6. Portfolio approach to new ventures.

Each of these benefits is discussed in greater detail below.

Growth multiplier

Management believes that operating a services business and venture builder within one company multiplies the growth opportunities for each. The enterprise technology services business is highly competitive, and requires a unique offering for a new entrant to grow. The ventures businesses provide the basis of that unique offering by demonstrating expertise in complementary high growth technology segments. While each new venture is primarily focused on building its own platform and application, many will have a significant opportunity for services revenue based on those platforms. However, independently attempting to capture that services revenue would distract from their primary platform-building focus. Instead, it is intended that the services business, Prodigy Labs, will capture and deliver these service revenues, multiplying overall growth.

Talent attraction and retention

Human resources are the core of any software and technology services business. Prodigy's two track strategy is a key enabler in its ability to attract and retain top talent. The most experienced and skilled technologists seek interesting work, opportunities to gain experience with trending developments, competitive compensation, a financial upside and a collegial environment. Prodigy's set of new ventures participate in the latest technology trends. Interesting work opportunities are provided to staff by redeploying to, or timesharing between, the services business and the ventures businesses, with a range of potential experience-building roles. Prodigy strives to keep compensation levels competitive, and its activity in the client staff augmentation business ensures that its market knowledge is current. Following completion of the Transaction, Prodigy will also offer performance incentive options to top performing personnel. A collegial environment is fostered with a relaxed work environment and a minimal hands-on management layer.

Shared management resources

By sharing management resources across a number of cross-pollinating ventures, costs are reduced. The technology talent within each venture is freed to apply itself more efficiently to real value creation the development and delivery of its actual products and/or services.

Shared infrastructure, administration, marketing and sales

By sharing infrastructure, administration, marketing and sales, Prodigy is able to realize additional cost savings. The pooling of these requirements for all internal venture clients permits the acquisition and deployment of more and better resources to satisfy their needs.

Streamlined access to capital

As a group of businesses under one roof, and as a public company, Prodigy anticipates that there will be greater access to capital. New debt and/or equity will be raised from time to time as required to meet the ongoing aggregate requirements of all ventures. As ventures become profitable, their positive cash flows may also be reinvested in new ventures. Capital will be allocated to ventures based upon management's determination of risk/reward tradeoffs and regularly reviewed to adapt to changing conditions.

Portfolio approach to new ventures

Finally, a portfolio approach to new ventures mitigates overall risk for all participants: shareholders, management and company personnel. Over time, some ventures will be winners, others not. As new ventures mature and become successful, they may become wholly or partially legally and operationally independent, but Prodigy intends to retain ongoing interests in each, and may continue to provide enterprise services, and support for administration, marketing and sales, on a case by case basis. Timing of graduation to full/partial independence will be determined by each venture's growth, ongoing requirements and market conditions.

Prodigy may also transition from a venture builder to an incubator, investing and/or acquiring promising startups/businesses in technology areas similar or complementary to its core competencies.

Services Business

Prodigy Labs is Prodigy's technology services business, a trusted technology supplier to leading Canadian financial institutions, providing enterprise clients with consulting services for strategy, design, project management, application development, staff augmentation, and services related to Prodigy's business platforms. Prodigy is currently a leader in the development of mobile enterprise applications development for Canadian banks. These services are provided primarily through the services of skilled technology subcontractors provided at hourly rates. During its first year most of Prodigy's revenue was generated through time and material contracts. However, a growing part of the business is through fixed price contracts, and Prodigy plans to emphasize future growth with fixed price work.

Prodigy's technology consulting services currently represent 100% of its revenue. Prodigy Labs has begun the transition from the organic growth of its first year to a more aggressive business development strategy. The business has started to invest in staff for sales and marketing, has targeted specific vertical markets, is implementing a contact and sales plan, and has defined a services offering that builds upon its successful experience with Canadian banks, as well as the unique capabilities of the other Prodigy businesses. Enterprise prospects are keenly interested in mobile video, wearables, proximity marketing, mobile payments, augmented reality, 3D and social platforms and applications, and need expert assistance to apply them to their businesses. Management of Prodigy believes that this will result in significant growth for Prodigy Labs.

To date, the majority of the personnel at Prodigy are dedicated sub-contractors, although there is a gradual shift towards hiring more full time employees. This shift should have a positive impact on future gross profit, build greater staff commitment, and is better aligned with the plan to emphasize fixed price client work. It will also enhance the mobility for staff between the ventures and services tracks within Prodigy, an important attraction for potential new hires. Most of Prodigy's personnel are located at the premises of its clients and the others work remotely.

Information technologies are abundant, complex and rapidly changing. In this context, Prodigy's success depends on its ability to remain at the forefront of its field, as well as to adapt its service approach to suit each client's specific needs. This situation demands the continual development of cutting-edge expertise, tools and methodology, as well as the skills of competent and committed professionals.

Competition for the services business of Prodigy Labs comes from a broad range of technology companies, from large international players like IBM and CGI, to smaller local participants, like BNotions, Pivotal Labs, and others. Prodigy Labs' sales efforts are based upon specific targeting of prospects in sectors of interest, dictated largely by the technology development work in Prodigy's businesses. For example, Prodigy Labs is targeting large retailers to sell services based upon its proximity marketing work. It is also targeting the banks and other financial institutions to sell services based upon its work in mobile video and augmented reality. Sales efforts are on a one-to-one personal level to senior executives in these enterprises. Prodigy recently hired its first Account Director and plans to grow the account sales and service team to a staff of up to ten people within two years.

Venture Builder Business

Prodigy is currently in the process of building a number of new ventures in its venture builder arm. One of these, iVideo, is currently in-market, two are in technology development, and the balance are in strategic development.

iVideo

Mobile video sharing is one of the fastest growing uses of mobile technology. Instagram, Vine, Snapchat, and others have demonstrated the potential for explosive growth, and users have shown a repeated willingness to quickly adopt new platforms offering interesting new video experiences.

iVideo is Prodigy's entry into this space. iVideo is the only split-screen video camera application in Apple's App Store. With almost no marketing effort, iVideo reached over 150,000 downloads in its first year as a free video camera app. It has a world-wide user base, and has reached the Top 100 list in the Photos and Video category of the Apple App Store in many countries.

iVideo is being transformed by Prodigy from a video camera app into a full video social network and its technology build is almost complete. The next release will offer these new social capabilities alongside its split screen interface and additional unique user interface designs for a compelling new video experience. An Apple Watch companion app is under construction, and a Google Glass iVideo app is nearing completion, awaiting the launch of Google Glass 2.0. An Android version will be created after the next release. iVideo will be marketed more aggressively after its next release with a goal of quickly growing its user base before a revenue model is applied to monetize the business.

Prodigy management believes that iVideo's competitive advantage will be the uniqueness of its user interface. Users have repeatedly shown that they will rapidly adopt mobile video apps that offer interesting new experiences. iVideo's user experience is unique compared to all other current offerings. Additionally, iVideo will act as a frictionless cross-platform bridge, enabling users of other platforms to continue to save and share their videos to those platforms while adopting and switching to iVideo, by providing transparent file compatibility and auto-upload features for these competitive platforms.

<u>bconix™</u>

Prodigy's bconix™ venture, currently in technology development, is building an enterprise technology platform to deliver a full suite of proximity marketing capabilities.

Proximity marketing is a revolutionary new marketing capability that is enabled by the creation of iBeacon technology. Originally developed as an open standard by Apple, iBeacon is a Bluetooth Smart (or low energy) protocol available on all current Apple and Android smartphones and tablets. It is a ranging technology that, within 100 metre Bluetooth range, can determine the approximate distance of a user's device relative to a small, inexpensive iBeacon transmitter. With beacons distributed around a location, a user carrying their device can be located in real time, indoors or out, as they move towards or away from a beacon. Since the Bluetooth Smart radio is very low power, it is permitted to be listening when the user's device is sleeping, and when it detects a beacon within range, if the user has loaded an app programmed to recognize that beacon, their device can be awakened with a notification. The notification can be programmed to provide any content, and can direct the user into a related app on their smartphone or tablet to provide a rich experience. This process, and the delivery of related rich marketing experiences, is called proximity marketing.

Since its availability less than two years ago, iBeacon has generated enormous interest in the retail sector. Pilot programs have been announced by some major retailers. Potential uses of the technology include in-store content delivery for coupons, offers, loyalty programs, product information, in-store mapping, on-demand help, personalized shopping experiences and more. In addition, there is great potential for proximity queuing and payment solutions, which will auto-recognize users in queue, provide in-queue experiences while waiting, and then auto-start the payment process at checkout or queue termination, all without the user needing to access their device. Similarly frictionless experiences are also possible in other payment situations, where just being in close proximity to a POS system will trigger the payment process.

The bconix™ server technology will provide beacon setup and mapping, content management and delivery, administration, security, usage tracking and analytics. The bconix™ client applications for smartphones will enable users to receive beacon notifications and provide the proximity-driven marketing content and user experiences. For point of sale payments, bconix™ will provide additional tablet and custom delivery platforms. The bconix™ platform will be made available online for small and medium size retailers, with a licensing revenue model, and customized or white labeled by Prodigy Labs for large enterprise clients. Other uses of the bconix™ platform are in banking, restaurants and bars, ticketing, personalized digital signage and more.

The iBeacon space is nascent and experiencing explosive growth. There is no clear platform leader. Competitors include Estimote, Radius Networks, kontakt.io and Ubudu, among others. All of these provide combined solutions of proprietary beacon hardware and software. The bconix™ platform will be a software only solution, designed to work with hardware from most manufacturers. It will offer capabilities to tie into existing customer relationship management and point of sale systems. Prodigy also is joint selling with a tier one network infrastructure provider, with world-wide capacity to install and service the hardware infrastructure requirements of large enterprises.

Prodigy is also developing the following ventures:

- a social proximity platform, called ZETZ, enabling peer-to-peer social connections with those nearby;
- another social proximity platform being developed as a marriage of iBeacon, mobile video and digital signage technologies;

- Noobify.me, a new venture for 3D personalized avatar creation and distribution, and video game personalization;
- Glass Crowd, a venture for creating shareable real time video feeds from wearable headsets;
- We Got Game, a platform for a transformative in-stadium mobile and social user experience; and
- additional ventures are in strategic development to deploy mobile video, AR, 3D, beacon and wearable technologies to create transformative user experiences in shopping, payments, real estate and fitness.

Intellectual Property

Currently, Prodigy has no patents. The rights to the software developed under contract for customers of Prodigy Labs are owned by those customers. As new ventures develop, their intellectual property will grow and may become significant over time. Each employee, officer, director, consultant and contractor providing services to Prodigy has validly assigned to Prodigy all rights such person or entity may have in the work completed on behalf of Prodigy.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Annual Information - Summary of Financial Operations of Prodigy (based on IFRS)

The following table sets out selected financial information for Prodigy for the years indicated and should be considered in conjunction with the more complete information contained in the financial statements of Prodigy attached as Schedule "B" to this Filing Statement. Unless otherwise indicated, all currency amounts relating to the financial statements of Prodigy are stated in Canadian dollars.

Statement of Earnings	Year Ended March 31, 2015 (1)	Year Ended March 31, 2014 (2)	Year Ended March 31, 2013 (2)
Revenue	$2,730,698	$174,942	$32,834
Direct costs	$2,086,093	$Nil	$Nil
Expenses	$350,528	$99,647	$88,513
Net income (or loss)	$159,229	$33,245	($55,679)
Balance Sheet Data:	**As at March 31, 2015 (1)**	**As at March 31, 2014 (2)**	**As at March 31, 2013 (2)**
Total Assets	$666,818	$7,609	$4,469
Total Liabilities	$591,283	$41,795	$71,900
Shareholder's Equity	$75,535	($34,186)	($67,431)

(1) Audited
(2) Unaudited. Given the changes in Prodigy's business as disclosed herein between the year ended March 31, 2015 and the prior years, the results for prior years are not directly comparable.

Trends

Prodigy is directing its services and new ventures businesses into some of the highest expected growth areas for new technologies.

Mobile Video[1]

More and more people are watching video content on their mobile devices. What's astounding is how fast mobile video consumption is growing.

According to video marketing firm Ooyala, 38% of online video plays in Q4 2014 happened on a tablet or smartphone, double the activity in Q4 2013.

More than 38% of video plays occurred on smartphones and tablet devices. Based on data from Ooyala's more than 500 clients across the world, the report analyzed video viewing behavior of over 220 million global video viewers.

Its data shows online video consumption has been climbing consistently for the past three years, up 16-times what it was in 2011.

Ooyala's numbers show 54% of mobile phone video viewing is spent on content that runs 10-minutes or less.

Proximity[2]

Many well-known companies are already developing technology for iBeacons (using or have tested iBeacon technology): Major League Baseball, Orlando Magic, Marriott, Starwood Hotels, Tesco, Virgin Airlines, American Airlines, Japan Airlines, Coca Cola, Oscar Mayer, Hillshire, Walgreens, Walmart, Hammerson, Nivea, American Eagle, Macy's, Lord & Taylor, Levi's, Philips, and, of course, Apple.

They are not all retailers, but many are. With so many high-caliber companies have exhibiting such interest in iBeacon technology, there would seem to be excellent prospects for continued growth.

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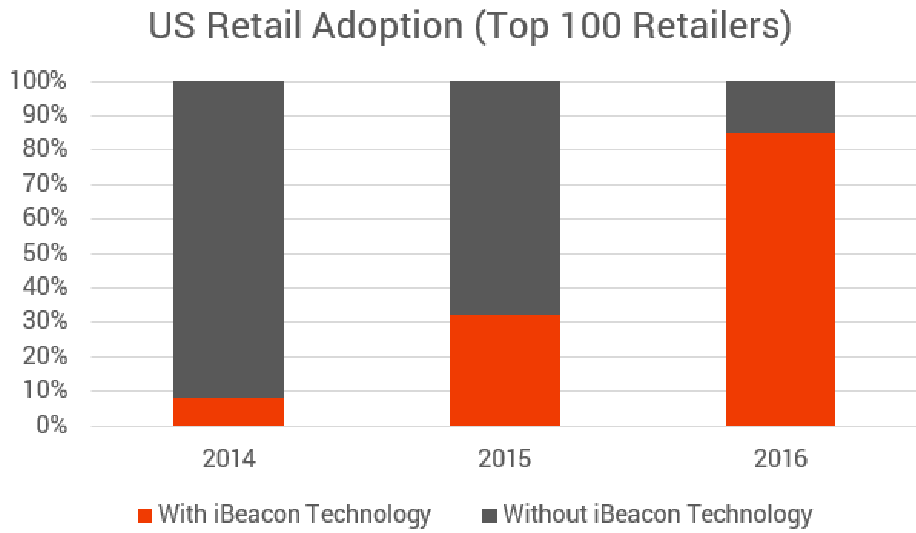
[1] (ref: http://www.ooyala.com/online-video-index)
[2] (ref: http://echidnainc.com/ibeacon-technology-2015-adoption-statistics/)

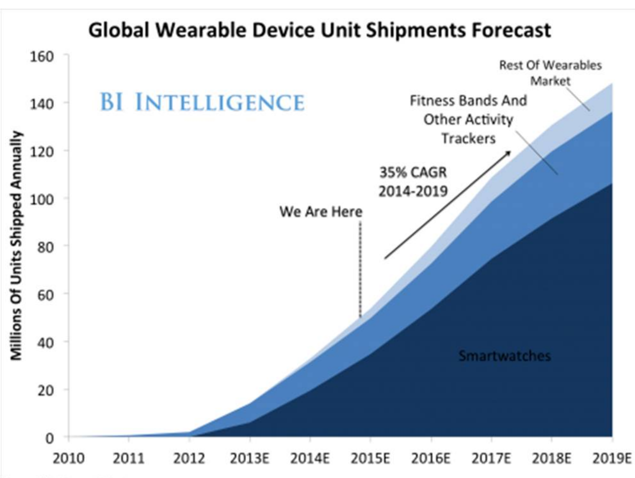
Prodigy believes that iBeacon technology poised to dominate retail.



About 85% of retailers in the United States are predicted to adopt iBeacon technology by the end of 2016. iBeacon technology is set to become a prolific part of the retail environment very soon.

<u>Wearables</u>[3]

The global wearables market is expected to grow at a compound annual rate of 35% over the next five years, reaching 148 million units shipped annually in 2019, up from 33 million units shipped this year.



It is expected that the smartwatch will be the leading product category and take an increasingly large share of wearable shipments. It is forecasted that smartwatch shipments will rise by a compound annual rate of 41% over the next five years and that smartwatches will account for 59% of total wearable device shipments in 2015, and that share will expand to just over 70% of shipments by 2019.

It is anticipated that the Apple Watch will kick-start growth in the overall smartwatch market and that the Apple Watch will account for 40% of smartwatch shipments in 2015 and reach a peak 48% share in 2017.

Fitness bands and miscellaneous wearable device types, like smart eyewear, are expected to continue to cater to niche audiences and that fitness bands, because of their appeal to niche audiences interested in health and exercise, will see their share of the wearable device market contract to a 20% share in 2019, down from 36% in 2015. There will be some blur between fitness bands and smartwatches.

Now that both Apple and Google are in the smartwatch market, it is expected that they will dominate the market, much as they have in the smartphone and tablet markets. Because these platforms make up over

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3 (ref.:http://www.businessinsider.com/the-wearable-computing-market-report-2014-10)

90% of the entire mobile platform market, many mobile users interested in wearable devices will gravitate toward Apple Watches and Android Wear-based devices.

Augmented and Virtual Reality[4]

From the Facebook acquisition of Oculus Rift and Google's investment in Magic Leap to the Samsung GearVR announcement, Google Ingress and Google Cardboard, the industry set the stage for AR and VR to become popular technologies in 2015.

There continues to be a pressing need for businesses and consumers to be able to see and experience things that can't be physically present and to project layers of virtual data onto real world environments, creating deeper and more meaningful experiences. AR and VR technologies are finally ready to help solve these problems. Certain of the developments that are expected to occur are the following:

1. Affordable VR headsets will normalize Virtual Reality – "It's not just for gamers anymore"
2. Evolved AR & VR business and marketing solutions
3. Retailers get serious with AR and VR as consumers start to expect it
4. Virtual test drives – and virtual vacations
5. Phones built for AR & VR

Management's Discussion and Analysis

Prodigy's Management's Discussion and Analysis for the year ended March 31, 2015, is attached hereto as Schedule "E". The Management's Discussion and Analysis should be read in conjunction with Prodigy's audited financial statements for the year ended March 31, 2015, where necessary.

The foregoing financial statements have been prepared in accordance with IFRS.

EXECUTIVE COMPENSATION

As a private company, Prodigy does not have a compensation committee and it has not instituted any formal executive compensation policies or programs. The Prodigy Board has not considered the implications of the risks associated with Prodigy's compensation practices.

Summary Compensation Table

<table>
<tr><th rowspan="2">Name and Principal Position</th><th rowspan="2">Fiscal Year Ended</th><th rowspan="2">Salary</th><th rowspan="2">Share-based awards</th><th rowspan="2">Option-based awards(4)</th><th colspan="2">Non-equity incentive plan compensation</th><th rowspan="2">Pension value</th><th rowspan="2">All other compensation</th><th rowspan="2">Total compensation</th></tr>
<tr><th>Annual Incentive Plans</th><th>Long-term incentive</th></tr>
<tr><td rowspan="2">Tom Beckerman, President and Chief Executive Officer</td><td>2015</td><td>$101,336</td><td>Nil</td><td>$369</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>$101,705</td></tr>
<tr><td>2014</td><td>$31,312</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>$31,312</td></tr>
</table>

[4] (ref: http://www.marxentlabs.com/top-virtual-reality-augmented-reality-trends-2015/)

Hussein Vastani, Chief Technology Officer	2015	$168,230(2)	Nil	$31	Nil	Nil	Nil	Nil	$168,351
Andrew Kieran, Vice President	2015	$274,243(3)	Nil	$92	Nil	Nil	Nil	Nil	$274,334

Note: (1) Prodigy did not have a Chief Financial Officer during the years ended March 31, 2014 and March 31, 2015.
(2) Consulting fees paid to Mr. Vastani pursuant to a consulting agreement with Prodigy.
(3) Consulting fees paid to Mr. Kieran pursuant to a consulting agreement with Prodigy..
(4) The options were valued using the following assumptions (i) Risk-free interest rate 2.5 - 3.00%, (ii) Expected life of 6 months, (iii) expected volatility of 90%, (iv) Dividend rate of $Nil; and (v) Vesting period: immediate

Outstanding Share-Based Awards and Option-Based Awards

The Option-based awards held by the Prodigy Named Executives as at March 31 were all exercised on April 1, 2015 at an exercise price of $1.00 per share. There are no options currently outstanding.

Indebtedness of Directors and Executive Officers

None of the directors or executive officers of Prodigy are now indebted to Prodigy.

DESCRIPTION OF SECURITIES

Existing Securities

The authorized capital of Prodigy consists of an unlimited number of Prodigy Common Shares of which 20,024,724 are, and will be as at the Effective Date, issued and outstanding as fully paid and non-assessable, and an unlimited number of Prodigy Non-Voting Shares of which 88,051,416 are, and will be as at the Effective Date, issued and outstanding as fully paid and non-assessable.

The holders of Prodigy Common Shares and Prodigy Non-Voting Shares rank equally with respect to the payment of dividends, if, as and when declared by the board of directors of Prodigy, and upon liquidation are entitled to share equally in such assets of Prodigy as are distributable to the holders of Prodigy shares.

Prodigy Financing

On August 14, 2015 the Prodigy Financing was completed on a non-brokered basis, pursuant to which an aggregate of 1,183,080 Subscription Receipts were issued at a price of $0.0725 per Subscription Receipt. Upon closing of the Prodigy Financing, the subscription funds were deposited with the Subscription Receipt Agent pursuant to the terms of the Subscription Receipt Agreement, and such funds will only be released in accordance with the terms thereof in the event that the Release Conditions are satisfied on or prior to the Termination Date, all in accordance with the terms of the Subscription Receipt Agreement. Each Subscription Receipt will be deemed to be exchanged for one Prodigy Common Share in accordance with the terms of the Subscription Receipt Agreement automatically, without any further action or formality on the part of the holder thereof, at the Subscription Receipt Conversion Time. Upon the exchange of the Subscription Receipts as set forth above, holders of Subscription Receipts shall automatically receive, without any further action or formality, for no additional consideration, one Prodigy Common Share for each Subscription Receipt and the Subscription Receipts shall be automatically cancelled. If either (i) the Release Conditions have not been satisfied on or before the Termination Deadline, or (ii) Prodigy, prior to the Termination Deadline, shall have provided notice to the Subscription Receipt Agent that the Transaction shall not occur, then on the date of either such event, the Subscription Receipts shall be automatically cancelled without any further action or formality and the

Subscription Receipt Agent shall refund the aggregate proceeds raised from the same of such Subscription Receipts as soon as possible thereafter, all in accordance with the terms and conditions of the Subscription Receipt Agreement.

STOCK OPTIONS

Prodigy has a stock option plan for directors and executive officers. As of the date hereof there are no outstanding options to purchase Prodigy Shares.

PRODIGY CAPITALIZATION

The following table sets forth the capitalization of Prodigy as at the dates referenced below. Except as disclosed under "*Prior Sales*", below, there has been no material change in the consolidated capitalization of Prodigy since March 31, 2015.

Designation of Security	Amount Authorized	Amount outstanding as at August 17, 2015
Prodigy Common Shares	Unlimited	20,024,724
Prodigy Non-Voting Shares	Unlimited	88,051,416

PRIOR SALES

Since the date of incorporation of Prodigy, 112 Prodigy common shares and 20 Prodigy Series I Class A Shares and 14 Prodigy Series II Class A Shares have been issued as follows:

Date Issued	Number of Shares	Issue Price per Share	Aggregate Issue Price	Nature of Consideration
July 7, 1992	100 Prodigy Common Shares	$1	$100	Cash (Issuance from Treasury)
April 1, 2014	20 Prodigy Series I Class A Shares	$1	$20	Cash (Issuance from Treasury)
April 1, 2014	10 Prodigy Series II Class A Shares	$1	$10	Cash (Issuance from Treasury)
April 1, 2015	12 Prodigy Common Shares	$1	$12	Cash (Exercise of Options)
April 1, 2015	3 Prodigy Series II Class A Shares	$1	$3	Cash (Exercise of Options)
April 1, 2015	1 Prodigy Series II Class A Shares	$1	$1	Cash (Issuance from Treasury)

Note: The Prodigy Common Shares and Prodigy Series I and Series II Class A Shares were exchanged for Common Shares and Non-Voting Shares See "*Part III – Information Concerning Prodigy - Prodigy Capitalization*".

The Prodigy Shares are not, nor have they ever been, posted for trading on any securities exchange or market.

NON-ARM'S LENGTH PARTY TRANSACTIONS

Except as otherwise disclosed herein, the directors and senior officers of Prodigy and Associates and Affiliates thereof have not had any direct or indirect material interest in any transaction or proposed transaction since its date of incorporation to the date of this Filing Statement that has materially affected or will materially affect Prodigy or the Resulting Issuer.

LEGAL PROCEEDINGS

To the knowledge of Prodigy, there are no legal proceedings material to Prodigy to which Prodigy is a party or of which any of its properties are the subject matter, nor are any such proceedings known to Prodigy to be contemplated.

AUDITORS

The auditors of Prodigy are RZN, LLP, Charted Professional Accountants & Licensed Public Accountants located at 4211 Yonge Street, Suite 625, Toronto, Ontario M2P 2A9.

REGISTRAR AND TRANSFER AGENT

Prodigy has not retained an external transfer agent.

MATERIAL CONTRACTS

There are no contracts of Prodigy, other than contracts entered into in the ordinary course of business, that are material to Prodigy and that were entered into by Prodigy since the date of formation of Prodigy and are still in effect, other than as set forth below:

(a) the Amalgamation Agreement;

(b) Letter of Intent; and

(c) Robson Capital Agreement.

See "*Part I: The Transaction" and "Part III: Information Concerning Prodigy – Narrative Description of the Business*".

Copies of each of the above agreements may be inspected at any time up to the Effective Date during normal business hours, at the business office of 71 Capital at Suite 3000, 77 King Street West, Toronto, Ontario, M5K 1G8.

PART IV - INFORMATION CONCERNING THE RESULTING ISSUER

The Transaction will result in all of the issued and outstanding Prodigy Shares being acquired by the Resulting Issuer, such that following the Amalgamation, Amalco will be a wholly-owned subsidiary of the Resulting Issuer. The following information is presented assuming completion of the Transaction, and is reflective of the projected business, financial and share capital position of the Resulting Issuer assuming the completion thereof. See the various headings under "*Part II: Information Concerning 71 Capital" and "Part III: Information Concerning Prodigy*" for additional information regarding 71 Capital and Prodigy, respectively. See also the pro forma consolidated financial statements of the Resulting Issuer attached hereto as Schedule "C".

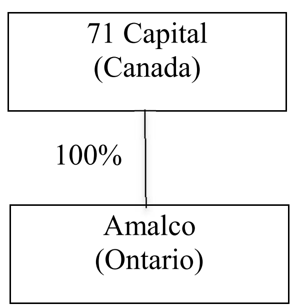
NAME AND INCORPORATION

Following the Transaction, the Resulting Issuer will continue to exist under the CBCA under the name "Prodigy Ventures Inc." or such other name as the Resulting Issuer Board shall be determined with the approval of the Exchange.

Following the Transaction, the registered and head offices of the Resulting Issuer will be located at 77 King Street West, Suite 3000, Toronto-Dominion Centre, Toronto, Ontario, M5K 1G8.

INTER-CORPORATE RELATIONSHIPS

Upon completion of the Transaction as contemplated hereby, and subject to the assumptions set forth herein, the corporate organization chart for the companies is expected to be as follows:



Upon completion of the Transaction and assuming: (i) an aggregate of 20,024,724 Capital Post-Consolidation Common Shares and 88,051,416 71 Capital Restricted Voting Shares are issued in consideration for the Prodigy Common Shares and the Prodigy Non-Voting Shares, respectively, held by current shareholders of Prodigy; (ii) an aggregate of 1,183,080 71 Capital Post-Consolidation Common Shares are issued in consideration for the Prodigy Common Shares issued upon conversion of the Subscription Receipts; (iii) there are 2,205,636 71 Capital Post-Consolidation Common Shares issued and outstanding immediately prior to the Amalgamation; and (iv) an aggregate of 2,274,793 71 Capital Post-Consolidation Common Shares are issued in consideration for the Prodigy Common Shares issued to Robson Capital Inc. pursuant to the terms of the Robson Capital Agreement, then 71 Capital will have 25,688,232 71 Capital Post-Consolidation Common Shares and 88,051,416 71 Capital Restricted Voting Shares issued and outstanding immediately following the completion of the Transaction.

The following table summarizes the distribution of 71 Capital Post-Consolidation Common Shares and 71 Capital Restricted Voting Shares following the completion of the Transaction based upon the foregoing assumptions:

Shareholders	Number of 71 Capital Post- Consolidation Common Shares	Number of 71 Capital Restricted Voting Shares	Percentage of Resulting Issuer's Total Equity on a Pro Forma Basis
Current 71 Capital Shareholders	2,205,636		1.94%
Current Prodigy Shareholders	20,024,724		17.61%
Current Prodigy Shareholders		88,051,416	77.41%
Robson Capital Inc.	2,274,793		2.00%
Subscribers in Prodigy Financing	1,183,080		1.04%
	25,688,232	88,051,416	100.00%

NARRATIVE DESCRIPTION OF THE BUSINESS

Following the Transaction, the Resulting Issuer is expected to carry on the business of Prodigy. See "*Part III: Information Concerning Prodigy – General Development of the Business*".

Stated Business Objectives

The primary business objective of the Resulting Issuer following the Transaction is expected to be to grow its technology services business, Prodigy Labs, measured by revenue, gross margin, EBITDA and cash flow. All four performance measures grew in the first year of operations, and are expected to continue their growth in the next two years. The Resulting Issuer plans to achieve growth by adding new sales and support personnel, targeting new prospects across a broad range of market sectors, and evolving a service offering based on Prodigy's new ventures in mobile video, proximity marketing, wearables, AR and 3D. Financing for the primary business objective is from bank loans already in place, positive cash flow from operations of the services business. Prodigy anticipates generating cash flow from sales to more than cover its operating costs for a twenty-four month period following completion of the Transaction.

Prodigy's secondary business objective is to grow its new venture businesses. The measurements of growth will vary by new venture. For some, growth will be measured by the size of the user base, the evolution of product development, or other non-financial measures. Other new ventures will have more traditional financial measures. Achievement of this secondary business objective is dependent on the level of investment available from the free cash flow of Prodigy Labs and additional debt and equity financings. Achievement of the secondary business objective may be constrained by the higher priority of achieving continued growth in the services business and the availability and terms of new investment funds.

See "*Part IV: Information Concerning the Resulting Issuer - Available Funds*".

Competitive Advantages and Challenges

Although the Resulting Issuer will be a relatively small corporation in a large and competitive industry, it is also expected to have certain competitive advantages over some of the larger industry participants. For example, as a small corporation, the Resulting Issuer will be able to react to opportunities in an expeditious manner. The Resulting Issuer will also have an experienced and qualified management team, especially with regard to mobile and emerging technologies.

DESCRIPTION OF SECURITIES

Following completion of the Transaction, the securities of the Resulting Issuer will have the same characteristics as those of 71 Capital after giving effect to the Consolidation. The Resulting Issuer will be authorized to issue an unlimited number of 71 Capital Post-Consolidation Common Shares and an unlimited number of 71 Capital Restricted Voting Shares.

71 Capital Post-Consolidation Common Shares

The terms and conditions attaching to the 71 Capital Common shares are as the same as those attaching to the 71 Capital Common Shares See "*Part II: Information Concerning 71 Capital – Description of Securities*".

The terms attaching to the 71 Capital Restricted Voting Shares are set forth below.

Restricted Voting Shares

The holders of the 71 Capital Restricted Voting Shares will be entitled to receive notice of and to attend any meeting of the shareholders of 71 Capital provided that, except as required by law, the holders of the 71 Capital Restricted Voting Shares shall not be entitled as such to vote at any meeting of the shareholders of 71 Capital on the election of directors. The holders of Restricted Voting Shares will also be entitled to receive dividends as and when declared by the Board on the 71 Capital Restricted Voting Shares as a class, provided that no dividend may be declared in respect of 71 Capital Restricted Voting Shares unless concurrently therewith the same dividend is declared in respect of 71 Capital Common Shares. The holders of 71 Capital Restricted Voting Shares shall be entitled, in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, to share rateably, together with the holders of 71 Capital Common Shares in such assets of 71 Capital as are available for distribution. The 71 Capital Restricted Voting Shares will also be converted into 71 Capital Common Shares, in the event of certain change of control transactions. The 71 Capital Restricted Voting Shares are non-transferable. Each 71 Capital Restricted Voting Shares is convertible into one 71 Capital Common Shares, without the payment of additional consideration by the holder thereof, in certain circumstances including, as and when such conversion is permitted by the rules of the Exchange which may include, without limitation, where additional 71 Capital Common Shares are issued by 71 Capital to shareholders other than the holders of Restricted Voting Shares. Any such conversion right shall be allocated among the holders of Restricted Voting Shares on a pro rata basis according to their holdings of Restricted Voting Shares..

PRO FORMA CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of the Resulting Issuer as at July 31, 2015 upon completion of the Transaction, based upon the pro forma consolidated financial statements of the

Resulting Issuer attached to this Filing Statement as Schedule "C". See also "*Part IV: Information Concerning The Resulting Issuer – Escrowed Securities*" below.

Designation of Security	Amount Authorized or to be Authorized	Amount outstanding after giving effect to the Transaction (1)
71 Capital Post-Consolidation Common Shares	Unlimited	25,688,232
71 Capital Restricted Voting Shares	Unlimited	88,051,416
BDC Loans(2)	$350,000	$323,852

Notes:
(1) Calculations are based upon the following assumptions: (i) an aggregate of 23,482,597 Capital Post-Consolidation Common Shares are issued in consideration for all Prodigy Shares acquired by 71 Capital pursuant to the Transaction (inclusive of Prodigy Common Shares issued upon conversion of the Subscription Receipts and Prodigy Common Shares issued to Robson Capital Inc.); and (ii) there are 2,205,636 71 Capital Post-Consolidation Common Shares issued and outstanding immediately prior to the Amalgamation.
(2) Prodigy's long-term debt comprises three credit facilities with the BDC. All facilities have four year terms and are secured by a general security agreement granted by Prodigy in favour of BDC and guaranteed personally by the majority shareholder of Prodigy and bear interest at BDC's floating base interest rate plus 1% per annum, payable monthly. The first facility was negotiated effective May 27, 2014 to a maximum of $200,000. The second facility was negotiated effective December 11, 2014 to a maximum of $50,000. Subsequent to March 31, 2015, the Company drew on its second credit facility. A third facility was negotiated effective June 1, 2015 to a maximum of $100,000 on substantially the same terms as the first two facilities. The third facility has been fully drawn upon.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Available Funds

Following the Transaction, the Resulting Issuer expects to have funds available as set forth below, based upon the current financial position of each of 71 Capital and Prodigy:

Source	Amount
Estimated working capital of 71 Capital as of July 31, 2015	$91,000
Estimated working capital of Prodigy as of July 31, 2015	$576,845
Net proceeds from Prodigy Financing	$85,773
Company revenue in excess of operating expenses	$154,314
Total available funds	$907,932

Principal Purposes of Funds

The primary purposes of the Transaction are to obtain additional equity capital, create a public market for the Prodigy Shares, provide additional working capital in order to execute on the Resulting Issuer's future business strategies and facilitate future access by the Resulting Issuer to financing opportunities. The principal purposes for which the available funds of the Resulting Issuer as set forth above are expected to be used during the twelve-month period following the Transaction are described below:

Estimated Use of Funds	Amount
Estimated expenses of the Transaction	$170,000
Ventures research and development	$537,932

Unallocated funds	$200,000
Total	$907,932

The Resulting Issuer intends to spend the funds available to it during the twelve month period following the Transaction as stated in this Filing Statement. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary. See "*Risk Factors*".

DIVIDENDS

No dividends on the 71 Capital Common Shares have been paid by 71 Capital to date. Payment of any future dividends following completion of the Transaction will be at the discretion of the Resulting Issuer Board after taking into account many factors, including the Resulting Issuer's operating results, financial condition and current and anticipated cash needs.

PRINCIPAL SECURITY HOLDERS

To the knowledge of Prodigy and 71 Capital, upon the completion of the Transaction as described herein, no person will beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of voting rights attached to each class of shares of the Resulting Issuer other than as set forth below:

Name and Municipality of Residence	Number of 71 Capital Post-Consolidation Common Shares and 71 Capital Restricted Voting Shares to be Held or Controlled After the Transaction	Percentage of Issued and Outstanding 71 Capital Common Shares and 71 Capital Post-Consolidation Common Shares After the Transaction
Tom Beckerman, Toronto, Ontario	76,398,650	67.2%
Paul Andrusyshyn, Toronto, Ontario(1)	18,633,817	16.4%
Andrew Kieran, Toronto, Ontario(2)	12,111,981	10.6%

Note: (1) Shares held through 7797958 Canada Corp., a company wholly owned by Mr. Andrusyshyn.
(2) Shares held through Mobistrat Consulting Ltd., a company controlled by Mr. Kieran.

Pursuant to the terms of a voting trust agreement, certain shareholders ("**Assigning Shareholders**") of Prodigy have agreed to assign the voting rights attaching to securities of the Corporation to be issued to them in connection with the Qualifying Transaction to Tom Beckerman. This assignment applies to the common shares of the Corporation to be held by such Assigning Shareholders on the closing of the Qualifying Transaction and any common shares acquired or held by such Assigning Shareholders, directly or indirectly after the date hereof, including, without limitation, through conversion of restricted voting shares into common shares. The voting rights granted under the agreement to Mr. Beckerman cease to apply to the common shares held by Assigning Shareholders following (i) the disposition of the direct or indirect registered and/or beneficial ownership of such common shares or (ii) the disposition of all securities of the Corporation held by Mr. Beckerman. By virtue of the voting trust agreement, on closing Mr. Beckerman will hold voting rights over approximately 80% of the Common Shares after the Transaction.

RESULTING ISSUER DIRECTORS AND OFFICERS

Proposed Directors and Officers of the Resulting Issuer

The table below describes the proposed officers and directors of the Resulting Issuer assuming that the Transaction is completed.

Name and Municipality of Residence[(1)]	Proposed Offices /Directorships to be Held/Director Since	Principal Occupation During Past 5 Years	Number of 71 Capital Shares Beneficially Owned Following the Transaction[(2)]	Percentage of 71 Capital Shares Beneficially Owned Following the Transaction [(2)]
Tom Beckerman, Toronto, Ontario[(3)]	President, CEO and Director, July 1992	CEO of Prodigy	76,398,650	67.2%
Andrew Hilton, Sydenham, Ontario	CFO and Corporate Secretary	See below bio	Nil	Nil%
Robert MacLean, Toronto, Ontario[(3)]	Proposed Director	CEO of Points International Ltd.	137,931	0.1%
Stephen Moore, Toronto, Ontario [(3)(4)]	Proposed Director	Managing Director, Newhaven Asset Management Inc.	387,931	1.5%
Hussein Vastani, Toronto Ontario	CTO	See below bio	931,691	0.8%
Andrew Kieran, Toronto Ontario	Vice President	See below bio	12,111,981	10.6%

Notes:
(1) Each of these individuals will hold office as a director of the Resulting Issuer until his resignation or the next annual meeting of shareholders of the Resulting Issuer, unless his office is earlier vacated in accordance with the Resulting Issuer's by-laws and its incorporating statute.
(2) The information as to shares beneficially owned, directly or indirectly, or over which control or direction is exercised, is based upon information furnished to 71 Capital by the respective directors and senior officers as at the date hereof.
(3) Proposed member of the Audit Committee.
(4) Number of shares and percentage include shares held by Associates of Mr. Moore.

PROPOSED MANAGEMENT AND DIRECTORS OF THE RESULTING ISSUER

Tom Beckerman – Proposed President, Chief Executive Officer and Director - Age 62

Mr. Beckerman is the Founder and CEO of Prodigy Ventures.

Tom Beckerman is a seasoned technology veteran, with over 35 years of experience in senior leadership roles. Mr. Beckerman is currently focused on the strategic development and marketing of new high growth technology platforms and services for mobile video, wearables, proximity marketing, mobile payments, augmented reality, 3D and social.

Apart from Prodigy Ventures, Mr. Beckerman played instrumental roles in the development and success of seven other technology, marketing services, financial information and medical device companies. He has created unique technologies and worked with Fortune 1000 companies. Mr. Beckerman graduated with an MBA from the University of Chicago in 1976 and received a Bachelor of Commerce degree from the University of Toronto in 1974.

Robert MacLean – Proposed Director – Age 49.

Rob has served as CEO of Points since co-founding Prodigy in February 2000, and is a member of the board of directors. His vision has pioneered and delivered a suite of innovative technology solutions, earning a growing number of partnerships with the world's leading loyalty programs. Under Rob's leadership, Points has grown from a start-up to become a globally recognized leader: publicly traded on the NASDAQ and TSX, has attracted partners with a combined member base of over 500 million members worldwide, and operates a suite of eCommerce products and services that have transacted more than 88 billion loyalty program points and miles to-date.

Prior to founding Points, Rob recorded an impressive list of leadership roles and achievements with 12 years in the airline and loyalty industry. As Vice President, Sales with Canadian Airlines, Rob led a team of over 250 employees throughout North America, delivering over $2 billion in annual revenue, and was responsible for the airline's award-winning Canadian Plus loyalty program. Rob has also served as a senior representative on the Oneworld Alliance's Customer Loyalty Steering Committee.

Stephen Moore – Proposed Director – Age 61.

Mr. Moore has more than 30 years of experience in the securities industry. He was a Vice President for Burns Fry Ltd., Lancaster Financial Inc. and TD Securities, where he held a number of functional responsibilities including research, sales and trading, and corporate finance. He was a founder and Managing Director of Kensington Capital Partners, a firm specializing in private equity advisory services. He serves as a director of CI Financial Corp. and is a trustee of the Advantaged Preferred Share Trust. Mr. Moore has a B.A. (Economics) and an MBA from Queens University.

Andrew Hilton – Proposed Chief Financial Officer and Corporate Secretary – Age 32.

Andrew Hilton has provided financial reporting and corporate secretarial services for a number of public companies since 2005. He was the Chief Financial Officer of GC-Global Capital Corp. from 2010 – 2012 and is has been the Chief Financial Officer of Jaguar Financial Corporation (TSXV: JFC) since December 2013, Added Capital Inc. (TSXV: AAD) since December 2013, Cardinal Capital Partners Inc. (TSXV: CCP.H) since April 2013 and Axiom Corp. (OTC Pink: AXMM) since February 2015. Mr. Hilton is a Chartered Professional Accountant and holds an Honours BA in Economics and Financial Management from Wilfrid Laurier University.

Hussein Vastani – Proposed Chief Technology Officer – Age 40.

Hussein Vastani is Prodigy's Chief Technology Officer and in that capacity leads Prodigy's technology development for both services and new ventures. Mr. Vastani has an M.Sc. in Computer Science, with over eight years of experience in full stack architecture, design and development. Hussein previously led advanced technology projects at MacDonald Dettwiler and Teranet. Prior to joining Prodigy Mr. Vastani was a Senior Software Engineer from November 2010 to April 2015 with Clear Pursuit Interactive Inc.

Andrew Kieran – Proposed Vice President – Age 42.

Andrew has more than ten years' experience in technology architecture, design and development. He is focused on the domestic and international financial services industry, and has been a leader in the development of innovative mobile and payment solutions. Andrew also leads Prodigy Labs staff augmentation services practice. Prior to joining Prodigy Andrew was (i) a Senior Manager, Mobile at NexJ Systems from January 2013 to April 2014, (ii) a Director, Mobile at Broadstreet Mobile from April 2012 to December 2012 and (iii) a Senior Developer at Canadian Imperial Bank of Commerce from May 2014 to April 2012.

Other Reporting Issuer Experience

The following table sets out the proposed directors and officers of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Name of Exchange	Position	From	To
Andrew Hilton, Toronto, Ontario	Jaguar Financial Corporation	TSX Venture	CFO	Dec 2013	Present
	Added Capital Inc.	TSX Venture	CFO	Dec 2013	Present
	Cardinal Capital Partners	TSX Venture	CFO	Apr 2012	Present
	Axiom Corp.	TSX Venture OTC Pink	CFO	Feb 2015	Present
	GC-Global Capital Corp.	TSX Venture	CFO	Aug 2010	Apr 2012
Rob MacLean Toronto, Ontario	Points International Ltd.	TSX NASDAQ	Director and CEO	Feb 2000	Present
Stephen Moore Toronto, Ontario	Advantaged Preferred Share Trust	TSX	Director	May 2006	Present

Committees of the Board of Directors

It is anticipated that following the completion of the Transaction, the only standing committee of the board of directors of the Resulting Issuer will be the audit committee, which is expected to be comprised of Tom Beckerman, Robert MacLean and Stephen Moore.

Corporate Cease Trade Orders or Bankruptcies, Penalties and Sanctions, and Personal Bankruptcies

No proposed director, officer or promoter of the Resulting Issuer or a security holder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, is at the date hereof, or within the ten years prior to the date hereof has been, a director, officer or promoter of any person or company that, while that person was acting in that capacity:

(d) was the subject of a cease trade or similar order or an order that denied the other issuer access to any exemptions under applicable securities legislation, for a period of more than 30 consecutive days; or

(e) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No proposed director or officer of the Resulting Issuer or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has:

(a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable securityholder making a decision about the Qualifying Transaction.

Personal Bankruptcies

In the ten years prior to this Filing Statement, no proposed director, officer or promoter of the Resulting Issuer or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons has, within the ten years before become the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Conflicts of Interest

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon the Completion of the Qualifying Transaction may also be directors, officers and/or promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the CBCA to act at all times in good faith in the interest of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. To the best of its knowledge, 71 Capital is not aware of the existence of any conflicts of interest between 71 Capital and any of its directors and officers as of the date of this Filing Statement. To the best of its knowledge, Prodigy is not aware of the existence of any conflicts of interest between Prodigy and any of its directors and officers as of the date of this Filing Statement. The holders of 71 Capital Post-Consolidation Common Shares must appreciate that they will be required to rely on the judgment and good faith of its directors and officers in resolving any conflicts of interest that may arise.

STOCK OPTIONS

As of the date of this Filing Statement, there are no outstanding options to purchase shares of 71 Capital or Prodigy. The Resulting Issuer will adopt the 71 Capital Stock Option Plan, which has been approved at the 71 Capital Meeting. The principal terms of the 71 Capital Option Plan are set out under "*Part II – Information Concerning 71 Capital – Incentive Stock Option Plan*". The aggregate number of Common Shares which may be issued and sold under the 71 Capital Stock Option Plan will not exceed 10% of the issued and outstanding Common Shares of the Resulting Issuer at the time of grant of any option under the 71 Capital Stock Option Plan.

RESULTING ISSUER PROPOSED EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Resulting Issuer expects to provide a market-based blend of base salaries, bonuses and equity incentive components in the form of Stock Options to further align the interests of management with the interests of the Resulting Issuer’s shareholders. The Resulting Issuer expects to pay compensation to officers, directors, employees and consultants of the Resulting Issuer for their services. It is intended that compensation arrangements with the officers and managers of Prodigy will be continued as the compensation arrangements with the Resulting Issuer as disclosed under "*Part III – Information Concerning Prodigy – Executive Compensation*".

Summary of Proposed Compensation

The following states the anticipated compensation for the Resulting Issuer's proposed executive officers for the 12-month period after giving effect to the Amalgamation.

				Non-equity Incentive Plan Compensation				
Name and Principal Position	**Salary**	**Share-Based Awards**	**Option-Based Awards**	**Annual Incentive Plans**	**Long-Term Incentive Plans**	**Pension Value**	**All other Compensa-tion**	**Total Compensa-tion**
Tom Beckerman President and CEO	$175,000	nil	nil	nil	nil	nil	nil	$175,000
Andrew Hilton CFO and Corporate Secretary	$40,000	nil	nil	nil	nil	nil	nil	$40,000
Andrew Kieran Vice President	$500,000(1)	nil	nil	nil	nil	nil	nil	$500,000
Hussein Vastani CTO	$150,000	nil	nil	nil	nil	nil	nil	$150,000

(1) The total compensation is anticipated to be split equally between salary and commissions.

External Management Companies

Each of Mr. Hilton and Mr. Kieran will provide services to the Resulting Issuer through management companies and will not be direct employees of the Resulting Issuer.

Proposed Incentive Plan Awards

Following the completion of the Transaction it is anticipated that certain employees and Named Executive Officers will be granted options. The specific details of such grants are not yet known.

Directors' and Senior Executives' Liability Insurance and Indemnity Agreements

The Resulting Issuer will maintain directors' and senior executives' liability insurance which, subject to the provisions contained in the policy, protects the directors and senior executives, as such, against certain claims made against them during their term of office. Such insurance provides for annual protection against liability (less a deductible, to be determined, payable by the Resulting Issuer depending on the nature of the claim). The annual premium paid by the Resulting Issuer for this insurance has yet to be determined. The Resulting Issuer will also enter into indemnity agreements with directors and senior officers of the Resulting Issuer to provide certain indemnification to such directors and senior officers, as permitted by the CBCA.

Concurrent with the completion of the Transaction, Prodigy anticipates increasing its liability insurance to an aggregate level, to be determined, in annual protection against directors' and senior executives' liability for an annual premium to be determined.

Proposed Director Compensation

Following closing of the Transaction, the Resulting Issuer Board is expected to determine the compensation of directors. It is anticipated that non-management directors will be reimbursed for transportation and other out-of-pocket expenses incurred for attendance at board of directors meetings and in connection with discharging their director functions.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

Except as disclosed below, none of the current or past directors, employees or executive officers of Prodigy or 71 Capital, and none of the persons who are proposed to be directors, employees or executive officers of the Resulting Issuer following the completion of the Transaction, and none of the Associates of such persons, is or has been indebted to either 71 Capital or Prodigy at any time during the most recently completed financial year of each of 71 Capital and Prodigy, respectively, or will be indebted to the Resulting Issuer upon completion of the Transaction. Furthermore, none of such persons were indebted to a third party during such period where their indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by 71 Capital or Prodigy.

ESCROWED SECURITIES

To the knowledge of Prodigy and 71 Capital, assuming completion of the Transaction, the following securities of the Resulting Issuer anticipated to be held by principals of the Resulting Issuer and current directors, officers and certain shareholders of 71 Capital following the Effective Date will be held in escrow:

71 Capital Escrow Shares

Pursuant to the Escrow Agreement dated September 26, 2008, among 71 Capital, Olympia Transfer Services Inc. (as escrow agent) (now Computershare Investor Services Inc.) and the Escrow Shareholders, an aggregate of 1,340,000 71 Capital Common Shares are currently held in escrow in accordance with Policy 2.4, which provides for the release from escrow of 10% of such escrowed shares following the issuance of the Final Exchange Bulletin, 15% of such escrowed shares every six months thereafter, and the final 15% of such escrowed shares 36 months following the initial release. If the Resulting Issuer meets the Exchange's Tier 1 minimum listing requirements at the time of the Final Exchange Bulletin, the release of the escrowed 71 Capital Post-Consolidation Common Shares will be accelerated.

Resulting Issuer Escrow

Pursuant to the Escrow Policy, all Principal Securities of the Resulting Issuer at the time of the issuance of the Final Exchange Bulletin confirming final acceptance of the Qualifying Transaction must be placed in escrow. On the Effective Date, 20,550,586 71 Capital Post-Consolidation Common Shares and 88,051,416 71 Capital Restricted Voting Shares will be subject to an escrow agreement to be entered into among the Resulting Issuer, the Escrow Agent and certain Principals of Prodigy dated as of the Effective Date, which will provide for, assuming the Resulting Issuer meets the minimum listing requirements of the Exchange of a Tier 2 issuer, the release from escrow of 10% of such escrowed shares following the issuance of the Final Exchange Bulletin, 15% of such escrowed shares six months following issuance of the Final Exchange Bulletin, 15% of such escrowed shares twelve months following issuance of the Final Exchange Bulletin, 15% of such escrowed shares eighteen months following issuance of the Final Exchange Bulletin, 15% of such escrowed shares twenty-four months following issuance of the Final Exchange Bulletin, 15% of such escrowed shares thirty months following issuance of the Final Exchange Bulletin and the final 15% thirty-six months following issuance of the Final Exchange Bulletin.

The following table sets out the number of shares of the Resulting Issuer that will be held by shareholders of Prodigy subject to escrow pursuant to Policy 2.4 and Policy 5.4.

		Prior to Giving Effect to the Qualifying Transaction1		**After Giving Effect to the Qualifying Transaction1**	
Name and Municipality of Residence of Shareholder	**Designation of Class of Shares**	**Number of Securities held in escrow**	**Percentage of class**	**Number of securities to be held in escrow**	**Percentage of class**
Tom Beckerman Toronto, Ontario	71 Capital Post-Consolidation Common Shares and 71 Capital Restricted Voting Shares	Nil	Nil	14,155,408 Capital Post-Consolidation Common Shares and 62,243,242 71 Capital Restricted Voting Shares	55.1% 71 Capital Post-Consolidation Common Shares and 70.7% 71 Capital Restricted Voting Shares
Andrew Kieran[(1)] Toronto, Ontario	71 Capital Post-Consolidation Common Shares and 71 Capital Restricted Voting Shares	Nil	Nil	2,244,150 Capital Post-Consolidation Common Shares and 9,867,831 Capital Restricted Voting Shares	8.7% 71 Capital Post-Consolidation Common Shares and 11.2% 71 Capital Restricted Voting Shares
Paul Andrusyshyn[(2)], Toronto Ontario	71 Capital Post-Consolidation Common Shares and 71 Capital Restricted Voting Shares	Nil	Nil	3,452,539 71 Capital Post-Consolidation Common Shares and 15,181,279 71 Capital Restricted Voting Shares	13.4% 71 Capital Post-Consolidation Common Shares and 17.2% 71 Capital Restricted Voting Shares
Hussein Vastani Toronto, Ontario	71 Capital Post-Consolidation Common Shares and 71 Capital Restricted Voting Shares	Nil	Nil	172,627 71 Capital Post-Consolidation Common Shares and 759,064 71 Capital Restricted Voting Shares	0.7% 71 Capital Post-Consolidation Common Shares and 0.9% 71 Capital Restricted Voting Shares
Stephen Moore[(3)]	71 Capital Post-Consolidation Common Shares	Nil	Nil	387,931 71 Capital Post-Consolidation Common Shares	1.5% 71 Capital Post-Consolidation Common Shares

		Prior to Giving Effect to the Qualifying Transaction1		After Giving Effect to the Qualifying Transaction1	
Name and Municipality of Residence of Shareholder	**Designation of Class of Shares**	**Number of Securities held in escrow**	**Percentage of class**	**Number of securities to be held in escrow**	**Percentage of class**
Robert MacLean	71 Capital Post-Consolidation Common Shares	Nil	Nil	137,931 71 Capital Post-Consolidation Common Shares	0.5% 71 Capital Post-Consolidation Common Shares

Notes:
(1) Shares are held through a company controlled by Mr. Kieran, Mobistrat Consulting Ltd.
(2) Shares are held through wholly owned company, 7797958 Canada Corp.
(3) Including shares held by Associates of Mr. Moore.

The following table sets out the number of shares of the Resulting Issuer that will be held by shareholders of 71 Capital subject to escrow pursuant to Policy 2.4 and Policy 5.4.

		Prior to Giving Effect to the Qualifying Transaction1		After Giving Effect to the Qualifying Transaction1	
Name and Municipality of Residence of Shareholder	**Designation of Class of Shares**	**Number of Securities held in escrow**	**Percentage of class**	**Number of securities to be held in escrow**	**Percentage of class**
Gregory Hewitt Toronto, Ontario	71 Capital Post-Consolidation Common Shares	100,000	4.5%	100,000	0.4%
A. George Matthew Toronto, Ontario	71 Capital Post-Consolidation Common Shares	225,000	10.2%	225,000	0.9%
Mark E. Crossett Oakville, Ontario	71 Capital Post-Consolidation Common Shares	225,000	10.2%	225,000	0.9%
Leonard K. Brennenstuhl Toronto, Ontario	71 Capital Post-Consolidation Common Shares	225,000	10.2%	225,000	0.9%
Eric R. Roblin Ajax, Ontario	71 Capital Post-Consolidation Common Shares	225,000	10.2%	225,000	0.9%
Adam Brookes Calgary, Alberta	71 Capital Post-Consolidation Common Shares	40,000	1.8%	40,000	0.2%
Carolyn Mary Simmonds Townshend Calgary, Alberta	71 Capital Post-Consolidation Common Shares	100,000	4.5%	100,000	0.4%
Wyatt Roadhouse	71 Capital Post-Consolidation	100,000	4.5%	100,000	0.4%

Calgary, Alberta	Common Shares				
Blair Pytak Calgary, Alberta	71 Capital Post-Consolidation Common Shares	100,000	4.5%	100,000	0.4%

AUDITORS

The auditors of the Resulting Issuer will be KPMG LLP, Chartered Accountants, located at Yonge Corporate Centre, 4100 Yonge Street, Suite 200, Toronto, ON M2P 2H3, following the Transaction.

REGISTRAR AND TRANSFER AGENT

The transfer agent and registrar for the Resulting Issuer will be Computershare Investor Services Inc., at its principal offices located at Suite 920, 120 Adelaide Street West, Toronto, Ontario M5H 1T1, following the Transaction.

PART V - GENERAL MATTERS

SPONSORSHIP AND VALUATION REPORT

Sponsor

71 Capital has retained the Sponsor, located at 199 Bay St, Toronto, Ontario M5L 1G1, to act as sponsor in connection with the Transaction. The Sponsorship Engagement Letter dated May 28, 2015 provides for the Sponsor to be paid a sponsorship fee of a cash payment of $15,000, plus applicable taxes, payable on the date of the submission of the final Sponsorship Report to the Exchange. In addition to the sponsorship fee, 71 Capital shall reimburse the Sponsor for all of its costs and expenses, including legal fees of Jacob's legal counsel related to its engagement as sponsor. The Sponsor has also agreed to provide a valuation of Prodigy for the purposes of satisfying the Exchange's initial listing requirements. The valuation engagement letter dated May 28, 2015 provides for the Sponsor to be paid a fee of a cash payment of $10,000, plus applicable taxes, payable on the date of the submission of the final version of the valuation to the Exchange. In addition to the valuation fee, 71 Capital shall reimburse Jacob for all of its costs and expenses, including legal fees of Jacob's legal counsel related to its engagement to provide a valuation.

Relationships

Except as disclosed herein, neither 71 Capital nor Prodigy has entered into any agreement with any registrant to provide sponsorship or corporate finance services.

INTERESTS OF EXPERTS

Interests of Experts

No Person, whose profession or business gives authority to a statement made by the Person and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement, holds any beneficial interest, directly or indirectly, in any property of 71 Capital, Prodigy or the Resulting Issuer or of an Associate or Affiliate of 71 Capital, Prodigy or the Resulting Issuer, other than as described below.

Audit reports described or included in this Filing Statement in respect of the financial statements of 71 Capital for the fiscal years ended December 31, 2014, 2013 and 2012 were prepared by Buttle & Tavano Professional Corporation, Chartered Professional Accountants,.

Buttle & Tavano Professional Corporation, Chartered Professional Accountants, does not beneficially own, directly or indirectly, any securities of, nor does it have any interest in the property of, either of 71 Capital or Prodigy.

Audit reports described or included in this Filing Statement in respect of the financial statements of Prodigy for the fiscal year ended March 31, 2015 were prepared by RZN, LLP Chartered Professional Accountants & Licensed Public Accountants,.

RZN, LLP, Chartered Professional Accountants & Licensed Public Accountants does not beneficially own, directly or indirectly, any securities of, nor does it have any interest in the property of, either of 71 Capital or Prodigy.

Moreover, none of the foregoing persons or any of their respective directors, officers, partners or employees is, or expects to be, elected, appointed or employed as a director, officer or employee of the Resulting Issuer or its Associates or Affiliates.

Certain legal matters relating to the Qualifying Transaction will be passed upon by Fogler, Rubinoff LLP on behalf of both 71 Capital and Prodigy. Eric Roblin is a partner at Fogler, Rubinoff LLP and is also a director of 71 Capital and has acted for 71 Capital. Mr. Roblin owns 450,000 71 Capital Common Shares and after the Amalgamation will own 225,000 71 Capital Post-Consolidation Common. Mr. Roblin does not own any shares of Prodigy. Ms. Karen Murray who is a partner at Fogler, Rubinoff LLP and has acted for Prodigy does not own any shares of Prodigy or 71 Capital.

Other Material Facts

Neither Prodigy nor 71 Capital is aware of any other material facts relating to Prodigy, 71 Capital or the Resulting Issuer or to the Transaction that are not disclosed under the preceding items and are necessary in order for this Filing Statement to contain full, true and plain disclosure of all material facts relating to Prodigy, 71 Capital and the Resulting Issuer, assuming completion of the Transaction, other than those set forth herein.

Board Approval

This Filing Statement has been approved by the directors of Prodigy and the directors of 71 Capital. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than Prodigy or 71 Capital, each of Prodigy or 71 Capital, respectively, has relied upon information furnished by such person.

PART V - FINANCIAL STATEMENT AND MANAGEMENT'S DISCUSSION AND ANALYSIS REQUIREMENTS

Attached to and forming a part of this Filing Statement are:

Schedule "A" Annual Financial Statements of 71 Capital for the fiscal years ended December 31, 2014, December 31, 2013 and December 31, 2012 and the Interim Financial Statements of 71 Capital for the three months ended March 31, 2015.

Schedule "B" Audited Financial Statements of Prodigy for the year ended March 31, 2015 and Unaudited Financial Statements of Prodigy for the years ended March 31, 2013 and March 31, 2104.

Schedule "C" Pro-Forma Consolidated Statements for the Resulting Issuer.

Schedule "D" Management's Discussion and Analysis of 71 Capital for the fiscal year ended December 31, 2014, December 31, 2013, December 31, 2012 and December 31, 2011 and for the three months ended March 31, 2015.

Schedule "E" Management's Discussion and Analysis of Prodigy for the year ended March 31, 2015.

CERTIFICATE OF 71 CAPITAL CORP.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of 71 Capital Corp. assuming completion of the Transaction.

DATED: August 17, 2015

"*Greg Hewitt*"	"*George Matthew*"
Greg Hewitt, Chief Executive Officer	George Matthew, Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"*Mark Crossett*"	"*Leonard K. Brennenstuhl*"
Mark Crossett, Director	Leonard K. Brennenstuhl

CERTIFICATE OF PRODIGY

The foregoing as it relates to TCB Corporation ("**Prodigy**") constitutes full, true and plain disclosure of all material facts relating to the securities of Prodigy.

DATED: August 17, 2015

ON BEHALF OF THE BOARD OF DIRECTORS

"*Tom Beckerman*"

Tom Beckerman

ON BEHALF OF THE OFFICERS

"*Andrew Kieran*"	"*Hussein Vastani*"
Vice President	Chief Technology Officer

ACKNOWLEDGEMENT OF PERSONAL INFORMATION

"Personal Information" means any information about an identifiable individual, and includes information contained in any Items in the attached Filing Statement that are analogous to Items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40 and 41 of TSX Venture Exchange Form 3D2, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

(a) the disclosure of Personal Information by the undersigned to the TSX-V (as defined in Appendix 6B) pursuant to TSX Venture Exchange Form 3D2; and

(b) the collection, use and disclosure of Personal Information by the TSX-V for the purposes described in Appendix 6B or as otherwise identified by the TSX-V, from time to time.

ON BEHALF OF THE BOARD OF DIRECTORS OF 71 CAPITAL CORP.

"*Eric Roblin*"

____

Director

SCHEDULE "A"
FINANCIAL STATEMENTS OF 71 CAPITAL

71 Capital Corp.

A Capital Pool Company

ANNUAL FINANCIAL STATEMENTS

DECEMBER 31, 2014

MANAGEMENT'S REPORT

All information contained in these financial statements of **71 Capital Corp.** "(the Company)" is the responsibility of management. Financial information presented throughout these statements is in conformity with International Financial Reporting Standards ("IFRS") and may include amounts that are based on management's best estimates and judgements, where appropriate. Management acknowledges responsibility for the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management maintains a system of internal control to provide them with reasonable assurance that all assets are safeguarded and, to facilitate the preparation of relevant, reliable, and timely information and, has in place a process to provide them with reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

The Board of Directors carries out its responsibilities for financial reporting and internal control of the Company through its Audit Committee.

Buttle & Tavano Professional Corporation, the Company's independent external auditors provide an independent audit of the financial statements in conformity with IFRS. Their audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. They make an assessment of the accounting principles used and significant estimates made by management which allows them to report on the fairness of the financial statements prepared by management.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

The Board of Directors have approved the financial statements of the Company.

March 3, 2015.

'Gregory W. Hewitt', Chief Executive Officer **'A. George Matthew', Chief Financial Officer**

INDEPENDENT AUDITORS' REPORT

To the Shareholders of **71 Capital Corp.**

We have audited the accompanying financial statements of 71 Capital Corp., which comprise the statements of financial position as at December 31, 2014, and December 31, 2013, the statements of loss and comprehensive loss, the statements of changes in equity, the statements of cash flows for the years and periods ended December 31, 2014, and December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of 71 Capital Corp. as at December 31, 2014, and December 31, 2013, and its financial performance and its cash flows for the years and periods ended December 31, 2014, and December 31, 2013, in accordance with International Financial Reporting Standards.

Halton Hills, Ontario

'Buttle & Tavano Professional Corporation'
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

March 3, 2015.

71 CAPITAL CORP.

(a Capital Pool Company - see Note 1)

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014, AND DECEMBER 31, 2013,

(Expressed in whole Canadian dollars)

	Notes	December 31, 2014	December 31, 2013
ASSETS			
Current			
Cash and cash equivalents		$ 109,172	$ 133,220
LIABILITIES			
Current			
Accounts payable and accrued liabilities		$ 6,780	$ 6,780
SHAREHOLDERS' EQUITY			
Share capital	5	306,520	306,520
Contributed surplus	6,7	30,597	30,597
Deficit		(234,725)	(210,677)
		102,392	126,440
		$ 109,172	$ 133,220

SUBSEQUENT EVENT	1

Approved on behalf of the Board of Directors:

"Mark Crossett"	"Leonard Kirk Brennenstuhl"
Mark Crossett	Leonard Kirk Brennenstuhl

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

71 CAPITAL CORP.

(a Capital Pool Company - see Note 1)

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in whole Canadian dollars, except for per share amounts)

	Three months ended December 31.		Twelve months ended December 31.	
	2014	2013	2014	2013
EXPENSES				
Bank charges	$ 30	$ 30	$ 120	$ 132
General	-	-	-	892
Legal and audit	6,780	6,780	6,780	6,497
Insurance	-	-	-	2,584
Shareholder information	-	1,771	4,343	11,843
Sustaining fees and filing fees	-	(565)	8,648	10,992
Transfer agent	713	2,119	4,157	6,895
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ 7,523	$ 10,135	$ 24,048	$ 39,835
LOSS PER SHARE (weighted average)	$ 0.00	$ 0.00	$ 0.01	$ 0.01
DILUTED LOSS PER SHARE (weighted average)	$ 0.00	$ 0.00	$ 0.01	$ 0.01
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic	4,411,271	4,411,271	4,411,271	4,411,271
Diluted	4,411,271	4,666,593	4,411,271	4,763,268

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

71 CAPITAL CORP.

(a Capital Pool Company - see Note 1)

STATEMENTS OF CHANGES IN EQUITY

(Expressed in whole Canadian dollars)

	Share Capital	Contributed Surplus	Deficit	Total
At January 1, 2014	$ 306,520	$ 30,597	$ (210,677)	$ 126,440
Net loss for the period	-	-	(24,048)	(24,048)
At December 31, 2014	$ 306,520	$ 30,597	$ (234,725)	$ 102,392
At January 1, 2013	$ 306,520	$ 30,597	$ (170,842)	$ 166,275
Net loss for the period	-	-	(39,835)	(39,835)
At December 31, 2013	$ 306,520	$ 30,597	$ (210,677)	$ 126,440

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

71 CAPITAL CORP.

(a Capital Pool Company - see Note 1)

STATEMENTS OF CASH FLOWS

(Expressed in whole Canadian dollars)

	Three months ended December 31. 2014	Three months ended December 31. 2013	Twelve months ended December 31. 2014	Twelve months ended December 31. 2013
OPERATING ACTIVITIES				
Net loss for the period	$ (7,523)	$ (10,135)	$ (24,048)	$ (39,835)
Increase (decrease) in accounts payable and accrued liabilities	6,780	6,780	-	-
Cash used in operating activities	(743)	(3,355)	(24,048)	(39,835)
CHANGE IN CASH AND CASH EQUIVALENTS	(743)	(3,355)	(24,048)	(39,835)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	109,915	136,575	133,220	173,055
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 109,172	$ 133,220	$ 109,172	$ 133,220

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

1. Basis of presentation and nature of operations

The financial statements as at and for the year ended December 31, 2014, were approved for issue by the Board of Directors on March 3, 2015

71 Capital Corp. (the "Company") was incorporated on February 6, 2008, under the Canada Business Corporations Act. The Company is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. The principal place of business of the Company is c/o Fogler, Rubinoff LLP, Suite 3000 – 77 King Street West, Toronto Dominion Centre, Toronto, Ontario, M5K 1G8.

The Company's continued operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in, or an investment of an interest in a Qualifying Transaction (as defined in the Exchange Company Manual). The Company was required to complete a Qualifying Transaction within 24 months of its listing on the Exchange which occurred on December 24, 2008. Since the completion of the Qualifying Transaction did not occur prior to this deadline, the Company's shareholders, at a meeting held on March 21, 2011, approved a move to the NEX, a separate board of the TSX Venture Exchange and 1,000,000 common shares and 100,000 options held by directors and officers of the Company were cancelled, see Notes 5 (c) and (d). The trading symbol for the Company is SVN.H. When a Qualifying Transaction occurs it will be subject to shareholder and regulatory approvals.

On August 20, 2014, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the NEX**.** The letter of intent was for the amalgamation of the Company with Brightstar Seniors' Living Corporation ("Brightstar"). Brightstar is a private company engaged in the development of independent seniors' housing projects. The Company, subsequent to December 31, 2014, issued a press release on February 12, 2015, stating that the letter of intent with Brightstar has been terminated by them due to the current market conditions. The Company's common shares resumed trading on February 17, 2015.

On September 5, 2013, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the NEX. The letter of intent was for the amalgamation of the Company with ADL Oilfield Ltd. ("ADL"). ADL is a privately held Calgary based oil and gas service company engaged in providing cleanouts, stimulation, optimization, and remediation of oil and gas wells using a patented Stable Foam process. The Company issued a press release on March 11, 2014, stating that it has terminated its letter of intent with ADL due to the current market conditions. The Company's common shares commenced trading on March 13, 2014.

On May 4, 2011, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities continue the halt in trading of its common shares on the NEX. The letter of intent was for the

1. Basis of presentation and nature of operations (cont'd)

amalgamation of the Company with Kingsview Iron Ore Limited ("Kingsview"). Kingsview is a private company engaged in the exploration and development of mining claims in the Province of Quebec, Canada, prospective for iron deposits. The Company issued a press release on April 30, 2013, stating that it has terminated its letter of intent with Kingsview. The Company's common shares resumed trading on May 2, 2013.

On October 28, 2010, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the TSX Venture Exchange. The letter of intent was for the amalgamation of the Company with Orx Pharmaceutical Corporation ("Orx"), a Canadian Controlled Private Corporation. The Company issued a press release on May 4, 2011, that was posted on www.sedar.com, stating that the Company has terminated its letter of intent with Orx.

On August 18, 2009, the Company announced that a letter of intent for a Qualifying Transaction had been signed. The letter of intent was for the acquisition of all of the issued and outstanding securities of Prairie Pulse Inc. ("Prairie"), a Canadian Controlled Private Company. The Company received notice; after the markets were closed on July 14, 2010, from Prairie stating that "its shareholders are no longer interested in pursuing a transaction with 71 Capital Corp." The Company issued a press release in regard to the preceding on July 15, 2010.

The Company's first fiscal year end was December 31, 2008.

The Company's common shares started trading on the TSX Venture Exchange on December 24, 2008.

The accompanying financial statements of the Company have been prepared in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Company has not and will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

The financial statements and the notes thereto have been prepared under principles applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business.

2. Significant accounting policies

The financial statements are reported in Canadian dollars which is the Company's functional currency and, they may include management's estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. If estimates and assumptions were made actual results could differ from these estimates and assumptions. The financial statements have been prepared using careful judgment within the significant accounting policies summarized below.

2. Significant accounting policies (cont'd)

a) Cash and cash equivalents

Cash and cash equivalents are cash or highly liquid investments, such as Canadian government treasury bills or term deposits with major Canadian financial institutions, having a maturity of three months or less at acquisition, that are readily convertible to the contracted amounts of cash.

b) Loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the year. Contingently, issuable shares are not considered outstanding common shares and consequently are not included in the loss per share calculation. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants and other similar instruments outstanding that may add to the total number of common shares.

c) 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 instrument: 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 receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market 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
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Other liabilities

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair value of assets and liabilities.

2. Significant accounting policies (cont'd)

c) Financial Instruments (cont'd)

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly.

Level 3 – one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

Cash and cash equivalents and accounts payable and accrued liabilities are considered Level 1 in the hierarchy.

d) Income taxes

The Company accounts for its income taxes using the deferred tax assets and liabilities method. Deferred income tax assets and liabilities are determined based on the difference between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in profit or loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable profit for the years in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are not discounted.

The tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income or of equity, in which case the tax expense is recognized in other comprehensive income or equity respectively.

Current income tax assets and liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed on the basis of tax profit which differs from net profit. This calculation is made using tax rates and laws enacted at the end of the reporting period.

e) Accounting for stock-based compensation

The Company has adopted IFRS 2, Share Based Payment, for the recognition, measurement, and disclosure of stock-based compensation. The Company's options vest on granting therefore, compensation expense is recognized at that time with the same amount being recorded as contributed surplus. The expense is determined using an option pricing model that takes into account the exercise price, the term of the option, the current share price, the expected volatility of the underlying shares, the expected dividend yield, and the risk free interest rate for the term of the option. If the options are exercised, contributed surplus will be reduced by the applicable amount. Stock-based compensation calculations have no effect on the Company's cash position.

2. Significant accounting policies (cont'd)

f) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amount of expenses during the reported period. These estimates are reviewed periodically, and as adjustments become necessary they are made in the period in which they become known. Actual results could differ from these estimates.

g) Related Party Transactions

All transactions with related parties would be in the normal course of business and measured at the exchange value (the amount established and agreed to by the related parties). To date no related party transactions have taken place.

h) Comprehensive income (loss)

Comprehensive income (loss) is the change in equity (net assets) of the Company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes to equity during a period except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) is comprised of net income (loss), for the period and other comprehensive income (loss), and certain gains and losses that would otherwise be recorded as part of net income (loss) to be presented in "other comprehensive income (loss)" until it is considered appropriate to be recognized into net income (loss).

The Company had no comprehensive income (loss) transactions, other than its net loss, presented in the Statements of Loss and Comprehensive Loss, nor accumulated other comprehensive income (loss) during the periods that have been presented.

i) Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after December 31, 2010 or later periods. Many are not applicable or do not have a significant impact on the Company and have been excluded from the table below.

(i) IFRS 9 *Financial Instruments* was issued by the IASB in October 2010 and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the

2. Significant accounting policies (cont'd)

i) Recent Accounting Pronouncements (cont'd)

(i) (cont'd)

requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The IASB has proposed to move the effective date of IFRS 9 to January 1, 2015.

(ii) IFRS 10 *Consolidated Financial Statements* was issued by the IASB in May 2011. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in SIC-12 *Consolidation—Special Purpose Entities* and IAS 27 *Consolidated and Separate Financial Statements* and is effective for annual periods beginning on or after January 1, 2013. The preceding has no impact on the Company.

(iii) IFRS 11 *Joint Arrangements* was issued by the IASB in May 2011. IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*, and is effective for annual periods beginning on or after January 1, 2013. The preceding has no impact on the Company.

(iv) IFRS 12 *Disclosure of Interests in Other Entities* was issued by the IASB in May 2011. IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. The preceding has no impact on the Company.

(v) IFRS 13 *Fair Value Measurement* was issued by the IASB in May 2011. IFRS 13 establishes new guidance on fair value measurement and disclosure requirements for IFRSs and US generally accepted accounting principles (GAAP). The guidance, set out in IFRS 13 and an update to Topic 820 in the FASB's Accounting Standards Codification (formerly referred to as SFAS 157), completes a major project of the boards' joint work to improve IFRSs and US GAAP and to bring about their convergence. The standard is effective for annual periods

2. Significant accounting policies (cont'd)

i) Recent Accounting Pronouncements (cont'd)

(v) (cont'd)

beginning on or after January 1, 2013. The preceding has no impact on the Company.

(vi) IAS 1 *Presentation of Financial Statements* was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. The preceding has no impact on the Company.

3. Capital management

The Company manages its capital structure and makes adjustments to it in light of the changes in economic conditions and the risk characteristics of its underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the Company.

The Company's capital structure consists of its shareholders' equity. The Company's objective when managing its capital is to safeguard the Company's accumulated capital by maintaining a sufficient level of funds to complete a Qualifying Transaction (as defined by Policy 2.4 of the TSX Venture Exchange).

The Company had $102,392 in working capital at December 31, 2014 (December 31, 2013 - $126,440). The Company's liquidity gives it the financial flexibility to take advantage of opportunities in its markets.

The Company does have externally imposed capital requirements to which it is subject as defined in policy 2.4 of the TSX Venture Exchange.

The Company has never declared a dividend to its shareholders.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable considering the nature and relative size of the Company.

There were no changes in the Company's approach to capital management during this reporting period.

4. Financial risk factors

The Company's financial risk exposure and the impact of the Company's financial instruments are summarized below**:**

Credit risk
All of the Company's cash and cash equivalents are held at one financial institution which is a Canadian Schedule 1 bank. Accordingly, the Company is exposed to the risks of that institution.

Liquidity risk
The Company does not have any borrowings nor does it have any capacity to borrow funds. The liquidity risk to the Company is that it may not have sufficient funds to meet financial obligations as they fall due. Accordingly, the Company is dependent on its shareholders' equity to provide sufficient cash to cover the Company's ongoing financial obligations as they fall due.

Interest rate risk
The Company has cash balances and no interest-bearing debt and therefore is not exposed to interest rate risk.

Public trading risk
The current public trading market for the Company's common shares is the NEX, a separate board of the TSX Venture Exchange, symbol SVN.H. Various factors including economic conditions could cause significant fluctuations in the price and volume of trading in the Company's common shares.

Sensitivity analysis
Based on managements' knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a one year period:

Cash and cash equivalents are in cash only at the present time. Given the low current prevailing interest rates on short term investments, downward sensitivity is not meaningful. If the cash was in deposits and a sensitivity of plus or minus 1.5% change in rates were applied over the 12 months ended December 31, 2014, there would not be a significant effect on the Company's net loss for that period.

Currency risk
Currency risk reflects the risk that the Company's earnings will decline due to the fluctuations in foreign exchange rates. The Company does not have balances expressed in foreign currencies and therefore is not exposed to currency risk.

Change in risk
There have been no changes in the Company's risk exposures from the prior period.

5. Share capital

a) Authorized:
Unlimited common shares

b) Issued

	Number of Shares	Amount
Balance December 31, 2008	**5,390,600**	**$303,626**
Exercise of agents' options May, 2009	20,671	2,894
Balance January 1, 2010, December 31, 2010, and December 31, 2009	**5,411,271**	**$306,520**
Share cancellation March, 2011	1,000,000	0
Balance December 31, 2014, and December 31, 2013, and December 31, 2012, and December 31, 2011	**4,411,271**	**$306,520**

c) Escrow shares

The Company issued 2,340,000 common shares at $0.05 per share (Seed Shares) for cash proceeds of $117,000. These shares are subject to an escrow agreement, are held by the Company's transfer agent, and are to be released in accordance with the TSX Venture Exchange CPC policy guidelines. Under the Escrow Agreement Section 2.2, 10% of the escrowed common shares will be released upon notice to the Company from the TSX Venture Exchange that a Qualifying Transaction has taken place, and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the initial release.

Pursuant to a special resolution passed at the Annual and Special Meeting of Shareholders held on March 21, 2011, 1,000,000 common seed shares purchased by directors and officers of the Company at a discount to its initial public offering were cancelled. This cancellation resulted in the average cost per common share to these individuals being increased to $0.10 per common share which equates to the initial public offering price per common share. The Company instructed its transfer agent to cancel such common seed shares. The cancellation took place on March 30, 2011.

The net proceeds from all of the Company's financings have certain limitations on them until completion of a Qualifying Transaction.

d) Stock options

The Company has adopted a stock option plan (the "Plan"). Pursuant to the Plan, the Board of Directors may from time to time in its discretion, and in accordance with the Exchange Requirements, grant non-transferable options to

5. Share capital (cont'd)

d) Stock options (cont'd)

purchase shares to directors, officers, founders, employees and consultants of the Company provided that the number of common shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding common shares at the time of the grant. These options vest on granting and are exercisable for a period of up to five years from the date of grant. The number of common shares reserved for issuance to any individual will not exceed five percent (5%) of the issued and outstanding common shares of the Company at the time of the grant.

Exercise prices shall be determined by the Board of Directors. The exercise price shall not be less than the closing price (the "market price") of the shares on the exchange immediately preceding the day on which the Board grants the options and provides such notice to the exchange.

Options on 234,000 common shares were granted on June 12, 2008, to the directors and officers of the Company at $0.10 per share exercisable until June 11, 2013. As a result of the resolution to cancel 1,000,000 common seed shares see Note 5 (c), 100,000 of these common share options were cancelled in order to comply with the Company's stock option plan leaving options on 134,000 common shares outstanding which expired on June 11, 2013.

Options on 305,060 common shares were granted on December 18, 2008, to the directors and officers of the Company at $0.10 per share exercisable until December 17, 2013. All of these options expired on December 17, 2013

Compensation options on 305,060 common shares were granted to the agents of the Company as a portion of their compensation pertaining to the Initial Public Offering that took place on December 18, 2008, at $0.10 per share exercisable until December 17, 2010. During May, 2009, compensation options on 20,671 common shares were exercised leaving compensation options on 284,389 common shares outstanding. These options were compensation options not issued pursuant to the terms of the plan. On December 17, 2010, the compensation options on the 284,389 common shares expired.

The Company has no options outstanding as at December 31, 2014 and 2013.

6. Stock-based compensation

On June 12, 2008, the Company set aside and granted to directors and officers of the Company options on 234,000 common shares. On March 30, 2011, 100,000 of these options were cancelled leaving options on 134,000 common shares outstanding which expired on June 11, 2013, see Note 5 (d).

On December 18, 2008, the Company set aside and granted to directors and officers of the Company options on 305,060 common shares which expired on December 17, 2013.

6. Stock-based compensation (cont'd)

A summary of the status of the Company's stock option plan as at December 31, 2014, and December 31, 2013, and the changes during the period ending on these dates follows:

	December 31, 2014		December 31, 2013	
	Number of shares	Weighted-average price	Number of shares	Weighted-average price
Outstanding, Beginning	nil	nil	439,060	$0.10
Granted	nil	nil	nil	nil
Exercised	nil	nil	nil	nil
Expired/cancelled	nil	nil	439,060	$0.10
Outstanding, ending	nil	nil	nil	nil

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. The expected volatility is usually measured at the standard deviation of continuously compounded share returns based on statistical analysis of the daily value weighted average of the share prices over time. At the time of the granting of the options the Company had no trading history. As such, a comparison to similar Capital Pool Companies was undertaken to estimate a reasonable expected volatility to determine the pattern of more mature enterprises in the same industry for the period the stocks of those enterprises were publicly traded. Changes to the estimates and assumptions may materially affect the calculations. The effect in accounting for the stock-based compensation of $30,597 determined as of June 12, 2008, December 18, 2008, and May 12, 2009, was the recognition of compensation expense and contributed surplus on the date of the grants less $827 applied to the exercise of broker options that were exercised on May 12, 2009. Stock-based compensation calculations have no effect on the Company's cash position.

7. Contributed Surplus

The December 31, 2014, and December 31, 2013, contributed surplus of the Company was unchanged at $30,597. This was the result of stock-based compensation, see Note 6.

8. Income taxes

The significant components of the Company's deferred income taxes were as follows at December 31:

	2014	2013
Deferred income tax assets		
Benefit of losses	$85,100	$78,700
Share issue costs, timing differences	-	-
Other, option benefits	-	-
Total	$85,100	$78,700
Less: Valuation allowance	(85,100)	(78,700)
Deferred income tax assets	$ nil	$ nil

The following is a reconciliation of the statutory combined federal and provincial income taxes to the effective income taxes for the year ended December 31:

	2014	2013
Income tax recovery at statutory income tax rates (26.5%)	$(6,400)	$(10,600)
Share issue costs, timing differences	-	-
Other, option benefits	-	-
	-	-
Tax benefits not recognized	6,400	10,600
Income taxes	$ nil	$ nil

At December 31, 2014, the Company had carry-forward losses available to reduce future years' income taxes of approximately $321,200 (2013 - $297,150). The potential benefit of these losses have not been recognized in the Company's accounts as there is no reasonable assurance such benefit will be realized. Temporary differences, which can be used to reduce deferred income taxes at December 31, 2014, amount to $NIL (2013 - $NIL).

9. Related party transactions

Since the inception of the Company no related party transactions have taken place.

10. Other risks

The common shares of the Company are currently listed on the NEX board of the TSX Venture Exchange under the symbol SVN.H. An investment in the common shares must be regarded as highly speculative due to the nature of the Company's business and its present stage of development.

The Company was incorporated on February 6, 2008, and has no active business or assets other than cash and cash equivalents. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction.

Any offering of the Company's common shares is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment.

The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company.

Upon completion of any offering of the Company's common shares, an investor will suffer an immediate dilution on investment per common share based on the gross proceeds of the issue less the financing expenses of the issue. An acquisition financed by the issuance of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted. There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to sell their common shares.

Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction in the allotted time.

71 Capital Corp.

A Capital Pool Company

ANNUAL FINANCIAL STATEMENTS

DECEMBER 31, 2013

MANAGEMENT'S REPORT

All information contained in these financial statements of **71 Capital Corp.** "(the Company)" is the responsibility of management. Financial information presented throughout these statements is in conformity with International Financial Reporting Standards ("IFRS") and may include amounts that are based on management's best estimates and judgements, where appropriate. Management acknowledges responsibility for the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management maintains a system of internal control to provide them with reasonable assurance that all assets are safeguarded and, to facilitate the preparation of relevant, reliable, and timely information and, has in place a process to provide them with reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

The Board of Directors carries out its responsibilities for financial reporting and internal control of the Company through its Audit Committee.

Buttle & Tavano Professional Corporation, the Company's independent external auditors provide an independent audit of the financial statements in conformity with IFRS. Their audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. They make an assessment of the accounting principles used and significant estimates made by management which allows them to report on the fairness of the financial statements prepared by management.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

The Board of Directors have approved the financial statements of the Company.

March 5, 2014.

'Gregory W. Hewitt', Chief Executive Officer **'A. George Matthew', Chief Financial Officer**

INDEPENDENT AUDITORS' REPORT

To the Shareholders of **71 Capital Corp.**

We have audited the accompanying financial statements of 71 Capital Corp., which comprise the statements of financial position as at December 31, 2013, and December 31, 2012, the statements of loss and comprehensive loss, the statements of changes in equity, the statements of cash flows for the years and periods ended December 31, 2013, and December 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors 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 is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of 71 Capital Corp. as at December 31, 2013, and December 31, 2012, the financial performance and its cash flows for the years ended December 31, 2013, and December 31, 2012, in accordance with International Financial Reporting Standards.

Halton Hills, Ontario

'Buttle & Tavano Professional Corporation'
Authorized to practice public accounting by
The Institute of Chartered Professional Accountants of Ontario

March 5, 2014.

71 CAPITAL CORP.

(a Capital Pool Company - see Note 1)

STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013, AND DECEMBER 31, 2012,
(Expressed in whole Canadian dollars)

	Notes	December 31, 2013	December 31, 2012
ASSETS			
Current			
Cash and cash equivalents		$ 133,220	$ 173,055
LIABILITIES			
Current			
Accounts payable and accrued liabilities		$ 6,780	$ 6,780
SHAREHOLDERS' EQUITY			
Share capital	5	306,520	306,520
Contributed surplus	6,7	30,597	30,597
Deficit		(210,677)	(170,842)
		126,440	166,275
		$ 133,220	$ 173,055

Approved on behalf of the Board of Directors:

"Mark Crossett" — Mark Crossett

"Leonard Kirk Brennenstuhl" — Leonard Kirk Brennenstuhl

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

71 CAPITAL CORP.

(a Capital Pool Company - see Note 1)

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in whole Canadian dollars, except for per share amounts)

	Three months ended December 31. 2013	Three months ended December 31. 2012	Twelve months ended December 31. 2013	Twelve months ended December 31. 2012
EXPENSES				
Bank charges	$ 30	$ 15	$ 132	$ 85
General	-	-	892	-
Legal and audit	6,780	6,780	6,497	7,060
Qualifying transaction	-	-	-	8,475
Insurance	-	-	2,584	-
Shareholder information	1,771	-	11,843	-
Sustaining fees and filing fees	(565)	1,413	10,992	5,650
Transfer agent	2,119	1,471	6,895	3,440
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ 10,135	$ 9,679	$ 39,835	$ 24,710
LOSS PER SHARE (weighted average)	$ 0.00	$ 0.00	$ 0.01	$ 0.01
DILUTED LOSS PER SHARE (weighted average)	$ 0.00	$ 0.00	$ 0.01	$ 0.01
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic	4,411,271	4,411,271	4,411,271	4,411,271
Diluted	4,666,593	4,850,331	4,763,268	4,850,331

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

71 CAPITAL CORP.

(a Capital Pool Company - see Note 1)

STATEMENTS OF CHANGES IN EQUITY

(Expressed in whole Canadian dollars)

	Share Capital	Contributed Surplus	Deficit	Total
At January 1, 2013	$ 306,520	$ 30,597	$ (170,842)	$ 166,275
Net loss for the period	-	-	(39,835)	(39,835)
At December 31, 2013	$ 306,520	$ 30,597	$ (210,677)	$ 126,440
At January 1, 2012	$ 306,520	$ 30,597	$ (146,132)	$ 190,985
Net loss for the period	-	-	(24,710)	(24,710)
At December 31, 2012	$ 306,520	$ 30,597	$ (170,842)	$ 166,275

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

71 CAPITAL CORP.
(a Capital Pool Company - see Note 1)
STATEMENTS OF CASH FLOWS
(Expressed in whole Canadian dollars)

	Three months ended December 31.		Twelve months ended December 31.	
	2013	**2012**	**2013**	**2012**
OPERATING ACTIVITIES				
Net loss for the period	$ (10,135)	$ (9,679)	$ (39,835)	$ (24,710)
Increase (decrease) in accounts payable and accrued liabilities	6,780	6,780	-	280
Cash used in operating activities	(3,355)	(2,899)	(39,835)	(24,430)
CHANGE IN CASH AND CASH EQUIVALENTS	(3,355)	(2,899)	(39,835)	(24,430)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	136,575	175,954	173,055	197,485
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 133,220	$ 173,055	$ 133,220	$ 173,055

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

1. Basis of presentation and nature of operations

71 Capital Corp. (the "Company") was incorporated on February 6, 2008, under the Canada Business Corporations Act. The Company is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. The principal place of business of the Company is c/o Fogler, Rubinoff LLP, Suite 3000 – 77 King Street West, Toronto Dominion Centre, Toronto, Ontario, M5K 1G8.

The Company's continued operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in, or an investment of an interest in a Qualifying Transaction (as defined in the Exchange Company Manual). The Company was required to complete a Qualifying Transaction within 24 months of its listing on the Exchange which occurred on December 24, 2008. Since the completion of the Qualifying Transaction did not occur prior to this deadline, the Company's shareholders, at a meeting held on March 21, 2011, approved a move to the NEX, a separate board of the TSX Venture Exchange and 1,000,000 common shares and 100,000 options held by directors and officers of the Company were cancelled, see Notes 5 (c) and (d). The trading symbol for the Company is SVN.H. When a Qualifying Transaction occurs it will be subject to shareholder and regulatory approvals.

On September 5, 2013, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the NEX. The letter of intent was for the amalgamation of the Company with ADL Oilfield Ltd. ("ADL"). ADL is a privately held Calgary based oil and gas service company engaged in providing cleanouts, stimulation, optimization, and remediation of oil and gas wells using a patented Stable Foam process. For the terms of the Qualification Transaction please refer to the Company's press release that has been filed on www.sedar.com. The parties are performing their due diligence, working on the preparation of a definitive amalgamation agreement, and preparing the documentation for submission to the regulatory authorities for their approval.

On May 4, 2011, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities continue the halt in trading of its common shares on the NEX. The letter of intent was for the amalgamation of the Company with Kingsview Iron Ore Limited ("Kingsview"). Kingsview is a private company engaged in the exploration and development of mining claims in the Province of Quebec, Canada, prospective for iron deposits. The Company issued a press release on April 30, 2013, stating that it has terminated its letter of intent with Kingsview. The Company's common shares resumed trading on May 2, 2013.

On October 28, 2010, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the TSX Venture Exchange. The letter of intent was for

1. Basis of presentation and nature of operations (cont'd)

the amalgamation of the Company with Orx Pharmaceutical Corporation ("Orx"), a Canadian Controlled Private Corporation. The Company issued a press release on May 4, 2011, that was posted on www.sedar.com, stating that the Company has terminated its letter of intent with Orx.

On August 18, 2009, the Company announced that a letter of intent for a Qualifying Transaction had been signed. The letter of intent was for the acquisition of all of the issued and outstanding securities of Prairie Pulse Inc. ("Prairie"), a Canadian Controlled Private Company. The Company received notice; after the markets were closed on July 14, 2010, from Prairie stating that "its shareholders are no longer interested in pursuing a transaction with 71 Capital Corp." The Company issued a press release in regard to the preceding on July 15, 2010.

The Company's first fiscal year end was December 31, 2008.

The Company's common shares started trading on the TSX Venture Exchange on December 24, 2008.

The accompanying financial statements of the Company have been prepared in conformity with International Financial Reporting Standards ("IFRS").

The Company has not and will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

The financial statements and the notes thereto have been prepared under principles applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business.

2. Significant accounting policies

The financial statements are reported in Canadian dollars which is the Company's functional currency and, they may include management's estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. If estimates and assumptions were made actual results could differ from these estimates and assumptions. The financial statements have been prepared using careful judgment within the significant accounting policies summarized below.

a) Cash and cash equivalents

Cash and cash equivalents are cash or highly liquid investments, such as Canadian government treasury bills or term deposits with major Canadian financial institutions, having a maturity of three months or less at acquisition, that are readily convertible to the contracted amounts of cash.

2. Significant accounting policies (cont'd)

b) Loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the year. Contingently, issuable shares are not considered outstanding common shares and consequently are not included in the loss per share calculation. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants and other similar instruments outstanding that may add to the total number of common shares.

c) 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 instrument: 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 receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market 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
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Other liabilities

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair value of assets and liabilities.

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets.
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly.

2. Significant accounting policies (cont'd)

c) Financial Instruments (cont'd)

Level 3 – one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

Cash and cash equivalents and accounts payable and accrued liabilities are considered Level 1 in the hierarchy.

d) Income taxes

The Company accounts for its income taxes using the deferred tax assets and liabilities method. Deferred income tax assets and liabilities are determined based on the difference between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in profit or loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable profit for the years in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are not discounted.

The tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income or of equity, in which case the tax expense is recognized in other comprehensive income or equity respectively.

Current income tax assets and liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed on the basis of tax profit which differs from net profit. This calculation is made using tax rates and laws enacted at the end of the reporting period.

e) Accounting for stock-based compensation

The Company has adopted IFRS 2, Share Based Payment, for the recognition, measurement, and disclosure of stock-based compensation. The Company's options vest on granting therefore, compensation expense is recognized at that time with the same amount being recorded as contributed surplus. The expense is determined using an option pricing model that takes into account the exercise price, the term of the option, the current share price, the expected volatility of the underlying shares, the expected dividend yield, and the risk free interest rate for the term of the option. If the options are exercised, contributed surplus will be reduced by the applicable amount. Stock-based compensation calculations have no effect on the Company's cash position.

2. Significant accounting policies (cont'd)

f) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amount of expenses during the reported period. These estimates are reviewed periodically, and as adjustments become necessary they are made in the period in which they become known. Actual results could differ from these estimates.

g) Related Party Transactions

All transactions with related parties would be in the normal course of business and measured at the exchange value (the amount established and agreed to by the related parties). To date no related party transactions have taken place.

h) Comprehensive income (loss)

Comprehensive income (loss) is the change in equity (net assets) of the Company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes to equity during a period except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) is comprised of net income (loss), for the period and other comprehensive income (loss), and certain gains and losses that would otherwise be recorded as part of net income (loss) to be presented in "other comprehensive income (loss)" until it is considered appropriate to be recognized into net income (loss).

The Company had no comprehensive income (loss) transactions, other than its net loss, presented in the Statements of Loss and Comprehensive Loss, nor accumulated other comprehensive income (loss) during the periods that have been presented.

i) Recent Accounting Pronouncements
Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after December 31, 2010 or later periods. Many are not applicable or do not have a significant impact on the Company and have been excluded from the table below.

(i) IFRS 9 *Financial Instruments* was issued by the IASB in October 2010 and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the

2. Significant accounting policies (cont'd)

i) Recent Accounting Pronouncements (cont'd)

(i) (cont'd)

requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The IASB has proposed to move the effective date of IFRS 9 to January 1, 2015.

(ii) IFRS 10 *Consolidated Financial Statements* was issued by the IASB in May 2011. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in SIC-12 *Consolidation – Special Purpose Entities* and IAS 27 *Consolidated and Separate Financial Statements* and is effective for annual periods beginning on or after January 1, 2013. The preceding has no impact on the Company.

(iii) IFRS 11 *Joint Arrangements* was issued by the IASB in May 2011. IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*, and is effective for annual periods beginning on or after January 1, 2013. The preceding has no impact on the Company.

(iv) IFRS 12 *Disclosure of Interests in Other Entities* was issued by the IASB in May 2011. IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. The preceding has no impact on the Company.

(v) IFRS 13 *Fair Value Measurement* was issued by the IASB in May 2011. IFRS 13 establishes new guidance on fair value measurement and disclosure requirements for IFRSs and US generally accepted accounting principles (GAAP). The guidance, set out in IFRS 13 and an update to Topic 820 in the FASB's Accounting Standards Codification (formerly referred to as SFAS 157), completes a major project of the boards' joint work to improve IFRSs and US GAAP and to bring about their convergence. The standard is effective for annual periods

2. Significant accounting policies (cont'd)

i) Recent Accounting Pronouncements (cont'd)

(v) (cont'd)

beginning on or after January 1, 2013. The preceding has no impact on the Company.

(vi) IAS 1 *Presentation of Financial Statements* was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. The preceding has no impact on the Company.

3. Capital management

The Company manages its capital structure and makes adjustments to it in light of the changes in economic conditions and the risk characteristics of its underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the Company.

The Company's capital structure consists of its shareholders' equity. The Company's objective when managing its capital is to safeguard the Company's accumulated capital by maintaining a sufficient level of funds to complete a Qualifying Transaction (as defined by Policy 2.4 of the TSX Venture Exchange).

The Company had $126,440 in working capital at December 31, 2013 (December 31, 2012 - $166,275). The Company's liquidity gives it the financial flexibility to take advantage of opportunities in its markets.

The Company does have externally imposed capital requirements to which it is subject as defined in policy 2.4 of the TSX Venture Exchange.

The Company has never declared a dividend to its shareholders.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable considering the nature and relative size of the Company.

There were no changes in the Company's approach to capital management during this reporting period.

4. Financial risk factors

The Company's financial risk exposure and the impact of the Company's financial instruments are summarized below:

Credit risk
All of the Company's cash and cash equivalents are held at one financial institution which is a Canadian Schedule 1 bank. Accordingly, the Company is exposed to the risks of that institution.

Liquidity risk
The Company does not have any borrowings nor does it have any capacity to borrow funds. The liquidity risk to the Company is that it may not have sufficient funds to meet financial obligations as they fall due. Accordingly, the Company is dependent on its shareholders' equity to provide sufficient cash to cover the Company's ongoing financial obligations as they fall due.

Interest rate risk
The Company has cash balances and no interest-bearing debt and therefore is not exposed to interest rate risk.

Public trading risk
The current public trading market for the Company's common shares is the NEX, a separate board of the TSX Venture Exchange, symbol SVN.H. Various factors including economic conditions could cause significant fluctuations in the price and volume of trading in the Company's common shares.

Sensitivity analysis
Based on managements' knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a one year period:

Cash and cash equivalents are in cash only at the present time. Given the low current prevailing interest rates on short term investments, downward sensitivity is not meaningful. If the cash was in deposits and a sensitivity of plus or minus 1.5% change in rates were applied over the year ended December 31, 2013, there would not be a significant effect on the Company's net loss for that period.

Currency risk
Currency risk reflects the risk that the Company's earnings will decline due to the fluctuations in foreign exchange rates. The Company does not have balances expressed in foreign currencies and therefore is not exposed to currency risk.

Change in risk
There have been no changes in the Company's risk exposures from the prior year.

5. Share capital

a) Authorized:

Unlimited common shares

b) Issued

	Number of Shares	Amount
Balance December 31, 2008	**5,390,600**	**$303,626**
Exercise of agents' options May, 2009	20,671	2,894
Balance January 1, 2010, December 31, 2010, and December 31, 2009	**5,411,271**	**$306,520**
Share cancellation March, 2011	1,000,000	0
Balance December 31, 2013, and December 31, 2012, and December 31, 2011	**4,411,271**	**$306,520**

c) Escrow shares

The Company issued 2,340,000 common shares at $0.05 per share (Seed Shares) for cash proceeds of $117,000. These shares are subject to an escrow agreement, are held by the Company's transfer agent, and are to be released in accordance with the TSX Venture Exchange CPC policy guidelines. Under the Escrow Agreement Section 2.2, 10% of the escrowed common shares will be released upon notice to the Company from the TSX Venture Exchange that a Qualifying Transaction has taken place, and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the initial release.

Pursuant to a special resolution passed at the Annual and Special Meeting of Shareholders held on March 21, 2011, 1,000,000 common seed shares purchased by directors and officers of the Company at a discount to its initial public offering were cancelled. This cancellation resulted in the average cost per common share to these individuals being increased to $0.10 per common share which equates to the initial public offering price per common share. The Company instructed its transfer agent to cancel such common seed shares. The cancellation took place on March 30, 2011.

The net proceeds from all of the Company's financings have certain limitations on them until completion of a Qualifying Transaction.

d) Stock options

The Company has adopted a stock option plan (the "Plan"). Pursuant to the Plan, the Board of Directors may from time to time in its discretion, and in accordance with the Exchange Requirements, grant non-transferable options to

5. Share capital (cont'd)

d) Stock options (cont'd)

purchase shares to directors, officers, founders, employees and consultants of the Company provided that the number of common shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding common shares at the time of the grant. These options vest on granting and are exercisable for a period of up to five years from the date of grant. The number of common shares reserved for issuance to any individual will not exceed five percent (5%) of the issued and outstanding common shares of the Company at the time of the grant.

Exercise prices shall be determined by the Board of Directors. The exercise price shall not be less than the closing price (the "market price") of the shares on the exchange immediately preceding the day on which the Board grants the options and provides such notice to the exchange.

Options on 234,000 common shares were granted on June 12, 2008, to the directors and officers of the Company at $0.10 per share exercisable until June 11, 2013. As a result of the resolution to cancel 1,000,000 common seed shares see Note 5 (c), 100,000 of these common share options were cancelled in order to comply with the Company's stock option plan leaving options on 134,000 common shares outstanding which expired on June 11, 2013.

Options on 305,060 common shares were granted on December 18, 2008, to the directors and officers of the Company at $0.10 per share exercisable until December 17, 2013. All of these options expired on December 17, 2013

Compensation options on 305,060 common shares were granted to the agents of the Company as a portion of their compensation pertaining to the Initial Public Offering that took place on December 18, 2008, at $0.10 per share exercisable until December 17, 2010. During May, 2009, compensation options on 20,671 common shares were exercised leaving compensation options on 284,389 common shares outstanding. These options were compensation options not issued pursuant to the terms of the plan. On December 17, 2010, the compensation options on the 284,389 common shares expired.

The Company has no options outstanding as at December 31, 2013.

6. Stock-based compensation

On June 12, 2008, the Company set aside and granted to directors and officers of the Company options on 234,000 common shares. On March 30, 2011, 100,000 of these options were cancelled leaving options on 134,000 common shares outstanding which expired on June 11, 2013, see Note 5 (d).

On December 18, 2008, the Company set aside and granted to directors and officers of the Company options on 305,060 common shares which expired on December 17, 2013

6. Stock-based compensation (cont'd)

A summary of the status of the Company's stock option plan as at December 31, 2013, and December 31, 2012, and the changes during the period ending on these dates follows:

	December 31, 2013		December 31, 2012	
	Number of shares	Weighted-average price	Number of shares	Weighted-average price
Outstanding, Beginning	439,060	$0.10	439,060	$0.10
Granted	nil	nil	nil	nil
Exercised	nil	nil	nil	nil
Expired/cancelled	439,060	$0.10	nil	nil
Outstanding, ending	nil	nil	439,060	$0.10

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. The expected volatility is usually measured at the standard deviation of continuously compounded share returns based on statistical analysis of the daily value weighted average of the share prices over time. At the time of the granting of the options the Company had no trading history. As such, a comparison to similar Capital Pool Companies was undertaken to estimate a reasonable expected volatility to determine the pattern of more mature enterprises in the same industry for the period the stocks of those enterprises were publicly traded. Changes to the estimates and assumptions may materially affect the calculations. The effect in accounting for the stock-based compensation of $30,597 determined as of June 12, 2008, December 18, 2008, and May 12, 2009, was the recognition of compensation expense and contributed surplus on the date of the grants less $827 applied to the exercise of broker options that were exercised on May 12, 2009. Stock-based compensation calculations have no effect on the Company's cash position.

7. Contributed Surplus

The December 31, 2013, and December 31, 2012, contributed surplus of the Company was unchanged at $30,597. This was the result of stock-based compensation, see Note 6.

8. Income taxes

The significant components of the Company's deferred income taxes were as follows at December 31:

	2013	2012
Deferred income tax assets		
Benefit of losses	$78,700	$68,200
Share issue costs, timing differences	-	-
Other, option benefits	-	(8,100)
Total	$78,700	$60,100
Less: Valuation allowance	(78,700)	(60,100)
Deferred income tax assets	$ nil	$ nil

The following is a reconciliation of the statutory combined federal and provincial income taxes to the effective income taxes for the year ended December 31:

	2013	2012
Income tax recovery at statutory income tax rates (26.5%)	$(10,600)	$(6,500)
Share issue costs, timing differences	-	-
Other, option benefits	-	8,800
	-	2,300
Tax benefits (not recognized)	(10,600)	(2,300)
Income taxes	$ nil	$ nil

At December 31, 2013, the Company had carry-forward losses available to reduce future years' income taxes of approximately $297,138 (2012 - $257,000). The potential benefit of these losses have not been recognized in the Company's accounts as there is no reasonable assurance such benefit will be realized. Temporary differences, which can be used to reduce deferred income taxes at December 31, 2013, amount to $NIL (2012 - $NIL).

9. Related party transactions

Since the inception of the Company no related party transactions have taken place.

10. Other risks

The common shares of the Company are currently listed on the NEX board of the TSX Venture Exchange under the symbol SVN.H. An investment in the common shares must be regarded as highly speculative due to the nature of the Company's business and its present stage of development.

The Company was incorporated on February 6, 2008, and has no active business or assets other than cash and cash equivalents. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction.

Any offering of the Company's common shares is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment.

The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company.

Upon completion of any offering of the Company's common shares, an investor will suffer an immediate dilution on investment per common share based on the gross proceeds of the issue less the financing expenses of the issue. An acquisition financed by the issuance of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted. There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to sell their common shares.

Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction in the allotted time.

71 Capital Corp.

A Capital Pool Company

ANNUAL FINANCIAL STATEMENTS

DECEMBER 31, 2012

MANAGEMENT'S REPORT

All information contained in these financial statements of **71 Capital Corp.** "(the Company)" is the responsibility of management. Financial information presented throughout these statements is in conformity with International Financial Reporting Standards ("IFRS") and may include amounts that are based on management's best estimates and judgements, where appropriate. Management acknowledges responsibility for the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management maintains a system of internal control to provide them with reasonable assurance that all assets are safeguarded and, to facilitate the preparation of relevant, reliable, and timely information and, has in place a process to provide them with reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

The Board of Directors carries out its responsibilities for financial reporting and internal control of the Company through its Audit Committee.

Buttle & Tavano Professional Corporation, the Company's independent external auditors provide an independent audit of the financial statements in conformity with IFRS. Their audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. They make an assessment of the accounting principles used and significant estimates made by management which allows them to report on the fairness of the financial statements prepared by management.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

The Board of Directors have approved the financial statements of the Company.

March 27, 2013.

'Gregory W. Hewitt', Chief Executive Officer **'A. George Matthew', Chief Financial Officer**

INDEPENDENT AUDITORS' REPORT

To the Shareholders of **71 Capital Corp.**

We have audited the accompanying financial statements of 71 Capital Corp., which comprise the statements of financial position as at December 31, 2012, and December 31, 2011, the statements of loss and comprehensive loss, the statements of changes in equity, the statements of cash flows for the years and periods ended December 31, 2012, and December 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors 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 is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of 71 Capital Corp. as at December 31, 2012, and December 31, 2011, the financial performance and its cash flows for the years ended December 31, 2012, and December 31, 2011, in accordance with International Financial Reporting Standards.

Halton Hills, Canada

'Buttle & Tavano Professional Corporation'

March 27, 2013.

Chartered Accountants – Licensed Public Accountants

71 CAPITAL CORP.

(a Capital Pool Company - see Note 1)

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012, AND DECEMBER 31, 2011,

(Expressed in whole Canadian dollars)

	Notes	December 31, 2012	December 31, 2011
ASSETS			
Current			
Cash and cash equivalents		$ 173,055	$ 197,485
LIABILITIES			
Current			
Accounts payable and accrued liabilities		$ 6,780	$ 6,500
SHAREHOLDERS' EQUITY			
Share capital	5	306,520	306,520
Contributed surplus	6,7	30,597	30,597
Deficit		(170,842)	(146,132)
		166,275	190,985
		$ 173,055	$ 197,485

Approved on behalf of the Board of Directors:

"Mark Crossett" — Mark Crossett

"Leonard Kirk Brennenstuhl" — Leonard Kirk Brennenstuhl

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

71 CAPITAL CORP.

(a Capital Pool Company - see Note 1)

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in whole Canadian dollars, except for per share amounts)

	Three months ended December 31. 2012	Three months ended December 31. 2011	Twelve months ended December 31. 2012	Twelve months ended December 31. 2011
EXPENSES				
Bank charges	$ 15	$ 15	$ 85	$ 60
Legal and audit	6,780	6,500	7,060	6,500
Qualifying transaction	-	2,825	8,475	2,825
Shareholder information	-	-	-	5,400
Sustaining fees	1,413	(151)	5,650	5,515
Transfer agent	1,471	1,474	3,440	4,989
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ 9,679	$ 10,663	$ 24,710	$ 25,289
LOSS PER SHARE (weighted average)	$ 0.00	$ 0.00	$ 0.01	$ 0.01
DILUTED LOSS PER SHARE (weighted average)	$ 0.00	$ 0.00	$ 0.01	$ 0.01
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic	4,411,271	4,411,271	4,411,271	4,652,367
Diluted	4,850,331	4,850,331	4,850,331	5,115,537

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

71 CAPITAL CORP.

(a Capital Pool Company - see Note 1)

STATEMENTS OF CHANGES IN EQUITY

(Expressed in whole Canadian dollars)

	Share Capital	Contributed Surplus	Deficit	Total
At January 1, 2011	$ 306,520	$ 30,597	$ (120,843)	$ 216,274
Net loss for the period	-	-	(25,289)	(25,289)
At December 31, 2011	$ 306,520	$ 30,597	$ (146,132)	$ 190,985
At January 1, 2012	$ 306,520	$ 30,597	$ (146,132)	$ 190,985
Net loss for the period	-	-	(24,710)	(24,710)
At December 31, 2012	$ 306,520	$ 30,597	$ (170,842)	$ 166,275

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

71 CAPITAL CORP.

(a Capital Pool Company - see Note 1)

STATEMENTS OF CASH FLOWS

(Expressed in whole Canadian dollars)

	Three months ended December 31.		Twelve months ended December 31.	
	2012	**2011**	**2012**	**2011**
OPERATING ACTIVITIES				
Net loss for the period	$ (9,679)	$ (10,663)	$ (24,710)	$ (25,289)
Increase (decrease) in accounts payable and accrued liabilities	6,780	6,500	280	963
Cash used in operating activities	(2,899)	(4,163)	(24,430)	(24,326)
CHANGE IN CASH AND CASH EQUIVALENTS	(2,899)	(4,163)	(24,430)	(24,326)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	175,954	201,648	197,485	221,811
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 173,055	$ 197,485	$ 173,055	$ 197,485

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

1. Basis of presentation and nature of operations

71 Capital Corp. (the "Company") was incorporated on February 6, 2008, under the Canada Business Corporations Act. The Company is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. The principal place of business of the Company is c/o Fogler, Rubinoff LLP, Suite 3000 – 77 King Street West, Toronto Dominion Centre, Toronto, Ontario, M5J 2Z9.

The Company's continued operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in, or an investment of an interest in a Qualifying Transaction (as defined in the Exchange Company Manual). The Company was required to complete a Qualifying Transaction within 24 months of its listing on the Exchange which occurred on December 24, 2008. Since the completion of the Qualifying Transaction did not occur prior to this deadline, the Company's shareholders, at a meeting held on March 21, 2011, approved a move to the NEX, a separate board of the TSX Venture Exchange and 1,000,000 common shares and 100,000 options held by directors and officers of the Company were cancelled, see Notes 5 (c) and (d). The trading symbol for the Company has changed from SVN.P to SVN.H. When a Qualifying Transaction occurs it will be subject to shareholder and regulatory approvals.

On May 4, 2011, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities continue the halt in trading of its common shares on the NEX. The letter of intent is for the amalgamation of the Company with Kingsview Iron Ore Limited ("Kingsview"). Kingsview is a private company engaged in the exploration and development of mining claims in the Province of Quebec, Canada, prospective for iron deposits. For the terms of the Qualifying Transaction, further details on Kingsview, management and board of directors of the resulting issuer, the possible sponsorship of the Qualifying Transaction, proforma capital structure, termination, and a description of significant conditions to closing please refer to the Company's press release dated May 4, 2011, that has been filed on www.sedar.com. The parties are continuing to perform their due diligence, working on the preparation of a definitive amalgamation agreement, and preparing the documentation for submission to the regulatory authorities for their approval.

On October 28, 2010, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the TSX Venture Exchange. The letter of intent was for the amalgamation of the Company with Orx Pharmaceutical Corporation ("Orx"), a Canadian Controlled Private Corporation. The Company issued a press release on May 4, 2011, that was posted on www.sedar.com, stating that the Company has terminated its letter of intent with Orx.

On August 18, 2009, the Company announced that a letter of intent for a Qualifying Transaction had been signed. The letter of intent was for the acquisition of all of the issued and outstanding securities of Prairie Pulse Inc. ("Prairie"), a Canadian Controlled Private Company. The Company received notice; after the markets were closed on July 14, 2010, from Prairie stating that "its shareholders are no longer interested in pursuing a transaction with 71 Capital Corp." The Company issued a press release in regard to the

1. Basis of presentation and nature of operations (cont'd)

preceding on July 15, 2010.

The Company's first fiscal year end was December 31, 2008.

The Company's common shares started trading on the TSX Venture Exchange on December 24, 2008.

The accompanying financial statements of the Company have been prepared by management. They are in conformity with International Financial Reporting Standards ("IFRS").

The Canadian Accounting Standards Board (the "AcSB") has confirmed that International Financial Reporting Standards as promulgated by the International Accounting Standards Board ("IASB"), would replace existing generally accepted accounting principles in Canada ("Canadian GAAP") for publicly accountable enterprises for fiscal years beginning on or after January 1, 2011.

Accordingly, these are the Company's annual financial statements prepared in accordance with IFRS. As a result of the adoption of IFRS, there was no impact on the Company's balance sheet at December 31, 2009, as reported under Canadian GAAP, thereby resulting in a similar opening balance sheet at January 1, 2010, in conformity with IFRS. Information on transition to IFRS is presented in Note 11.

In the opinion of management, all adjustments considered necessary for fair presentation in these financial statements under IFRS have been included.

The Company has not and will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

The financial statements and the notes thereto have been prepared under principles applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business.

2. Significant accounting policies

The financial statements are reported in Canadian dollars which is the Company's functional currency and, they may include management's estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. If estimates and assumptions were made actual results could differ from these estimates and assumptions. The financial statements have been prepared using careful judgment within the significant accounting policies summarized below.

2. Significant accounting policies (cont'd)

a) Cash and cash equivalents

Cash and cash equivalents are cash or highly liquid investments, such as Canadian government treasury bills or term deposits with major Canadian financial institutions, having a maturity of three months or less at acquisition, that are readily convertible to the contracted amounts of cash.

b) Loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the year. Contingently, issuable shares are not considered outstanding common shares and consequently are not included in the loss per share calculation. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants and other similar instruments outstanding that may add to the total number of common shares.

c) 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 instrument: 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 receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market 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
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Other liabilities

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair value of assets and liabilities.

2. Significant accounting policies (cont'd)

c) Financial Instruments (cont'd)

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets.
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly.

Level 3 – one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

Cash and cash equivalents and accounts payable and accrued liabilities are considered Level 1 in the hierarchy.

d) Income taxes

The Company accounts for its income taxes using the deferred tax assets and liabilities method. Deferred income tax assets and liabilities are determined based on the difference between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in profit or loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable profit for the years in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are not discounted.

The tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income or of equity, in which case the tax expense is recognized in other comprehensive income or equity respectively.

Current income tax assets and liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed on the basis of tax profit which differs from net profit. This calculation is made using tax rates and laws enacted at the end of the reporting period.

e) Accounting for stock-based compensation

The Company has adopted IFRS 2, Share Based Payment, for the recognition, measurement, and disclosure of stock-based compensation. The Company's options vest on granting therefore, compensation expense is recognized at that time with the same amount being recorded as contributed surplus. The expense is determined using an option pricing model that takes into account the exercise

2. Significant accounting policies (cont'd)

e) Accounting for stock-based compensation (cont'd)
price, the term of the option, the current share price, the expected volatility of the underlying shares, the expected dividend yield, and the risk free interest rate for the term of the option. If the options are exercised, contributed surplus will be reduced by the applicable amount. Stock-based compensation calculations have no effect on the Company's cash position.

f) Deferred share issue costs

Deferred share issue costs consist of expenses incurred in connection with a public offering. Upon closing of the public offering these expenses would be applied against share capital.

g) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amount of expenses during the reported period. These estimates are reviewed periodically, and as adjustments become necessary they are made in the period in which they become known. Actual results could differ from these estimates.

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of January 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

h) Related Party Transactions

All transactions with related parties would be in the normal course of business and measured at the exchange value (the amount established and agreed to by the related parties). To date no related party transactions have taken place.

i) Comprehensive income (loss)

Comprehensive income (loss) is the change in equity (net assets) of the Company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes to equity during a period except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) is comprised of net income (loss), for the period and other comprehensive income (loss), and certain gains and losses that would otherwise be recorded as part of net income (loss) to be presented in "other comprehensive income (loss)" until it is considered appropriate to be recognized into net income (loss).

2. Significant accounting policies (cont'd)

i) Comprehensive income (loss) (cont'd)

The Company had no comprehensive income (loss) transactions, other than its net loss, presented in the Statements of Loss and Comprehensive Loss, nor accumulated other comprehensive income (loss) during the periods that have been presented.

j) Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after December 31, 2010 or later periods. Many are not applicable or do not have a significant impact on the Company and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine the resultant impact on the Company.

(i) IFRS 9 *Financial Instruments* was issued by the IASB in October 2010 and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The IASB has proposed to move the effective date of IFRS 9 to January 1, 2015.

(ii) IFRS 10 *Consolidated Financial Statements* was issued by the IASB in May 2011. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in SIC-12 *Consolidation—Special Purpose Entities* and IAS 27 *Consolidated and Separate Financial Statements* and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(iii) IFRS 11 *Joint Arrangements* was issued by the IASB in May 2011. IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*, and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(iv) IFRS 12 *Disclosure of Interests in Other Entities* was issued by the IASB in May 2011. IFRS 12 is a new and comprehensive standard on disclosure

2. Significant accounting policies (cont'd)

j) Recent Accounting Pronouncements (cont'd)

(iv) IFRS 12 *Disclosure of Interests in Other Entities (cont'd)*

requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(v) IFRS 13 *Fair Value Measurement* was issued by the IASB in May 2011. IFRS 13 establishes new guidance on fair value measurement and disclosure requirements for IFRSs and US generally accepted accounting principles (GAAP). The guidance, set out in IFRS 13 and an update to Topic 820 in the FASB's Accounting Standards Codification (formerly referred to as SFAS 157), completes a major project of the boards' joint work to improve IFRSs and US GAAP and to bring about their convergence. The standard is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(vi) IAS 1 *Presentation of Financial Statements* was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012.

(vii) Improvements to IFRSs in 2010
The improvements resulted in a number of changes to the disclosure requirements relating to the Company's management policies. They emphasize the disclosure requirements in IFRS 7 and IAS 34, and amended other IFRSs. The Company adopted these improvements for its annual period beginning on January 1, 2011. The improvements did not affect the Company's financial statements.

(viii) IAS 24, Related Party Disclosures
IAS 24 was revised to simplify the definition of a related party and thus minimize certain inconsistencies. The Company adopted this change retrospectively for its annual period beginning on January 1, 2011, and this change did not affect the Company's financial statements.

3. Capital management

The Company manages its capital structure and makes adjustments to it in light of the changes in economic conditions and the risk characteristics of its underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the Company.

The Company's capital structure consists of its shareholders' equity. The Company's objective when managing its capital is to safeguard the Company's accumulated capital by maintaining a sufficient level of funds to complete a Qualifying Transaction (as defined by Policy 2.4 of the TSX Venture Exchange).

The Company had $166,275 in working capital at December 31, 2012 (December 31, 2011 - $190,985). The Company's liquidity gives it the financial flexibility to take advantage of opportunities in its markets.

The Company does have externally imposed capital requirements to which it is subject as defined in policy 2.4 of the TSX Venture Exchange.

The Company has never declared a dividend to its shareholders.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable considering the nature and relative size of the Company.

There were no changes in the Company's approach to capital management during this reporting period.

4. Financial risk factors

The Company's financial risk exposure and the impact of the Company's financial instruments are summarized below:

Credit risk
All of the Company's cash and cash equivalents are held at one financial institution which is a Canadian Schedule 1 bank. Accordingly, the Company is exposed to the risks of that institution. Cash balances at that institution are in excess of insured amounts.

Liquidity risk
The Company does not have any borrowings nor does it have any capacity to borrow funds. The liquidity risk to the Company is that it may not have sufficient funds to meet financial obligations as they fall due. Accordingly, the Company is dependent on its shareholders' equity to provide sufficient cash to cover the Company's ongoing financial obligations as they fall due.

Interest rate risk
The Company has cash balances and no interest-bearing debt and therefore is not exposed to interest rate risk.

4. Financial risk factors (cont'd)

Public trading risk
The current public trading market for the Company's common shares is the NEX, a separate board of the TSX Venture Exchange, symbol SVN.H. Various factors including economic conditions could cause significant fluctuations in the price and volume of trading in the Company's common shares.

Sensitivity analysis
Based on managements' knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a one year period:

Cash and cash equivalents are in cash only at the present time. Given the low current prevailing interest rates on short term investments, downward sensitivity is not meaningful. If the cash was in deposits and a sensitivity of plus or minus 1.5% change in rates were applied over the year ended December 31, 2012, there would not be a significant effect on the Company's net loss for that period.

5. Share capital

a) Authorized:
Unlimited common shares

b) Issued

	Number of Shares	Amount
Balance December 31, 2008	**5,390,600**	**$303,626**
Exercise of agents' options May, 2009	20,671	2,894
Balance January 1, 2010, December 31, 2010, and December 31, 2009	**5,411,271**	**$306,520**
Share cancellation March, 2011	1,000,000	0
Balance December 31, 2012 and 2011	**4,411,271**	**$306,520**

c) Escrow shares
The Company issued 2,340,000 common shares at $0.05 per share (Seed Shares) for cash proceeds of $117,000. These shares are subject to an escrow agreement, are held by the Company's transfer agent, and are to be released in accordance with the TSX Venture Exchange CPC policy guidelines. Under the Escrow Agreement Section 2.2, 10% of the escrowed common shares will be released upon notice to the Company from the TSX Venture Exchange that a Qualifying Transaction has taken place, and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the initial release.

Pursuant to a special resolution passed at the Annual and Special Meeting of

5. Share capital (cont'd)

c) Escrow shares (cont'd)

Shareholders held on March 21, 2011, 1,000,000 common seed shares purchased by directors and officers of the Company at a discount to its initial public offering were cancelled. This cancellation resulted in the average cost per common share to these individuals being increased to $0.10 per common share which equates to the initial public offering price per common share. The Company instructed its transfer agent to cancel such common seed shares. The cancellation took place on March 30, 2011.

The net proceeds from all of the Company's financings have certain limitations on them until completion of a Qualifying Transaction.

d) Stock options

The Company has adopted a stock option plan (the "Plan"). Pursuant to the Plan, the Board of Directors may from time to time in its discretion, and in accordance with the Exchange Requirements, grant non-transferable options to purchase shares to directors, officers, founders, employees and consultants of the Company provided that the number of common shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding common shares at the time of the grant. These options vest on granting and are exercisable for a period of up to five years from the date of grant. The number of common shares reserved for issuance to any individual will not exceed five percent (5%) of the issued and outstanding common shares of the Company at the time of grant.

Exercise prices shall be determined by the Board of Directors. The exercise price shall not be less than the closing price (the "market price") of the shares on the exchange immediately preceding the day on which the Board grants the options and provides such notice to the exchange.

Options on 234,000 common shares were granted on June 12, 2008, to the directors and officers of the Company at $0.10 per share exercisable until June 11, 2013. As a result of the resolution to cancel 1,000,000 common seed shares see Note 5 (c), 100,000 of these common share options were cancelled in order to comply with the Company's stock option plan leaving options on 134,000 common shares outstanding.

Options on 305,060 common shares were granted on December 18, 2008, to the directors and officers of the Company at $0.10 per share exercisable until December 17, 2013.

Compensation options on 305,060 common shares were granted to the agents of the Company as a portion of their compensation pertaining to the Initial Public Offering that took place on December 18, 2008, at $0.10 per share exercisable until December 17, 2010. During May, 2009, compensation options on 20,671 common shares were exercised leaving compensation options on 284,389

d) Stock options (cont'd)

common shares outstanding. These options were compensation options not issued pursuant to the terms of the plan. On December 17, 2010, the compensation options on the 284,389 common shares expired.

6. Stock-based compensation

IFRS 2, Share based payment, permits the application of that standard only to equity instruments granted after November 7, 2002 that had not vested by January 1, 2010. The Company had no stock options that remained unvested on the transition date, and accordingly, the Company has not applied IFRS 2 for all equity instruments granted after November 7, 2002 that had vested by January 1, 2010.

On June 12, 2008, the Company set aside and granted to directors and officers of the Company options on 234,000 common shares. On March 30, 2011, 100,000 of these options were cancelled leaving options on 134,000 common shares outstanding, see Note 5 (d).

On December 18, 2008, the Company set aside and granted to directors and officers of the Company options on 305,060 common shares.

On December 18, 2008, the Company set aside and granted to the agents of the Company as a portion of their compensation pertaining to its Initial Public Offering, compensation options on 305,060 common shares. During May, 2009, compensation options on 20,671 common shares were exercised leaving compensation options on 284,389 common shares outstanding. On December 17, 2010, the compensation options on the 284,389 common shares expired.

A summary of the status of the Company's stock option plan as at December 31, 2012, and December 31, 2011=, and the changes during the period ending on these dates follows:

	December 31, 2012		December 31, 2011	
	Number of shares	Weighted-average price	Number of shares	Weighted-average price
Outstanding, Beginning	439,060	$0.10	539,060	$0.10
Granted	nil	nil	nil	nil
Exercised	nil	nil	nil	nil
Expired/cancelled	nil	nil	100,000	0.10
Outstanding, ending	439,060	$0.10	439,060	$0.10

6. Stock-based compensation (cont'd)

The fair market value of stock options granted was estimated using Black Scholes fair value option-pricing model and the following assumptions were used:

December 18, 2008, grant:

Dividend yield	0.00
Risk-free interest rate	3.50%
Expected stock volatility	50.00%
Weighted-average expected life in years	5.00

June 12, 2008, grant

Dividend yield	0.00
Risk-free interest rate	4.75%
Expected stock volatility	100.00%
Weighted-average expected life in years	5.00

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. The expected volatility is usually measured at the standard deviation of continuously compounded share returns based on statistical analysis of the daily value weighted average of the share prices over time. At the time of the granting of the options the Company had no trading history. As such, a comparison to similar Capital Pool Companies was undertaken to estimate a reasonable expected volatility to determine the pattern of more mature enterprises in the same industry for the period the stocks of those enterprises were publicly traded. Changes to the estimates and assumptions may materially affect the calculations. The effect in accounting for the stock-based compensation of $30,597 determined as of June 12, 2008, December 18, 2008, and May 12, 2009, was the recognition of compensation expense and contributed surplus on the date of the grants less $827 applied to the exercise of broker options that were exercised on May 12, 2009. Stock-based compensation calculations have no effect on the Company's cash position.

7. Contributed Surplus

The December 31, 2012, and December 31, 2011, contributed surplus of the Company was unchanged at $30,597. This was the result of stock-based compensation, see Note 6.

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8. Income taxes

The significant components of the Company's deferred income taxes were as follows at December 31:

	2012	2011
Deferred income tax assets		
Benefit of losses	$68,200	$64,700
Share issue costs, timing differences	-	7,300
Other, option benefits	(8,100)	(9,700)
Total	$60,100	$62,300
Less: Valuation allowance	(60,100)	(62,300)
Deferred income tax assets	$ nil	$ nil

The following is a reconciliation of the statutory combined federal and provincial income taxes to the effective income taxes for the year ended December 31:

	2012	2011
Income tax recovery at statutory income tax rates (26.5%)	$(6,500)	$(15,200)
Share issue costs, timing differences	-	7,300
Other, option benefits	8,800	100
	2,300	(7,800)
Tax benefits (not recognized)	(2,300)	7,800
Income taxes	$ nil	$ nil

At December 31, 2012, the Company had carry-forward losses available to reduce future years' income taxes of approximately $257,000 (2011 - $209,000). The potential benefit of these losses have not been recognized in the Company's accounts as there is no reasonable assurance such benefit will be realized. Temporary differences, which can be used to reduce deferred income taxes at December 31, 2012, amount to $NIL (2011 - $24,000).

9. Related party transactions

Since the inception of the Company no related party transactions have taken place.

10. Other risks

The common shares of the Company are currently listed on the NEX board of the TSX Venture Exchange under the symbol SVN.H. An investment in the common shares must be regarded as highly speculative due to the nature of the Company's business and its present stage of development.

The Company was incorporated on February 6, 2008, and has no active business or assets other than cash and cash equivalents. It does not have a history of earnings, nor has it

10. Other risks (cont'd)

paid any dividends and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction.

Any offering of the Company's common shares is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment.

The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company.

Upon completion of any offering of the Company's common shares, an investor will suffer an immediate dilution on investment per common share based on the gross proceeds of the issue less the financing expenses of the issue. An acquisition financed by the issuance of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted. There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to sell their common shares.

Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction in the allotted time.

11. Explanation of transition to International Financial Reporting Standards

These financial statements are prepared in conformity with IFRS. The accounting policies adopted under IFRS were applied in the preparation of the opening IFRS statement of financial position. The Company's IFRS transition date is January 1, 2010. As a result of the adoption of IFRS, there was no impact on the Company's balance sheet at December 31, 2009, as reported under Canadian GAAP, thereby resulting in a similar opening balance sheet at January 1, 2010, in accordance with IFRS.

IFRS 2, Share Based Payment, permits the application of that standard only to equity instruments granted after November 7, 2002 that had not vested by January 1, 2010. The Company had no stock options that remained unvested on the transition date, and accordingly, the Company has not applied IFRS 2 for all equity instruments granted after November 7, 2002 that had vested by January 1, 2010.

As anticipated by management, the adoption of IFRS has resulted in certain presentation, disclosure and description changes to the financial statements. IFRS 1 does not permit changes to estimates that have been made previously. Consistent with that restriction, estimates used in the preparation of the Company's opening audited condensed annual

11. Explanation of transition to International Financial Reporting Standards (cont'd)

statement of financial position in compliance with IFRS were consistent with those that were made under Canadian GAAP.

As a result of adoption of IFRS, there was no impact on the Company's balance sheets at December 31, 2010 and January 1, 2010 and to the Company's statements of loss and comprehensive loss for the three month and twelve month periods ended December 31, 2010. There are also no material differences between the cash flow statement presented under Canadian GAAP and that presented under IFRS for the three month and twelve month periods ended December 31, 2010. Accordingly, no reconciliations have been presented.

71 Capital Corp.

A Capital Pool Company

CONDENSED FINANCIAL STATEMENTS

FIRST QUARTER, MARCH 31, 2015

71 CAPITAL CORP.

(a Capital Pool Company - see Note 1)

CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT March 31, 2015, AND DECEMBER 31, 2014
UNAUDITED

(Expressed in whole Canadian dollars)

	Notes	March 31, 2015 (Unaudited)	December 31, 2014 (Audited)
ASSETS			
Current			
Cash and cash equivalents	12	$ 95,500	$ 109,172
LIABILITIES			
Current			
Accounts payable and accrued liabilities			$ 6,780
SHAREHOLDERS' EQUITY			
Share capital	5	$ 306,520	306,520
Contributed surplus	6,7	30,597	30,597
Deficit		(241,617)	(234,725)
		95,500	102,392
		$ 95,500	$ 109,172

SUBSEQUENT EVENT 11

Approved on behalf of the Board of Directors:

"Mark Crossett" "Leonard Kirk Brennenstuhl"

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

71 CAPITAL CORP.

(a Capital Pool Company - see Note 1)

CONDENSED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
UNAUDITED

(Expressed in whole Canadian dollars, except for per share amounts)

	Three months ended March. 31 2015	Three months ended March. 31 2014
EXPENSES		
Bank charges	$ 30	$ 20
Shareholder information	271	-
Sustaining and filing fees	5,792	5,823
Transfer agent	799	797
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ 6,892	$ 6,640
LOSS PER SHARE (weighted average)	$ 0.00	$ 0.00
DILUTED LOSS PER SHARE (weighted average)	$ 0.00	$ 0.00
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		
Basic	4,411,271	4,411,271
Diluted	4,411,271	4,411,271

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

71 CAPITAL CORP.

(a Capital Pool Company - see Note 1)

CONDENSED STATEMENTS OF CHANGES IN EQUITY
UNAUDITED

(Expressed in whole Canadian dollars)

	Share Capital	Contributed Surplus	Deficit	Total
At January 1, 2015	$ 306,520	$ 30,597	$ (234,725)	$ 102,392
Net loss for the period	-	-	(6,892)	(6,892)
At March 31, 2015	$ 306,520	$ 30,597	$ (241,617)	$ 95,500
At January 1, 2014	$ 306,520	$ 30,597	$ (210,677)	$ 126,440
Net loss for the period	-	-	(6,640)	(6,640)
At March 31, 2014	$ 306,520	$ 30,597	$ (217,317)	$ 119,800

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

71 CAPITAL CORP.

(a Capital Pool Company - see Note 1)

CONDENSED STATEMENTS OF CASH FLOWS

UNAUDITED

(Expressed in whole Canadian dollars)

	Three months ended March. 31 2015	2014
OPERATING ACTIVITIES		
Net loss for the period	$ (6,892)	$ (6,640)
Decrease in accounts payable and accrued liabilities	(6,780)	(6,780)
Cash used in operating activities	(13,672)	(13,420)
CHANGE IN CASH AND CASH EQUIVALENTS	(13,672)	(13,420)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	109,172	133,220
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 95,500	$ 119,800

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

1. Basis of presentation and nature of operations

The condensed financial statements as at and for the period ended March 31, 2015, were approved for issue by the Board of Directors on May 10, 2015.

These condensed interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These interim financial statements were prepared using the same accounting policies and methods of computation as the Company's annual financial statements for the year ended December 31, 2014.

These condensed interim financial statements do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements and accordingly should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2014 prepared in accordance with IFRS as issued by the IASB.

71 Capital Corp. (the "Company") was incorporated on February 6, 2008, under the Canada Business Corporations Act. The Company is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. The principal place of business of the Company is c/o Fogler, Rubinoff LLP, Suite 3000 – 77 King Street West, Toronto Dominion Centre, Toronto, Ontario, M5K 1G8.

The Company's continued operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in, or an investment of an interest in a Qualifying Transaction (as defined in the Exchange Company Manual). The Company was required to complete a Qualifying Transaction within 24 months of its listing on the Exchange which occurred on December 24, 2008. Since the completion of the Qualifying Transaction did not occur prior to this deadline, the Company's shareholders, at a meeting held on March 21, 2011, approved a move to the NEX, a separate board of the TSX Venture Exchange and 1,000,000 common shares and 100,000 options held by directors and officers of the Company were cancelled, see Notes 5 (b), (c), and (d). The trading symbol for the Company is SVN.H. When a Qualifying Transaction occurs it will be subject to shareholder and regulatory approvals.

On August 20, 2014, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the NEX**.** The letter of intent was for the amalgamation of the Company with Brightstar Seniors' Living Corporation ("Brightstar"). Brightstar is a private company engaged in the development of independent seniors' housing projects. The Company issued a press release on February 12, 2015, stating that the letter of intent with Brightstar has been terminated by them due to the current market conditions. The Company's common shares resumed trading on February 17, 2015.

On September 5, 2013, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the

1. Basis of presentation and nature of operations (cont'd)

trading of its common shares on the NEX. The letter of intent was for the amalgamation of the Company with ADL Oilfield Ltd. ("ADL"). ADL is a privately held Calgary based oil and gas service company engaged in providing cleanouts, stimulation, optimization, and remediation of oil and gas wells using a patented Stable Foam process. The Company issued a press release on March 11, 2014, stating that it has terminated its letter of intent with ADL due to the current market conditions. The Company's common shares commenced trading on March 13, 2014.

On May 4, 2011, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities continue the halt in trading of its common shares on the NEX. The letter of intent was for the amalgamation of the Company with Kingsview Iron Ore Limited ("Kingsview"). Kingsview is a private company engaged in the exploration and development of mining claims in the Province of Quebec, Canada, prospective for iron deposits. The Company issued a press release on April 30, 2013, stating that it has terminated its letter of intent with Kingsview. The Company's common shares resumed trading on May 2, 2013.

On October 28, 2010, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the TSX Venture Exchange. The letter of intent was for the amalgamation of the Company with Orx Pharmaceutical Corporation ("Orx"), a Canadian Controlled Private Corporation. The Company issued a press release on May 4, 2011, that was posted on www.sedar.com, stating that the Company has terminated its letter of intent with Orx.

On August 18, 2009, the Company announced that a letter of intent for a Qualifying Transaction had been signed. The letter of intent was for the acquisition of all of the issued and outstanding securities of Prairie Pulse Inc. ("Prairie"), a Canadian Controlled Private Company. The Company received notice; after the markets were closed on July 14, 2010, from Prairie stating that "its shareholders are no longer interested in pursuing a transaction with 71 Capital Corp." The Company issued a press release in regard to the preceding on July 15, 2010.

The Company's first fiscal year end was December 31, 2008.

The Company's common shares started trading on the TSX Venture Exchange on December 24, 2008.

The Company has not and will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

1. Basis of presentation and nature of operations (cont'd)

The financial statements and the notes thereto have been prepared under principles applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business.

2. Significant accounting policies

The financial statements are reported in Canadian dollars which is the Company's functional currency and, they may include management's estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. If estimates and assumptions were made actual results could differ from these estimates and assumptions. The financial statements have been prepared using careful judgment within the significant accounting policies summarized below.

a) Cash and cash equivalents

Cash and cash equivalents are cash or highly liquid investments, such as Canadian government treasury bills or term deposits with major Canadian financial institutions, having a maturity of three months or less at acquisition, that are readily convertible to the contracted amounts of cash.

b) Loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the year. Contingently, issuable shares are not considered outstanding common shares and consequently are not included in the loss per share calculation. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants and other similar instruments outstanding that may add to the total number of common shares.

c) 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 instrument: 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 receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income (loss), except for

2. Significant accounting policies (cont'd)

c) Financial Instruments (cont'd)

equity instruments without a quoted market price in an active market 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
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Other liabilities

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair value of assets and liabilities.

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets.
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly.
Level 3 – one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

Cash and cash equivalents and accounts payable and accrued liabilities are considered Level 1 in the hierarchy.

d) Income taxes

The Company accounts for its income taxes using the deferred tax assets and liabilities method. Deferred income tax assets and liabilities are determined based on the difference between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in profit or loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable profit for the years in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are not discounted.

The tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income or of equity, in which case the tax expense is recognized in other comprehensive income or equity respectively.

Current income tax assets and liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed on the basis of tax profit which differs from net profit. This calculation is made using tax rates and laws enacted at the end of the reporting period.

2. Significant accounting policies (cont'd)

e) Accounting for stock-based compensation

The Company has adopted IFRS 2, Share Based Payment, for the recognition, measurement, and disclosure of stock-based compensation. The Company's options vest on granting therefore, compensation expense is recognized at that time with the same amount being recorded as contributed surplus. The expense is determined using an option pricing model that takes into account the exercise price, the term of the option, the current share price, the expected volatility of the underlying shares, the expected dividend yield, and the risk free interest rate for the term of the option. If the options are exercised, contributed surplus will be reduced by the applicable amount. Stock-based compensation calculations have no effect on the Company's cash position.

f) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amount of expenses during the reported period. These estimates are reviewed periodically, and as adjustments become necessary they are made in the period in which they become known. Actual results could differ from these estimates.

g) Related Party Transactions

All transactions with related parties would be in the normal course of business and measured at the exchange value (the amount established and agreed to by the related parties). To date no related party transactions have taken place.

h) Comprehensive income (loss)

Comprehensive income (loss) is the change in equity (net assets) of the Company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes to equity during a period except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) is comprised of net income (loss), for the period and other comprehensive income (loss), and certain gains and losses that would otherwise be recorded as part of net income (loss) to be presented in "other comprehensive income (loss)" until it is considered appropriate to be recognized into net income (loss).

The Company had no comprehensive income (loss) transactions, other than its net loss, presented in the Statements of Loss and Comprehensive Loss, nor accumulated other comprehensive income (loss) during the periods that have been presented.

2. Significant accounting policies (cont'd)

i) Accounting Pronouncements
Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after December 31, 2010 or later periods. Many are not applicable or do not have a significant impact on the Company and have been excluded from the table below.

(i) IFRS 9 *Financial Instruments* was issued by the IASB in October 2010 and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. The effective date of mandatory adoption of IFRS 9 is January 1, 2018. IFRS 9 has no impact on the Company.

(ii) IFRS 10 *Consolidated Financial Statements* was issued by the IASB in May 2011. IFRS 10 has no impact on the Company.

(iii) IFRS 11 *Joint Arrangements* was issued by the IASB in May 2011. IFRS 11 has no impact on the Company.

(iv) IFRS 12 *Disclosure of Interests in Other Entities* was issued by the IASB in May 2011. IFRS 12 has no impact on the Company.

(v) IFRS 13 *Fair Value Measurement* was issued by the IASB in May 2011. IFRS 13 establishes new guidance on fair value measurement and disclosure requirements for IFRSs and US generally accepted accounting principles (GAAP). IFRS 13 has no impact on the Company.

(vi) IAS 1 *Presentation of Financial Statements* was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. IAS 1 has no impact on the Company.

(vii) In May, 2014, the IASB issued IFRS 15, Revenue ("IFRS 15"). The core principle of the new standard is for companies to recognize revenues to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in the exchange for those goods or services. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. IFRS 15 is effective for annual reporting periods beginning on/after January 1, 2017, and is to be applied using retrospective or the modified transition approach. IFRS 15 has no impact on the Company

3. Capital management

The Company manages its capital structure and makes adjustments to it in light of the changes in economic conditions and the risk characteristics of its underlying assets. The Board of Directors does not establish quantitative return on capital criteria for

3. Capital management (cont'd)

management, but rather relies on the expertise of management to sustain future development of the Company.

The Company's capital structure consists of its shareholders' equity. The Company's objective when managing its capital is to safeguard the Company's accumulated capital by maintaining a sufficient level of funds to complete a Qualifying Transaction (as defined by Policy 2.4 of the TSX Venture Exchange).

The Company had $95,500 in working capital at March 31, 2015 (December 31, 2014 - $102,392). The Company's liquidity gives it the financial flexibility to take advantage of opportunities in its markets.

The Company does have externally imposed capital requirements to which it is subject as defined in policy 2.4 of the TSX Venture Exchange.

The Company has never declared a dividend to its shareholders.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable considering the nature and relative size of the Company.

There were no changes in the Company's approach to capital management during this reporting period.

4. Financial risk factors

The Company's financial risk exposure and the impact of the Company's financial instruments are summarized below:

Credit risk
All of the Company's cash and cash equivalents are held at one financial institution which is a Canadian Schedule 1 bank. Accordingly, the Company is exposed to the risks of that institution.

Liquidity risk
The Company does not have any borrowings nor does it have any capacity to borrow funds. The liquidity risk to the Company is that it may not have sufficient funds to meet financial obligations as they fall due. Accordingly, the Company is dependent on its shareholders' equity to provide sufficient cash to cover the Company's ongoing financial obligations as they fall due.

Interest rate risk
The Company has cash balances and no interest-bearing debt and therefore is not exposed to interest rate risk.

4. Financial risk factors (cont'd)

Public trading risk
The current public trading market for the Company's common shares is the NEX, a separate board of the TSX Venture Exchange, symbol SVN.H. Various factors including economic conditions could cause significant fluctuations in the price and volume of trading in the Company's common shares.

Sensitivity analysis
Based on managements' knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a one year period:

Cash and cash equivalents are in cash only at the present time. Given the low current prevailing interest rates on short term investments, downward sensitivity is not meaningful. If the cash was in deposits and a sensitivity of plus or minus 1.5% change in rates were applied over the 3 months ended March 31, 2015, there would not be a significant effect on the Company's net loss for that period.

Currency risk
Currency risk reflects the risk that the Company's earnings will decline due to the fluctuations in foreign exchange rates. The Company does not have balances expressed in foreign currencies and therefore is not exposed to currency risk.

Change in risk
There have been no changes in the Company's risk exposures from the prior period.

5. Share capital

a) Authorized:
Unlimited common shares

b) Issued

	Number of Shares	Amount
Balance December 31, 2008	**5,390,600**	**$303,626**
Exercise of agents' options May, 2009	20,671	2,894
Balance January 1, 2010, December 31, 2010, and December 31, 2009	**5,411,271**	**$306,520**
Share cancellation March, 2011	1,000,000	0
Balance March 31, 2015, and December 31, 2014, and December 31, 2013, and December 31, 2012, and December 31, 2011	**4,411,271**	**$306,520**

5. Share capital (cont'd)

c) Escrow shares

The Company issued 2,340,000 common shares at $0.05 per share (Seed Shares) for cash proceeds of $117,000. These shares are subject to an escrow agreement, are held by the Company's transfer agent, and are to be released in accordance with the TSX Venture Exchange CPC policy guidelines. Under the Escrow Agreement Section 2.2, 10% of the escrowed common shares will be released upon notice to the Company from the TSX Venture Exchange that a Qualifying Transaction has taken place, and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the initial release.

Pursuant to a special resolution passed at the Annual and Special Meeting of Shareholders held on March 21, 2011, 1,000,000 common seed shares purchased by directors and officers of the Company at a discount to its initial public offering were cancelled. This cancellation resulted in the average cost per common share to these individuals being increased to $0.10 per common share which equates to the initial public offering price per common share. The Company instructed its transfer agent to cancel such common seed shares. The cancellation took place on March 30, 2011.

The net proceeds from all of the Company's financings have certain limitations on them until completion of a Qualifying Transaction.

d) Stock options

The Company has adopted a stock option plan (the "Plan"). Pursuant to the Plan, the Board of Directors may from time to time in its discretion, and in accordance with the Exchange Requirements, grant non-transferable options to purchase shares to directors, officers, founders, employees and consultants of the Company provided that the number of common shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding common shares at the time of the grant. These options vest on granting and are exercisable for a period of up to five years from the date of grant. The number of common shares reserved for issuance to any individual will not exceed five percent (5%) of the issued and outstanding common shares of the Company at the time of the grant.

Exercise prices shall be determined by the Board of Directors. The exercise price shall not be less than the closing price (the "market price") of the shares on the exchange immediately preceding the day on which the Board grants the options and provides such notice to the exchange.

Options on 234,000 common shares were granted on June 12, 2008, to the directors and officers of the Company at $0.10 per share exercisable until June 11, 2013. As a result of the resolution to cancel 1,000,000 common seed shares see Note 5 (c), 100,000 of these common share options were cancelled in order to comply with the Company's stock option plan leaving options on 134,000 common shares outstanding which expired on June 11, 2013.

5. Share capital (cont'd)

d) Stock options (cont'd)

Options on 305,060 common shares were granted on December 18, 2008, to the directors and officers of the Company at $0.10 per share exercisable until December 17, 2013. All of these options expired on December 17, 2013

Compensation options on 305,060 common shares were granted to the agents of the Company as a portion of their compensation pertaining to the Initial Public Offering that took place on December 18, 2008, at $0.10 per share exercisable until December 17, 2010. During May, 2009, compensation options on 20,671 common shares were exercised leaving compensation options on 284,389 common shares outstanding. These options were compensation options not issued pursuant to the terms of the plan. On December 17, 2010, the compensation options on the 284,389 common shares expired.

The Company has had no options outstanding since December 17, 2013.

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6. Stock-based compensation

On June 12, 2008, the Company set aside and granted to directors and officers of the Company options on 234,000 common shares. On March 30, 2011, 100,000 of these options were cancelled leaving options on 134,000 common shares outstanding which expired on June 11, 2013, see Note 5 (d).

On December 18, 2008, the Company set aside and granted to directors and officers of the Company options on 305,060 common shares which expired on December 17, 2013.

A summary of the status of the Company's stock option plan as at March 31, 2015, and December 31, 2014, and the changes during the period ending on these dates follows

	March 31, 2015		December 31, 2014	
	Number of shares	Weighted-average price	Number of shares	Weighted-average price
Outstanding, Beginning	nil	nil	nil	nil
Granted	nil	nil	nil	nil
Exercised	nil	nil	nil	nil
Expired/cancelled	nil	nil	nil	nil
Outstanding, ending	nil	nil	nil	nil

6. Stock-based compensation (cont'd)

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. The expected volatility is usually measured at the standard deviation of continuously compounded share returns based on statistical analysis of the daily value weighted average of the share prices over time. At the time of the granting of the options the Company had no trading history. As such, a comparison to similar Capital Pool Companies was undertaken to estimate a reasonable expected volatility to determine the pattern of more mature enterprises in the same industry for the period the stocks of those enterprises were publicly traded. Changes to the estimates and assumptions may materially affect the calculations. The effect in accounting for the stock-based compensation of $30,597 determined as of June 12, 2008, December 18, 2008, and May 12, 2009, was the recognition of compensation expense and contributed surplus on the date of the grants less $827 applied to the exercise of broker options that were exercised on May 12, 2009. Stock-based compensation calculations have no effect on the Company's cash position.

7. Contributed Surplus

The March 31, 2015, and December 31, 2014, contributed surplus of the Company was unchanged at $30,597. This was the result of stock-based compensation, see Note 6.

8. Income taxes

The significant components of the Company's deferred income taxes were as follows at December 31:

	2014	2013
Deferred income tax assets		
Benefit of losses	$85,100	$78,700
Share issue costs, timing differences	-	-
Other, option benefits	-	-
Total	$85,100	$78,700
Less: Valuation allowance	(85,100)	(78,700)
Deferred income tax assets	$ nil	$ nil

The following is a reconciliation of the statutory combined federal and provincial income taxes to the effective income taxes for the year ended December 31:

	2014	2013
Income tax recovery at statutory income tax rates (26.5%)	$(6,400)	$(10,600)
Share issue costs, timing differences	-	-
Other, option benefits	-	-
	-	-
Tax benefits not recognized	6,400	10,600
Income taxes	$ nil	$ nil

8. Income taxes (cont'd)

At December 31, 2014, the Company had carry-forward losses available to reduce future years' income taxes of approximately $321,200 (2013 - $297,150). The potential benefit of these losses have not been recognized in the Company's accounts as there is no reasonable assurance such benefit will be realized. Temporary differences, which can be used to reduce deferred income taxes at December 31, 2014, amount to $NIL (2013 - $NIL).

9. Related party transactions

Since the inception of the Company no related party transactions have taken place.

10. Other risks

The common shares of the Company are currently listed on the NEX board of the TSX Venture Exchange under the symbol SVN.H. An investment in the common shares must be regarded as highly speculative due to the nature of the Company's business and its present stage of development.

The Company was incorporated on February 6, 2008, and has no active business or assets other than cash and cash equivalents. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction.

Any offering of the Company's common shares is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment.

The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company.

Upon completion of any offering of the Company's common shares, an investor will suffer an immediate dilution on investment per common share based on the gross proceeds of the issue less the financing expenses of the issue. An acquisition financed by the issuance of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted. There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to sell their common shares.

Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction in the allotted time.

11. Subsequent Event

On May 19, 2015, the Company announced in a press release that a letter of intent for a Qualifying Transaction had been signed. The letter of intent was to acquire all of the issued and outstanding securities ("the Prodigy shares") of TCB Corporation doing Business as Prodigy Ventures. Prodigy Ventures is a private company and a "venture builder" creating new business platforms and applications in many of the highest growth technology segments. At the Company's Shareholder Meeting held on June 22, 2015, the shareholders approved the transaction to acquire Prodigy Ventures. Subsequent to June 30, 2015, the parties have submitted all applicable information to the regulatory authorities for their approval.

12 Cash and cash Equivalents

Under the rules of the TSX Venture Exchange, capital pool companies have restrictions placed on the manner in which they can spend their cash. The rules provide that no more than the lesser of 30% of the gross proceeds from the sale of securities issued by a capital pool company and $210,000 may be used for purposes other than those relating to identifying a qualifying transaction. Although 71 Capital Corp. has not spent any of its cash on items prohibited by the policy, since 71 Capital Corp. has been in existence since February 6, 2008 it has not been able to comply with the above noted 30% limitation. This limit has been exceeded due to the requirement to pay ongoing expenses necessary to continue 71 Capital Corp. as a listed entity including, transfer agent fees, listing fees and audit fees. 71 Capital Corp. believes that it received a mandate from its Shareholders to spend its funds in this manner when Shareholders approved the transfer of the listing to the NEX Exchange rather than winding up.

SCHEDULE "B"
FINANCIAL STATEMENTS OF PRODIGY

TCB CORPORATION

FINANCIAL STATEMENTS

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TCB CORPORATION

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RZN, LLP

CHARTERED PROFESSIONAL ACCOUNTANTS & LICENSED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of:
TCB Corporation

We have audited the accompanying financial statements of TCB Corporation, which comprise the statement of financial position as at March 31, 2015 and the statements of net and comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

We believe that the audit evidence we have obtained 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 TCB Corporation as at March 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

RZN, LLP

Toronto, Canada
August 6, 2015

Chartered Professional Accountants & Licensed Public Accountants

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TCB CORPORATION

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2015

ASSETS

	2015	2014 (Unaudited)	2013 (Unaudited)
CURRENT			
Cash	$347,582	$ 4,115	$ -
Accounts receivable	313,807	-	-
Prepaid expenses	500	-	2,211
Advances to shareholder (Note 4)	1,482	-	-
	663,371	4,115	2,211
PROPERTY AND EQUIPMENT (Note 5)	3,447	3,494	2,258
	$666,818	$ 7,609	$ 4,469

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

TCB CORPORATION

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2015

LIABILITIES

	2015	2014 (Unaudited)	2013 (Unaudited)
CURRENT			
Bank indebtedness	$ -	$ -	$47,720
Accounts payable and accrued liabilities	374,016	7,884	7,500
Income taxes payable	25,631	4,523	15,385
Long-term debt - current portion (Note 6)	49,992	-	-
Advances from shareholder	-	29,388	1,295
	449,639	41,795	71,900
Long-term debt (Note 6)	141,644	-	-
	591,283	41,795	71,900

SHAREHOLDERS' EQUITY

	2015	2014 (Unaudited)	2013 (Unaudited)
CAPITAL STOCK (Note 7)	100	100	100
CONTRIBUTED SURPLUS (Note 8)	492	-	-
RETAINED EARNINGS (DEFICIT) - Per statement	74,943	(34,286)	(67,531)
	75,535	(34,186)	(67,431)
	$666,818	$ 7,609	$ 4,469

ECONOMIC DEPENDENCE (Note 13)

SUBSEQUENT EVENT (Note 15)

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

THESE FINANCIAL STATEMENTS ARE
APPROVED BY AND ON BEHALF OF
THE BOARD OF DIRECTORS

DIRECTOR

TCB CORPORATION

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED MARCH 31, 2015

	Number of Common Shares	Number of Class "A" Shares	Capital Stock	Retained earnings (deficit)	Contributed Surplus	Total
BALANCE AT APRIL 1, 2014	100	-	$ 100	$ (34,286)	$ -	$ (34,186)
Net and comprehensive income for the year	-	-	-	159,229	-	159,229
Dividends	-	-	-	(50,000)	-	(50,000)
Granting of stock options (Note 8)	-	-	-	-	492	492
Cancellation of Common shares (Note 7)	(30)	-	(30)	-	-	-
Issuance of Class "A" shares (Note 7)	-	30	30	-	-	-
BALANCE AT MARCH 31, 2015	70	30	$ 100	$ 74,943	$ 492	$ 75,535
BALANCE AT APRIL 1, 2013 (Unaudited)	100	-	$ 100	$ (67,531)	$ -	$ (67,431)
Net and comprehensive income for the year	-	-	-	33,245	-	33,245
BALANCE AT MARCH 31, 2014 (Unaudited)	100	-	$ 100	$ (34,286)	$ -	$ (34,186)

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

TCB CORPORATION

STATEMENT OF NET AND COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014 (Unaudited)
REVENUE	$2,730,698	$174,942
DIRECT COSTS	2,086,093	-
GROSS PROFIT	644,605	174,942
EXPENSES		
Advertising and promotion	20,700	19,082
Automobile	16,026	20,890
Computer	41,067	9,598
Interest and bank charges	13,580	12,122
Office and general	2,089	15,234
Professional fees	14,359	9,551
Research and development	137,348	-
Rent and occupancy costs	10,567	6,000
Salaries and benefits	12,189	2,881
Sales commissions	78,644	-
Stock option expense	492	-
Telecommunications	3,467	4,289
	350,528	99,647
NET AND COMPREHENSIVE INCOME FROM OPERATIONS BEFORE THE UNDERNOTED ITEMS:	294,077	75,295
Amortization of property and equipment	2,633	3,343
Management salaries and benefits	101,336	31,312
	103,969	34,655
NET AND COMPREHENSIVE INCOME BEFORE INCOME TAXES	190,108	40,640
INCOME TAXES - CURRENT	30,879	7,395
NET AND COMPREHENSIVE INCOME	$159,229	$ 33,245
INCOME PER SHARE - BASIC	$2,275.70	$ 332.45
INCOME PER SHARE - FULLY DILUTED	$2,191.22	$ 332.45
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	73	100

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

TCB CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net and comprehensive income for year	$159,229	$33,245
Add: Item not requiring an outlay of cash:		
Amortization of property and equipment	2,633	3,343
Stock option expense	492	-
	162,354	36,588
Accounts receivable	(313,807)	-
Prepaid expenses and sundry deposits	(500)	2,211
Accounts payable and accrued liabilities	366,132	384
Income taxes payable	21,109	(10,862)
Cash flows provided by (used in) operating activities	235,288	28,321
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,586)	(4,579)
Cash flows provided by (used in) investing activities	(2,586)	(4,579)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings (repayments) under bank indebtedness - net	-	(47,720)
Advances under long-term debt - net	191,636	-
Advances to shareholder - net	(30,871)	28,093
Dividend	(50,000)	-
Cancellation of Common shares	(30)	-
Issuance of Class A shares	30	-
Cash flows provided by (used in) financing activities	110,765	(19,627)
INCREASE IN CASH	343,467	4,115
CASH, BEGINNING OF YEAR	4,115	-
CASH, END OF YEAR	$347,582	$ 4,115

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

1. NATURE OF OPERATIONS

TCB Corporation (the "Company") provides technology services to large size businesses primarily in the financial services sector in Canada. The Company was formed on July 7, 1992 under Articles of Incorporation in the Province of Ontario and is subject to appropriate legislation under the Ontario Business Corporations Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The accompanying financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). These financial statements have been consistently prepared in accordance with those IFRS standards and the International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective or issued and early adopted, for all periods and dates reported, as of August 6, 2015, the date that the Board of Directors approved these statements.

b) Basis of preparation

The Company adopted IFRS as its financial reporting framework for its fiscal year ended March 31, 2015. The accompanying financial statements as at and for the year ended are presented by the Company in accordance with IFRS. Previously, the Company's financial statements have been prepared in accordance with Section 9200 of the CICA Handbook - Assurance. Management has determined that the adoption of IFRS has had no material effect on the Company's reported financial position and financial performance as had been previously reported as at and for its March 31, 2013 and 2014 fiscal year ends. The accompanying financial statements include audited IFRS financial statements as at and for the fiscal year ended March 31, 2015. Management has determined that there has been no material effect, except for expanded financial statement note disclosures, as a result of the adoption of IFRS for its current fiscal year. Consequently, the accompanying notes do not include a reconciliation between the Company's financial statements as previously reported and its financial statements as prepared under IFRS.

In the accompanying financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS and IFRS refers to Canadian GAAP subsequent to the adoption of IFRS.

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

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

c) Basis of measurement

The accompanying financial statements have been prepared on the historical cost basis with the exception of certain financial instruments that are measured at fair value, as discussed elsewhere in Note 2. Historical cost is generally based on the fair value of the consideration given in exchange for assets received.

d) Key accounting estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements and notes to those statements. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates. Significant estimates made by management include the determination of revenue, the valuation of trade and other receivables, the useful lives and amortization rates of property and equipment, the completeness of amounts recorded as accounts payable and accrued liabilities, the valuation allowance for deferred tax assets, the valuation of long-term debt and the fair values of the Company's financial instruments. Additional discussion as to revenue recognition, deferred taxes and impairment of property and equipment is found in Notes 2(g), 2(i) and 2(j) of this significant accounting policies note. Additional discussion with regard to fair value of long-term debt and shareholder loan is presented in Note(o).

These estimates have been applied in a manner consistent with that of prior years and there are no known trends, commitments, events or uncertainties that management believes will materially affect the assumptions utilized in the accompanying financial statements.

e) Cash and cash equivalents

The Company considers cash equivalents to be highly-liquid investments with maturities of 90 days or less from the time of acquisition, such as short-term deposits with banks. At March 31, 2015, the Company had cash equivalents of $Nil (2014 - $Nil).

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

f) Property and equipment

Items of property and equipment are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The costs of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and if its costs can be measured reliably. The carrying amount of the replaced part is derecognized. Costs associated with the day-to-day servicing of property and equipment are recognized in profit or loss as incurred. Gains and losses on disposals of property and equipment are determined by comparing the proceeds on disposal with the carrying amount of the related asset and are included as part of other gains and losses in the accompanying statement of net and comprehensive income. Property and equipment is stated at cost and amortization is provided as follows:

Computer hardware	30%
Computer software	30%

Property and equipment acquired during the year are amortized at one-half the above rates.

g) Revenue recognition

The Company derives its revenues from software and related computer service contracts. Revenue from contracts is recognized at the earlier of completion of services or issuance of monthly invoices, according to the terms of the contracts, when collection is reasonably assured and the price is fixed or determinable.

The Company does not enter into transactions that represent multiple-element arrangements and the Company is not exposed to seasonal fluctuations in terms of its revenues.

h) Research and development costs and investment tax credits

All costs relating to research are expensed as incurred. Investment tax credits are recognized in the period in which the credits are earned and realization is considered more likely than not. Assistance received or receivable is accounted for using the cost reduction approach.

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

i) Income taxes and deferred taxes

The tax expense recognized in net income (loss) comprises the sum of deferred tax and current tax not recognized in other comprehensive income (loss) or directly in equity.

The tax currently payable is based on the taxable income or loss for the period. The taxable income or loss may differ from the income or loss for the period as reported in the accompanying statement of net, comprehensive and other comprehensive loss due to the exclusion, if any, of revenue or expense items that are taxable or deductible in other periods, as well as items that are not taxable or deductible. The Company's liability for current income taxes is calculated using income tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax, if any, is recognized using the liability method on differences between the carrying amounts of assets and liabilities in the accompanying financial statements and their corresponding tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that future taxable income will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the taxable temporary difference arises from the initial recognition of goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income or loss, nor the income or loss for the period reported in the Company's statement of net, comprehensive and other comprehensive loss.

Deferred tax assets and liabilities are measured, without discounting, at the tax rates that have been enacted or substantively enacted by the end of the reporting period and applicable in the period in which the liability is expected to be settled or the asset realized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of all or part of the asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable income will be available.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when these relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Changes in deferred tax assets or liabilities are recognized as a component of taxable revenue or expense in profit or loss, except where these relate to items that are recognized in other comprehensive income (loss) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income (loss) or equity, respectively.

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

j) Impairment testing of property and equipment

The cost of the Company's property and equipment not ready to be used, if any, are not subject to amortization and are tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable during a reporting period. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and value-in-use.

To determine the value-in-use, management estimates expected future cash flows and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each cash-generating unit ("CGU") and reflect their respective risk profiles as assessed by management. For the purpose of assessing impairment, assets are grouped at the cash-generating unit level that is the lowest level for which there are largely independent cash inflows. As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level.

Impairment losses recognized in respect of cash generating units are allocated first to reducing the carrying amount of any goodwill allocated to the CGUs (or group of CGUs) and then to reducing the carrying amount of the other assets in the CGU (or group of CGUs) on a pro-rata basis. Long-lived assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date. For such assets, an impairment charge is reversed if the CGUs or individual asset's recoverable amount exceeds its carrying amount.

k) Equity

Common and Class "A" shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity. Contributed surplus would include amounts in connection with stock-based compensation. The Company's equity (deficit) comprises all current and prior period income and losses less dividends declared.

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

l) Leases

In accordance with IAS 17, "Leases," the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to ownership of the leased asset. The related asset is then recognized at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognized as a finance leasing liability.

Depreciation methods and useful lives for assets held under finance lease agreements correspond to those applied to comparable assets legally owned by the Company. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are expensed as part of finance costs. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to profit or loss over the lease period.

All other leases are treated as operating leases. Payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease terms. Associated costs, such as maintenance and insurance, are expensed as incurred.

m) Provisions

(i) Provisions are recognized when the Company has a present legal obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and this amount can be reliably estimated. Provisions are measured based on management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material. Additionally, the Company performs evaluations to identify onerous contracts and, where applicable, records provisions for such contracts.

(ii) *Onerous Contracts:*

A provision for onerous contracts would be recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision would be measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company would recognize any impairment loss on the assets associated with the contract.

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

n) Impairment – financial assets

Financial assets other than those carried at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset, in which the cash flows can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for an asset.

The Company maintains an allowance for doubtful accounts at an amount estimated to be sufficient to provide adequate protection against losses resulting from collecting less than the full amount due on its trade receivables. The Company considers evidence of impairment for receivables at both a specific asset and a collective level. All individually significant receivables are assessed for specific impairment. Individual overdue accounts are reviewed, and allowances are recorded, to report trade receivables at net realizable value when known that they are not collectible in full. All individually significant receivables found not to be specifically impaired are collectively assessed for any impairment that has been incurred but not yet identified.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses, if any, are recognized in the accompanying statement of net, comprehensive and other comprehensive loss and are reflected in an allowance account against the corresponding financial asset. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss would be reversed through the same financial statements.

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

o) Financial instruments – assets and liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expire. At initial recognition, the Company classifies its financial instruments depending on the purpose for which the instruments were acquired, as follows:

Cash and bank indebtedness are designated as fair value and are measured at fair value, with changes in fair value being recorded in net earnings (loss) at each reporting period end.

Accounts receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's accounts receivable comprise trade receivables and are included in current assets due to their short-term nature. Accounts receivable are initially recognized at the amount expected to be received less an allowance to reduce these assets to fair value.

Accounts payable and those accrued liabilities which are financial instruments are initially recognized at the amount expected to be paid. Subsequently, these financial instrument liabilities are measured at amortized cost, which generally corresponds to cost. These instruments are included in current liabilities due to their short-term nature.

Long-term debt principally comprises interest bearing facilities with certain third-party lenders to the Company. The Company's long-term debt is measured and presented on the accompanying statement at financial position at amortized cost and discussed in Note 6. Due to the interest and other features of these facilities, management is of the opinion the current and long-term portions of these facilities are presented at fair value.

Advances to (from) shareholder These advances are not interest bearing and are due on demand. These instruments are included in current assets / liabilities due to their short-term nature.

p) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties.

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

q) Comprehensive income (loss)

Comprehensive income (loss) comprises net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) represents changes in shareholders' equity (deficiency) and would be presented as accumulated other comprehensive income (loss). However, the Company has not had material income or losses relating to other comprehensive income (loss) and, accordingly, has made no adjustments to the accompanying financial statements.

r) Earnings (loss) per share

Basic loss per share is calculated on the basis of loss attributable to the holders of common shares, divided by the weighted average number of Common shares outstanding during the period. Diluted per share amounts are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue Common shares are exercised or converted to Common shares, especially with regard to the Company's stock options (see Note 8). Diluted loss per share would be equal to basic loss per share when the effect of dilutive securities is anti-dilutive.

s) Comparative figures

The comparative figures as at March 31, 2014 and 2013 and for the year ended March 31, 2014 were the subject of Notice to Reader compilation engagements.

3. FUTURE AND RECENTLY ADOPTED ACCOUNTING POLICY CHANGES

The International Accounting Standards Board ("IASB") issued the following standards, amendments and interpretations effective January 1, 2015 which the Company has adopted.

- IFRS 9 - Financial Instruments, Classifications and Measurement ("IFRS 9") contains requirements for financial assets and liabilities. IFRS 9 is part of the IASB wider project to replace IAS 39 Financial Instruments - Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset or liability is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. IFRS is effective for annual periods beginning on or after January 1, 2015 and early adoption of this standard has not had a material effect.

- IFRS 7 - Financial Instruments Disclosures - Offsetting Financial Assets and Liabilities ("IFRS 7") provides new disclosures requiring entities to disclose gross amounts subject to rights of set off, amounts set off and the related net credit exposure. IFRS 7 will be effective for annual periods beginning on or after January 1, 2015 and early adoption of this standard has not had a material effect.

3. FUTURE AND RECENTLY ADOPTED ACCOUNTING POLICY CHANGES *(Continued)*

- In July 2014, the IASB issued the final publication of the following standard:

  IFRS 9 - Financial Instruments ("IFRS 9") - IFRS 9 replaces IAS 39, Financial Instruments: Recognition and Measurement. This standard establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This standard also includes a new general hedge accounting standard which will align hedge accounting more closely with risk management. It does not fully change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgement to assess the effectiveness of a hedging relationship. Adoption of IFRS 9 is mandatory and will be effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company is currently assessing the impact of adopting this standard of the Company's financial statements and related note disclosures.

- In May 2014, the IASB issued the following new standard:

  IFRS 15 - Revenue from Contracts with Customers ("IFRS 15") - IFRS 15, replaces IAS 11, Construction Contracts and IAS 18, Revenue, as well as various interpretations regarding revenue. This standard introduces a single model for recognizing revenue that applies to all contracts with customers, except for contracts that are within the scope of standards on leases, insurance and financial instruments. This standard also requires enhanced disclosures. Adoption of IFRS 15 is mandatory and will be effective for annual periods beginning on or after January 1, 2017, with earlier adoption permitted. The Company is currently assessing the impact of adopting this standard on the Company's financial statements and related note disclosures.

- In May 2014, the IASB issued amendments to a previously released standard as follows:

  IFRS 11 - Joint Arrangements ("IFRS 11") - The IASB has amended IFRS 11 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments will be effective for annual periods beginning on or after January 1, 2016, with earlier adoption permitted. The Company is currently assessing the impact of adopting this standard on the Company's financial statements and related note disclosures.

4. ADVANCES TO SHAREHOLDER

The advances to the Company's largest shareholder are unsecured, non-interest bearing and have no specific terms of repayment.

5. PROPERTY AND EQUIPMENT

	2015		
	Cost	Accumulated amortization	Net carrying amount
Computer hardware	$10,399	$6,952	$3,447
Computer software	5,633	5,633	-
	$16,032	$12,585	$3,447

	2014		
	Cost	Accumulated amortization	Net carrying amount
Computer hardware	$ 7,813	$4,319	$3,494
Computer software	5,633	5,633	-
	$13,446	$9,952	$3,494

6. LONG-TERM DEBT

The Company's long-term debt comprises two credit facilities with the Business Development Bank of Canada ("BDC"). Both facilities are guaranteed personally by the majority shareholder of the Company and bear interest at BDC's floating base interest rate plus 1% per annum, payable monthly. The first facility was negotiated effective May 27, 2014 to a maximum of $200,000. The second facility was negotiated effective December 11, 2014 to a maximum of $50,000. Subsequent to March 31, 2015, the Company drew on its second credit facility. (See Note 15.)

Principal payments under the first facility as at March 31, 2015 are due as follows:

2016	$ 49,992
2017	49,992
2018	49,992
2019	41,660
	$191,636

7. CAPITAL STOCK

Authorized

Unlimited	Class A Special shares, non-voting, redeemable and retractable at the fair market value of the consideration paid, participating, variable non-cumulative dividend, without par value
Unlimited	Class B Special shares, non-voting, redeemable and retractable at the fair market value of the consideration paid, non-participating, variable non-cumulative dividend, without par value
Unlimited	Common shares

		2015	2014
Issued			
70	Common shares *(2014 - 100)*	$ 70	$100
20	Series I Class A *(2014 - Nil)*	20	-
10	Series II Class A *(2014 - Nil)*	10	-
		$100	$100

During the 2015 fiscal year, 30 Common shares were canceled for $30 cash, 20 Series I Class A shares were issued for $20 cash and 10 Series II Class A shares were issued for $10 cash.

8. STOCK OPTIONS

On February 1, 2015, the Board of Directors of the Company authorized the creation of a Stock Option Plan ("the 2015 Stock Option Plan", "SOP"). The SOP is for the Company's officers, directors, advisors, employees and consultants ("Eligible Persons") who are regarded as integral to the progress of the Company and its operations and grants these person the right, from time to time, to purchase shares of the Company. Options are normally issued as a bonus on employment or are tied into performance related compensation. In general, the minimum and maximum vesting requirement of options issued is six months.

On February 1, 2015, the Board of Directors passed a resolution adopting the stock option plan under which a maximum of 16 options to acquire common shares of the Company may be issued.

Stock options are valued using the Black-Scholes option pricing model with the following assumptions:

a) Risk-free interest rate 2.5 - 3.00%
b) Expected life of 6 months
c) Expected volatility of 90%
d) Dividend rate of $Nil; and
e) Vesting period: immediate

8. STOCK OPTIONS *(Continued)*

Except as outlined below, no options have been exercised, forfeited, or expired in the year ended March 31, 2015. The following table reconciles stock options issued and outstanding for the years ended March 31, 2014 and 2015:

	2014	2015
Issued and outstanding, beginning of year	Nil	Nil
Granted during the year	Nil	16
Exercised during the year	Nil	Nil
Expired or forfeited during the year	Nil	Nil
Issued and outstanding, end of year	Nil	16

During its fiscal 2015 year, the Company granted options to purchase 16 Common shares of the Company with an exercise price of $1.00 each.

Contributed surplus represents the costs of stock-based compensation relating to the stock options granted during the year.

9. CAPITAL MANAGEMENT

The Company defines capital as the aggregate of shareholder equity and debt. The Company's equity comprises the shares of the Company subscribed by the shareholders and retained earnings. The Board of Directors manages the dividend policy and the pricing of products and services of the Company so as to ensure that there is adequate cash flow to fund the Company's operations and safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders.

The Company is currently dependent on both external and internal financing, including loans from third parties and shareholders, to fund its activities. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is optimal.

There were no changes in the Company's approach to capital management during the years ended March 31, 2015 and March 31, 2014. The Company is not subject to externally imposed capital requirements.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments comprise cash and cash equivalents, accounts receivables, advances to shareholder, accounts payable and accrued liabilities and long-term debt. The fair values of these financial instruments approximate their carrying values, unless otherwise noted, due to their short-term maturities or interest rates which management believes approximates those of similar instruments in the current market. Except as otherwise noted the Company is not exposed to significant risks in relation to its financial instruments.

The Company's risk management policies are established to identify and analyze the risks facts by the Company, 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 the Company's activities. There have been no changes to the Company's exposure to risks in respect of its financial instruments, and there have been no changes in respect of management's objectives, policies and processes in the management of its financial instruments from that of the prior reporting period.

The fair value of the note due from advances to (from) shareholder constitutes amounts due to (from) a related party as disclosed in Note 4. There is no active and visible market for instruments of these types. In the opinion of management, these instruments are carried at fair value due to their short-term to maturity.

The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

Credit risk

Concentration of credit risk relates primarily to the Company's trade receivables, as the receivables principally derive from one source: technology services. The allowance for doubtful accounts was $Nil at the reporting dates. There is no indication, as at these dates, that the debtors will not meet their obligations, except as has been provided for as bad debts during the reporting periods. Bad debt expenses were $Nil for all reporting periods. The Company manages its credit risk relating to its trade receivables through credit approval and monitoring procedures, including senior management prior approval of all rental contracts. Such approvals are based on trade information, payment history, credit rating and financial analysis, where possible. At March 31, 2015, no material amounts, individually or in aggregate, of accounts receivable, were due beyond their stated payment terms, and none were considered impaired. Management believes that earning revenue through its current channels does not represent a significant credit risk to the Company.

10 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(Continued)*

Liquidity risk

The Company is exposed to liquidity risk to the extent that it must meet its financial obligations as and when due. The Company's approach to managing liquidity risk is to ensure that it always has sufficient cash and other current financial assets to meet its obligations when due without incurring unacceptable losses or damage to the Company's reputation. Management forecasts cash flows to identify financing requirements. These requirements are then addressed through combination of cash management and access to additional capital.

Management is of the view, based on historical cash flow, that there is sufficient current and future cash flow from its operating activities and third-party loans to sustain ongoing operations. Should contractual commitments require payment, management believes that its current sources of liquidity are sufficient to cover these obligations. A maturity analysis of the payments required under long-term debt is presented in Note 6.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company is exposed to variable market interest rates on its long-term debt (Note 6).

Fair value hierarchy

The following summarizes the Company's financial instruments that are carried at fair values according to the fair value hierarchy, which comprises the following levels. The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's only financial instruments that are carried at fair value under the hierarchy are cash and cash equivalents which are Level 2 instruments.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(Continued)*

Derecognization of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire or when the Company transfers the financial asset to another party without retaining control or substantially all the risks and rewards of ownership of the asset. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

11. SHAREHOLDERS' EQUITY

The Company's authorized share capital comprises an unlimited number of Common shares of which 70 (March 31, 2014 - 100) are issued and outstanding and an unlimited number of Class "A" shares of which 30 (March 31, 2014 - Nil) are issued and outstanding. These figures form the bases along with stock options granted for the determination of net income (loss) per share for the years then ended. There was no change in the balance of Common shares outstanding for the periods ended March 31, 2015 and 2014, except as disclosed in Note 7.

12. RELATED PARTY TRANSACTIONS

The Company rents its premises from its majority shareholder on a month-to-month lease. These transactions were in the normal course of operations and are measured at their transaction amount, which is the amount agreed to by the related parties.

During the year ended March 31, 2015, the Company paid to this shareholder $10,567 (2014 - $6,000) in rent and occupancy costs.

13. ECONOMIC DEPENDENCE

The Company derives 100% of its revenue from three customers.

14. INCOME TAXES

The Company's deferred income tax assets and liabilities are immaterial for all periods presented.

A reconciliation of the Company's income taxes at statutory rates with reported taxes is as follows:

	2015	2014
Income before income taxes	$190,108	$40,640
Expected income tax at statutory rates *(15.5% 2015 and 2014)*	29,467	6,299
Other items	1,412	1,096
Net income tax expense	$ 30,879	$ 7,395

15. SUBSEQUENT EVENTS

Subsequent to March 31, 2015, the Company entered into a reverse three-cornered amalgamation agreement with 71 Capital Corp., a capital pool company. Under the terms of the agreement, 71 Capital Corp. would acquire the Company via the issuance of approximately 23,482,597 common shares (inclusive of the shares issued in the private placement and the shares issued to Robson Capital Inc. as described below) and approximately 88,051,416 non-voting shares of 71 Capital Corp. In connection with the amalgamation transaction, the Company closed a private placement for the issuance of 1,183,080 subscription receipts for gross proceeds of $85,773. Issue costs were $Nil. Each subscription receipt will be converted into one common share for no additional consideration upon the satisfaction of certain conditions.

In connection with the amalgamation, transaction costs are estimated to be $170,000.

Prior to the amalgamation, the Company will recapitalize its share capital via the issuance of 20,024,724 Common shares and 88,051,416 non-voting shares and the cancellation of the common, Series I Class A and Series II Class A shares, that were outstanding prior to the amalgamation.

In connection with the amalgamation transaction, 2,274,793 common shares will be issued to Robson Capital Inc. for financial advisory services.

Subsequent to March 31, 2015, the Company issued 16 Common shares upon exercise of its outstanding stock options at an exercise price of $1 per gross proceeds of $16 (see Note 8).

Subsequent to March 31, 2015, the Company entered into an agreement with BDC for a third loan facility. Under the terms of this facility, the Company received proceeds of $100,000, repayable in monthly instalments as to principal of approximately $2,080 per month over 48 months. The facility bears interest at the BDC's floating base rate plus 1% per annum and is guaranteed personally by the majority shareholder of the Company and a General Security Agreement over all personal property of the Company. (See Note 8.)

SCHEDULE "C"
PRO-FORMA CONSOLIDATED STATEMENTS FOR THE RESULTING ISSUER

71 Capital Corp.
Pro-Forma Consolidated Statement of Financial Position
As at March 31, 2015
(Unaudited)

	TCB Corporation	71 Capital Corp.	Note 2	Pro Forma Adjustments	Pro Forma Consolidation
Assets					
Current assets					
Cash and cash equivalents	$ 347,582	$ 95,500	(b)	$ 16	$ 528,871
			(c)	85,773	
Accounts receivable	313,807	-		-	313,807
Prepaid expenses	500	-		-	500
Advance to shareholder	1,482	-		-	1,482
Total current assets	663,371	95,500		85,789	844,660
Non-current assets					
Property and equipment	3,447	-		-	3,447
Total non-current assets	3,447	-		-	3,447
Total assets	**$ 666,818**	**$ 95,500**		**$ 85,789**	**$ 848,107**
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	$ 374,016	$ -	(e)	$ 170,000	$ 544,016
Income taxes payable	25,631	-		-	25,631
Long–term debt : current portion	49,992	-		-	49,992
Total current liabilities	449,639	-		170,000	619,639
Non-current liabilities					
Long-term debt	141,644	-		-	141,644
Total non-current liabilities	141,644	-		-	141,644
Total liabilities	591,283	-		170,000	761,283
Shareholder’s equity					
Share capital	100	306,520	(b)	16	410,720
			(c)	85,773	
			(d)	164,922	
			(f)	159,909	
			(f)	(306,520)	
Contributed surplus	492	30,597	(f)	(30,597)	492
Retained earnings (deficit)	74,943	(241,617)	(d)	(164,922)	(324,388)
			(e)	(170,000)	
			(f)	241,617	
			(f)	(64,409)	
Total Shareholder’s equity	75,535	95,500		(84,211)	86,824
Total liabilities and Shareholder’s equity	**$ 666,818**	**$ 95,500**		**$ 85,789**	**$ 848,107**

The accompanying notes are an integral part of the unaudited pro forma consolidated statement of financial position.

1. BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated statement of financial position of 71 Capital Corp. (“71 Capital”) and TCB Corporation (“Prodigy”) has been prepared by management to reflect the proposed amalgamation transaction (the “Transaction”) as described in Note 2.

The pro forma consolidated financial statements have been prepared from information derived from and should be read in conjunction with the following:

1. the unaudited condensed interim financial statements of 71 Capital as at March 31, 2015.

2. the audited financial statements of Prodigy as at March 31, 2015.

The unaudited pro forma consolidated statement of financial position of 71 Capital and Prodigy as at March 31, 2015 has been presented assuming the Transaction had been completed on March 31, 2015.

The accompanying unaudited pro forma consolidated statement of financial position has been prepared in accordance with IFRS 2, Share Based-Payments. The Transaction is considered to be a reverse takeover of 71 Capital by Prodigy. A reverse takeover transaction involving a non-public operating entity and a non-operating public company is in substance a share-based payment transaction, rather than a business combination. The transaction is equivalent to the issuance of shares by the non-public operating entity, Prodigy, for the net assets and the listing status of the non-operating public company, 71 Capital. The fair value of the shares issued was determined based on the fair value of the common shares issued by 71 Capital.

The unaudited pro forma consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and, in the opinion of management, include all adjustments necessary for fair presentation. No adjustments have been made to reflect additional costs or cost savings that could result from the combination of the operations of 71 Capital and Prodigy, as management does not anticipate any material costs or cost savings as a result of the Transaction.

The unaudited pro forma consolidated financial information is not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected herein occurred on the dates indicated. Actual amounts recorded upon consummation of the transaction will differ from those recorded in the unaudited pro forma consolidated financial statement information.

Management of 71 Capital believes that the assumptions used provide a reasonable basis for presenting all of the significant effects of the Transaction and that the pro forma adjustments give appropriate effect to those assumptions and are appropriately applied in the unaudited pro forma statement of financial position.

2. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

On May 19, 2015, 71 Capital, a capital pool company as defined under Policy 2.4 of the TSX Venture Exchange (the “Exchange”) and Prodigy entered into a Letter of Intent to complete the Transaction. On August 14, 2015, 71 Capital, 2478677 Ontario Limited ("71 Subco") and Prodigy entered into the Amalgamation Agreement. Subject to any regulatory or other approvals that may be required, and the satisfaction of other conditions contained in the Amalgamation Agreement, the Transaction will occur via a reverse three-cornered amalgamation and will be treated as a tax-deferred transfer by the Prodigy Shareholders under the OBCA. Pursuant to the Amalgamation Agreement, 71 Capital will issue to certain persons who are, immediately prior to closing, holders of Prodigy Shares, approximately 23,482,597 71 Capital Post-Consolidation Common Shares and approximately 88,051,416 Capital Restricted Voting Shares. The deemed issue price per 71 Capital Common Share is C$0.03625 per share on a pre-Consolidation basis, (assuming the completion of the Consolidation, the deemed issue price is C$0.0725). It is anticipated that the 71 Capital common shares will be consolidated on the basis of two old shares for each one new share prior to the Transaction.

2. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS - continued

The effect of the Amalgamation is that: (i) Prodigy and 71 Subco will amalgamate to form Amalco which will continue as a wholly-owned subsidiary of the Resulting Issuer, as a result of which all of the property and assets of Prodigy will become indirectly held by the Resulting Issuer; and (ii) current shareholders of Prodigy will continue to hold an indirect interest in the property and assets of Prodigy through the 71 Capital Post-Consolidation Common Shares and 71 Capital Restricted Voting Shares which they receive pursuant to the Amalgamation. The Amalgamation does not change any of the assets, properties, rights, liabilities, obligations, business or operations of any of 71 Capital, 71 Subco or Prodigy on a consolidated basis. It is assumed that the inclusion of 71 Subco would not have a material impact on the pro forma consolidated statement of financial position.

The unaudited pro forma consolidated statement of financial position gives effect to the following assumptions and adjustments:

a) The proposed amalgamation will receive all required regulatory, Exchange and shareholder approvals.

b) Subsequent to March 31, 2015 Prodigy issued 16 common shares upon the exercise of outstanding options. The options had an exercise price of $1 for gross proceeds of $16.

c) In connection with the Transaction, the Company closed a private placement for the issuance of 1,183,080 subscription receipts for gross proceeds of $85,773. Issue costs were $Nil. Each subscription receipt will be converted into one common share for no additional consideration upon the satisfaction of certain conditions.

d) In connection with the Transaction, 2,274,793 common shares will be issued to Robson Capital Inc. for financial advisory services.

e) The estimated Transaction costs of $170,000 will be paid following the completion of the Transaction.

f) (i) Share capital, contributed surplus, and the deficit of 71 Capital are eliminated.

(ii) The fair value of the consideration is as follows:

Deemed issuance of 2,205,636 post-amalgamation common shares to the former shareholders of 71 Capital	$	159,909
Total purchase consideration:	$	159,909

(iii) The allocation of the consideration is as follows:

Cash	$	95,500
Listing costs expensed		64,409
Value attributed to Prodigy shares issued	$	159,909

Upon closing of the Amalgamation, the former shareholders of 71 Capital and Prodigy will respectively control 2,205,636 and 20,024,724 post-amalgamation common shares and Nil and 88,051,416 post-amalgamation restricted voting shares.

g) The pro forma effective income tax rate applicable to the operations will be approximately 26.5%.

3. SHARE CAPITAL CONTINUITY

Authorized: unlimited common and restricted voting shares

Pro forma Share Capital	Note 2	Number of Shares		Value
Common shares:				
71 Capital's common shares issued and outstanding as at March 31, 2015		4,411,271	$	306,520
Prodigy's shares issued and outstanding as at March 31, 2015[(i)]		100		100
Prodigy shares issued upon exercise of options	(b)	16		16
Recapitalization of Prodigy shares[(i)]		20,024,724		-
		(116)		
Adjustment for consolidation		(2,205,636)		-
Shares issued pursuant to Prodigy private placement	(c)	1,183,080		85,773
Shares issued to Robson Capital Inc.	(d)	2,274,793		164,922
Adjustment for Transaction	(f)	(20,024,724)		(306,520)
Amalgamation with 71 Capital at fair value	(f)	-		159,909
Common shares issued to Prodigy shareholders in connection with the Transaction	(f)	20,024,724		(95)
Subtotal: common shares		25,688,232		410,625
Restricted voting shares:				
Shares issued to Prodigy shareholders in connection with the Transaction	(f)	88,051,416		95
Subtotal: restricted voting shares		88,051,416		95
Pro forma share capital as at March 31, 2015		**113,739,648**	**$**	**410,720**

(i) Prodigy's share capital consisted of 82 common shares, 20 Series I Class A shares and 14 Series II Class A shares. Prior to the Transaction, Prodigy recapitalized its share capital issuing 20,024,724 common shares and 88,051,416 restricted shares and cancelling the existing common, Series I Class A and Series II Class A shares.

SCHEDULE "D"
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR 71 CAPITAL

71 Capital Corp.

A Capital Pool Company

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2014

INTRODUCTION

71 CAPITAL CORP. ("the Company") is a Canadian controlled Capital Pool Company engaged in the business of identifying and evaluating companies, businesses, or assets with a view to completing a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange.

The Company was incorporated on February 6, 2008, under the Canada Business Corporations Act. The principal place of business for the Company is c/o Fogler, Rubinoff LLP, Suite 3000 – 77 King Street West, Toronto Dominion Centre, Toronto, Ontario, M5K 1G8.

The Company does not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

The Company attained its listing on the TSX Venture Exchange on December 24, 2008. The Company's present listing is on NEX, a separate board of the TSX Venture Exchange. The trading symbol for the Company is SVN.H.

The Company is confident that a Qualifying Transaction will be completed and, at that time, will apply to be listed on either the TSX Venture Exchange or the Toronto Stock Exchange.

On August 20, 2014, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the NEX**.** The letter of intent was for the amalgamation of the Company with Brightstar Seniors' Living Corporation ("Brightstar"). Brightstar is a private company engaged in the development of independent seniors' housing projects. The Company, subsequent to December 31, 2014, issued a press release on February 12, 2015, stating that the letter of intent with Brightstar has been terminated by them due to the current market conditions. The Company's common shares resumed trading on February 17, 2015.

On September 5, 2013, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the NEX. The letter of intent was for the amalgamation of the Company with ADL Oilfield Ltd. ("ADL"). ADL is a privately held Calgary based oil and gas service company engaged in providing cleanouts, stimulation, optimization, and remediation of oil and gas wells using a patented Stable Foam process. The Company issued a press release on March 11, 2014, stating that it has terminated its letter of intent with ADL due to the current market conditions. The Company's common shares commenced trading on March 13, 2014.

On May 4, 2011, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities continue the halt in trading of its common shares on the NEX. The letter of intent was for the amalgamation of the Company with Kingsview Iron Ore Limited ("Kingsview"). Kingsview is a private company engaged in the exploration and development of mining claims in the Province of Quebec, Canada, prospective for iron deposits. The Company issued a press release on April 30, 2013, stating that it has terminated the letter of intent with Kingsview. The Company's common shares resumed trading on May 2, 2013.

On October 28, 2010, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the TSX Venture Exchange. The letter of intent was for the amalgamation of the Company with Orx Pharmaceutical Corporation (“Orx”), a Canadian Controlled Private Corporation. The Company issued a press release on May 4, 2011, stating that the Company has terminated its letter of intent with Orx.

On August 18, 2009, the Company announced that a letter of intent for a Qualifying Transaction had been signed. The letter of intent was for the acquisition of all of the issued and outstanding securities of Prairie Pulse Inc. (“Prairie”), a Canadian Controlled Private Company. The Company received notice; after the markets were closed on July 14, 2010, from Prairie stating that “its shareholders are no longer interested in pursuing a transaction with 71 Capital Corp.” The Company issued a press release in regard to the preceding on July 15, 2010.

The following is management’s discussion and analysis and results of operations of the company for the three and twelve months ended December 31, 2014, and its financial position as at December 31, 2014.

This management’s discussion and analysis (“MD&A”) includes financial information from, and should be read in conjunction with, the financial statements for the twelve months ended December 31, 2014, including the notes thereto and, the financial statements for the year ended December 31, 2013, including the notes thereto. The Company’s fiscal year end is December 31. The reporting currency is the Canadian dollar. The financial data contained in this discussion and analysis is in compliance with International Financial Reporting Standards (IFRS).

The financial statements and the notes thereto have been prepared under principles applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business.

The date of this management’s discussion and analysis is March 3, 2015.

Additional information on 71 Capital Corp. has been filed electronically through the System for Electronic Document Analysis and Retrieval (“SEDAR”) and is available on line at www.sedar.com .

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains “forward-looking statements” and “forward-looking information” under applicable Canadian securities laws. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", “should", "expect", "believe", "plan", "intend", "estimate", “forecast”, "predict", "potential", "continue", “anticipate", or the negative thereof or variations thereon or similar terminology concerning matters that are not historical facts. Forward-looking information may relate to management’s future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of the Company. Without limitation, this would include statements about the Company’s search for a Qualifying Transaction. Forward-looking information is based on certain factors and assumptions regarding, among other things, the due diligence pertaining to a Qualifying Transaction and the subsequent approval of the documentation that would be prepared for the regulatory authorities and respective shareholders. It could also apply to the estimation of initial and sustaining capital requirements for such. While management considers these assumptions to be reasonable, based on information currently available to it, they may prove to be incorrect. See “Risks and Uncertainties”, “Financial Instruments”, and “Outlook” sections of this MD&A.

Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in the securities of the Company should not place undue reliance on these forward-looking statements.

We disclaim any intention or obligation to update or revise any forward-looking statement whether as a result of new information, future events or otherwise, except to the extent required by applicable laws and that the forward-looking statements contained in this MD&A are made as of the date hereof.

EVALUATION OF DISCLOSURE, INTERNAL CONTROLS, AND PROCEDURES

Disclosure Controls and procedures
Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in reports filed with or submitted to the various securities regulators is recorded, processed, summarized and reported within the time periods specified. This information is gathered and reported to the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), so that timely decisions can be made regarding disclosure.

The Company's management, under the supervision of, and with the participation of, the CEO and CFO, have designed and evaluated the Company's disclosure controls and procedures as defined in their signed certification of annual and interim filings venture issuer basic certificate. Based on this evaluation, the CEO and CFO have concluded that, as of the date of this MD&A, the Company's disclosure controls and procedures were effective.

Internal Control over Financial Reporting
Designing, establishing and maintaining adequate internal control over financial reporting is the responsibility of the Company's management. Internal control over financial reporting is a process designed by, or under the supervision of management, and affected by the Board of Directors, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements in conformity with IFRS. These controls include policies and procedures pertaining to the maintenance of records that, in reasonable detail, accurately reflect transactions pertaining to its assets; provide reasonable assurance that all transactions are recorded to permit the preparation of its financial statements and that expenditures are being made only in accordance with authorizations of management of the Company, and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements. Management is responsible for establishing and maintaining internal control over financial reporting and has designed and implemented such controls to ensure that the required objectives of these internal controls have been met. The management of the Company applied its judgement in evaluating the cost-benefit relationship to controls and procedures. The result of which was, because of the inherent limitations in all control systems, no evaluation of the controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Minor control deficiencies have been identified within the Company's accounting and/or finance departments and its financial information systems over segregation of duties and user access respectively. Specifically, as is common for companies of this size, certain duties within the accounting and/or finance departments were not adequately segregated due to the limited number of individuals employed in these areas. At the present time, the CEO and CFO oversee all material transactions and related accounting records. The audit committee reviews the financial statements in detail, the key risks of the Company, and queries management about all significant transactions.

For the period covered by this MD&A there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

EXECUTIVE COMPENSATION

There has been no executive compensation paid to the executives of the Company since its inception.

FINANCIAL HIGHLIGHTS

The Company attained its listing on the TSX Venture Exchange on December 24, 2008.

The Company's continued operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or, an investment of an interest in a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange.

The Company raised $117,000 from the issuance of 2,340,000 common seed shares at $0.05 per common share on June 12, 2008. Pursuant to a special resolution passed at the Annual and Special Meeting of Shareholders held on March 21, 2011, 1,000,000 common shares purchased by directors and officers of the Company at a discount to its initial public offering were cancelled. This cancellation resulted in the average cost per common share to these individuals being increased to $0.10 per common share which equates to the initial public offering price per common share. The Company instructed its transfer agent to cancel such common shares which took place on March 30, 2011.

Options on 234,000 common shares were granted on June 12, 2008, to the directors and officers of the Company at $0.10 per common share exercisable until June 11, 2013. As a result of the resolution to cancel 1,000,000 common shares, 100,000 of these common share options were cancelled in order to comply with the Company's stock option plan leaving options to acquire 134,000 common shares outstanding which expired on June 11, 2013.

The Initial Public Offering (IPO) of the Company's common shares took place on December 18, 2008, resulting in an additional 3,050,600 common shares being issued at $0.10 per share for aggregate proceeds of $186,626 which was net of financing expenses.

Compensation options on 305,060 common shares were granted to the agents of the Company as a portion of their compensation pertaining to the Initial Public Offering at $0.10 per common share exercisable until December 17, 2010. In May, 2009, one of the agents exercised options on 20,671 common shares at $0.10 per common share amounting to $2,067. The applicable stock-based compensation on this exercise was $827. This left compensation options on 284,389 common shares outstanding which expired on December 17, 2010.

Options on 305,060 common shares were granted on December 18, 2008, to the directors and officers of the Company at $0.10 per common share expired on December 17, 2013.

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The expenses relating to the three and twelve months ended December 31, 2014, and 2013, were:

	Three months ended December 31,		Twelve months ended December 31,	
	2014	2013	2014	2013
EXPENSES				
Bank charges	$ 30	$ 30	$ 120	$ 132
General	-	-	-	892
Insurance	-	-	-	2,584
Legal and audit	6,780	6,780	6,780	6,497
Shareholder information	-	1,771	4,343	11,843
Sustaining and filing fees	-	(565)	8,648	10,992
Transfer agent	713	2,119	4,157	6,895
	$ 7,523	$ 10,135	$ 24,048	$ 39,835

Three months ended December 31, 2014

The loss recorded by the Company for the three months ended December 31, 2014 was $7,523 compared to a loss of $10,135 for the same period in 2013. The details of the decreased loss of $2,612 in 2014 are: a decrease in shareholders information of $1,771, an increase in sustaining and filing fees of $565 and a decrease in transfer agent fees of $1,406.

Twelve months ended December 31, 2014

The loss recorded by the Company for the Twelve months ended December 31, 2014 was $24,048 compared to a loss of $39,835 for the same period in 2013. The details of the decreased loss of $15,787 in 2014 are: a decrease in bank charges of $12, general expenses of $892, insurance $2,584, shareholder information $7,500, sustaining and filing fees $2,344, transfer agent fees $2,738 and, no credit in legal and audit fees of $283. The main reason for the lower 2014 costs was due to a shareholder meeting that was held in 2013.

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Set forth below is certain selected financial information in respect of the eight most recently completed quarters of the Company.
These data are derived from the Company's financial statements.

STATEMENTS OF FINANCIAL POSITION as at

Expressed in $000's of Canadian dollars

	Dec. 31 2014	Sep. 30 2014	Jun. 30 2014	Mar. 31 2014	Dec. 31 2013	Sep. 30 2013	Jun. 30 2013	Mar. 31 2013
	$	$	$	$	$	$	$	$
ASSETS:								
Current	109	110	117	120	133	137	142	159
LIABILITIES AND EQUITY								
Current	7	-	-	-	7	-	-	-
Shareholders' equity								
Share capital	306	306	306	306	306	306	306	306
Contributed surplus	31	31	31	31	31	31	31	31
Deficit	(235)	(227)	(220)	(217)	(211)	(200)	(195)	(178)
	102	110	117	120	126	137	142	159
	109	110	117	120	133	137	142	159
WORKING CAPITAL	102	110	117	120	126	137	142	159
COMMON SHARES OUTSTANDING (000's)	4,411	4,411	4,411	4,411	4,411	4,411	4,411	4,411

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
for the three months ended

Expressed in whole Canadian dollars

	Dec. 31 2014	Sep. 30 2014	Jun. 30 2014	Mar. 31 2014	Dec. 31 2013	Sep. 30 2013	Jun. 30 2013	Mar. 31 2013
	$	$	$	$	$	$	$	$
EXPENSES								
Bank charges	30	30	40	20	30	30	30	40
General	-	-	-	-	-	-	892	-
Insurance	-	-	-	-	-	-	2,585	-
Legal and audit	6,780	-	-	-	6,780	-	-	(282)
Qualifying transaction	-	-	-	-	-	-	-	-
Shareholder information	-	4,343	-	-	1,771	2,945	7,128	-
Sustaining and filing fees	-	1,412	1,412	5,823	(565)	1,412	3,717	6,427
Transfer agent	713	1,675	973	797	2,119	823	3,153	800
	7,523	7,460	2,425	6,640	10,135	5,210	17,505	6,985
NET LOSS FOR THE PERIOD	7,523	7,460	2,425	6,640	10,135	5,210	17,505	6,985
LOSS PER SHARE	-	-	-	-	-	-	-	-

Set forth below is certain selected financial information in respect of the three most recently completed years of the Company.
These data are derived from the Company's financial statements.

STATEMENTS OF FINANCIAL POSITION as at

Expressed in $000's of Canadian dollars	Dec. 31 2014	Dec. 31 2013	Dec. 31 2012
ASSETS:	$	$	$
Current	109	133	173
LIABILITIES AND EQUITY			
Current	7	7	7
Shareholders' equity			
Share capital	306	306	306
Contributed surplus	31	31	31
Deficit	(235)	(211)	(171)
	102	126	166
	109	133	173
WORKING CAPITAL	102	126	166
CASH DIVIDENDS DECLARED	-	-	-
Weighted average number of common shares outstanding			
Basic (000's)	4,411	4,411	4,411
Diluted (000's)	4,411	4,763	4,850

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Expressed in whole Canadian dollars	Jan. 1 to Dec.31 2014	Jan. 1 to Dec.31 2013	Jan. 1 to Dec.31 2012
EXPENSES	$	$	$
Bank charges	120	132	85
General	-	892	-
Insurance	-	2,584	-
Legal and audit	6,780	6,497	7,060
Qualifying transaction - due diligence		-	8,475
Shareholder information	4,343	11,843	-
Sustaining and filing fees	8,648	10,992	5,650
Transfer agent	4,157	6,895	3,440
	24,048	39,835	24,710
NET LOSS FOR THE PERIOD	24,048	39,835	24,710
BASIC AND DILUTED LOSS PER SHARE	$0.01	$0.01	$0.01

RELATED PARTY TRANSACTIONS

Since the inception of the Company, no related party transactions have taken place.

LIQUIDITY AND CAPITAL RESOURCES

The present international economic situation appears to still be in a state of flux. Risk management together with the inherent uncertainties will be paramount in the minds of the Company's management as they endeavor to plot the course for the Company in the ensuing months and possibly year ahead.

Working capital was $102,392 at December 31, 2014, compared to $126,440 at December 31, 2013. The decrease in working capital of $24,048 was related to a decrease in cash and cash equivalents of $24,048. Working Capital at December 31, 2014, was represented by cash and cash equivalents of $109,172 less accounts payable and accrued liabilities of $6,780.

The Company's approach to managing its liquidity is to ensure that it has sufficient resources to meet its liabilities as they come due and have sufficient working capital to fund operations until it consummates an agreement for an acceptable Qualifying Transaction.

Three months ended December 31, 2014

Cash flow used in operating activities

The Company recorded a loss for the three months ended December 31, 2014 of $7,523 and an increase in accounts payable and accrued liabilities of $6,780 which resulted in a cash usage of $743 in operating activities.

Twelve months ended December 31, 2014

Cash flow used in operating activities

The Company recorded a loss for the twelve months ended December 31, 2014 of $24,048 which resulted in a cash usage of $24,048 in operating activities.

CAPITAL STOCK AND DEFICIT

The authorized capital of the Company consists of an unlimited number of common shares without nominal or par value. As at December 31, 2014, and December 31, 2013, 4,411,271 common shares were issued and outstanding as fully paid and non-assessable.

The Company, under its stock option plan, had no options outstanding on its common shares at December 31, 2014. All options that were outstanding expired during 2013.

Shareholders' equity at December 31, 2014, was $102,392 compared to $126,440 at December 31, 2013, a decrease of $24,048. This occurred as a result of the following:

Net loss for the period	$24,048

The following common shares were outstanding at December 31, 2014:

Common shares	4,411,271

CONTRIBUTED SURPLUS

The contributed surplus balance at December 31, 2014, and December 31, 2013, was unchanged at $30,597.

RISKS AND UNCERTAINTIES

Any investment in the common shares of the Company must be regarded as highly speculative due to the nature of its business.

The Company was incorporated on February 6, 2008, and has no active business or assets other than cash and cash equivalents. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction.

Any offering of the Company's common shares is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment.

The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company.

Upon completion of any offering of the Company's common shares, an investor will suffer an immediate dilution on investment per common share based on the gross proceeds of the issue less the financing expenses of the issue. An acquisition financed by the issuance of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted. There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to sell their common shares.

Until the completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction.

OUTLOOK

The Company, a capital pool company, has only one objective and that is its successful involvement in the identification and evaluation of a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange. Once identified and due diligence has taken place, the TSX Venture Exchange must approve the Qualifying Transaction and so must shareholders.

The Company is confident that a Qualifying Transaction will be completed and, at that time, will apply to be listed on either the TSX Venture Exchange or the Toronto Stock Exchange.

OTHER INFORMATION

Contractual Obligations

The Company does not have any contractual obligations.

Off-Statements of Financial Position Items

As at December 31, 2014, and December 31, 2013, the Company had no material arrangements off its Statements of Financial Position such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market, or credit risk to the Company.

Going Concern

Management has prepared its financial statements using accounting principles applicable to a going concern which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. Should the going concern assumption no longer be valid, adjustments would be required to the carrying values of assets and liabilities and to the reported expenses, and statements of financial position classifications.

Critical Accounting Policies

The financial statements are reported in Canadian dollars and, they may include management's estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. If estimates and assumptions were made actual results could differ from these estimates and assumptions. The financial statements have been prepared using careful judgment within the significant accounting policies summarized below.

Loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the year. Contingently issuable shares are not considered outstanding common shares and consequently are not included in the loss per share calculation. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants and other similar instruments outstanding that may add to the total number of common shares.

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 instrument: 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 receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market 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
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Other liabilities

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair value of assets and liabilities.

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly.

Level 3 – one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

Cash and cash equivalents and accounts payable and accrued liabilities are considered Level 1 in the hierarchy.

Income taxes

The Company accounts for its income taxes using the deferred tax assets and liabilities method. Deferred income tax assets and liabilities are determined based on the difference between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in profit or loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable profit for the years in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are not discounted.

The tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income or of equity, in which case the tax expense is recognized in other comprehensive income or equity respectively.

Current income tax assets and liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed on the basis of tax profit which differs from net profit. This calculation is made using tax rates and laws enacted at the end of the reporting period.

Accounting for stock-based compensation

The Company has adopted IFRS 2, Share based payment, for the recognition, measurement, and disclosure of stock-based compensation. The Company's options vest on granting therefore, compensation expense is recognized at that time with the same amount being recorded as contributed surplus. The expense is determined using an option pricing model that takes into account the exercise price, the term of the option, the current share price, the expected volatility of the underlying shares, the expected dividend yield, and the risk free interest rate for the term of the option. If the options are exercised, contributed surplus will be reduced by the applicable amount. Stock-based compensation calculations have no effect on the Company's cash position.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amount of expenses during the reported period. These estimates are reviewed periodically, and as adjustments become necessary they are made in the period in which they become known. Actual results could differ from these estimates.

Future changes in accounting policies

IFRS 9, Financial Instruments, which introduces new requirements for classifying and measuring financial assets, must be applied starting January 1, 2013, with early adoption permitted.

The Company evaluated the impact of the above standard on its financial performance and financial statement disclosures and concluded that the impact will not be material.

Capital disclosures

The Company manages its capital structure and makes adjustments to it in light of the changes in economic conditions and the risk characteristics of its underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the Company.

The Company's capital structure consists of its shareholders' equity. The Company's objective when managing its capital is to safeguard the Company's accumulated capital by maintaining a sufficient level of funds to complete a Qualifying Transaction (as defined by Policy 2.4 of the TSX Venture Exchange).

The Company does have externally imposed capital requirements to which it is subject as defined in policy 2.4 of the TSX Venture Exchange.

The Company has never declared a dividend to its shareholders.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable considering the nature and relative size of the Company.

There were no changes in the Company's approach to capital management during this reporting period.

DIRECTORS AND OFFICERS

L. Kirk Brennenstuhl:	Director
Mark E. Crossett:	Director
Gregory W. Hewitt:	Director, Chief Executive Officer, President
A. George Matthew:	Director, Chief Financial Officer, Secretary
Eric R. Roblin:	Director

March 3, 2015.

71 Capital Corp.

A Capital Pool Company

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS AND THE YEAR ENDED DECEMBER 31, 2013

INTRODUCTION

71 CAPITAL CORP. ("the Company") is a Canadian controlled Capital Pool Company engaged in the business of identifying and evaluating companies, businesses, or assets with a view to completing a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange.

The Company was incorporated on February 6, 2008, under the Canada Business Corporations Act. The principal place of business for the Company is c/o Fogler, Rubinoff LLP, Suite 3000 – 77 King Street West, Toronto Dominion Centre, Toronto, Ontario, M5K 1G8.

The Company does not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

The Company attained its listing on the TSX Venture Exchange on December 24, 2008. The Company's present listing is on NEX, a separate board of the TSX Venture Exchange. The trading symbol for the Company is SVN.H.

The Company is confident that a Qualifying Transaction will be completed and, at that time, will apply to be listed on either the TSX Venture Exchange or the Toronto Stock Exchange.

On September 5, 2013, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the NEX. The letter of intent was for the amalgamation of the Company with ADL Oilfield Ltd. ("ADL"). ADL is a privately held Calgary based oil and gas service company engaged in providing cleanouts, stimulation, optimization, and remediation of oil and gas wells using a patented Stable Foam process. For the terms of the Qualification Transaction please refer to the Company's press release that has been filed on www.sedar.com. The parties are performing their due diligence, working on the preparation of a definitive amalgamation agreement, and preparing the documentation for submission to the regulatory authorities for their approval.

On May 4, 2011, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities continue the halt in trading of its common shares on the NEX. The letter of intent was for the amalgamation of the Company with Kingsview Iron Ore Limited ("Kingsview"). Kingsview is a private company engaged in the exploration and development of mining claims in the Province of Quebec, Canada, prospective for iron deposits. The Company issued a press release on April 30, 2013, stating that it has terminated the letter of intent with Kingsview. The Company's common shares resumed trading on May 2, 2013.

On October 28, 2010, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the TSX Venture Exchange. The letter of intent was for the amalgamation of the Company with Orx Pharmaceutical Corporation ("Orx"), a Canadian Controlled Private Corporation. The Company issued a press release on May 4, 2011, stating that the Company has terminated its letter of intent with Orx.

On August 18, 2009, the Company announced that a letter of intent for a Qualifying Transaction had been signed. The letter of intent was for the acquisition of all of the issued and outstanding securities of Prairie Pulse Inc. ("Prairie"), a Canadian Controlled Private Company. The Company received notice; after the markets were closed on July 14, 2010, from Prairie stating that "its shareholders are no longer interested in pursuing a transaction with 71 Capital Corp." The Company issued a press release in regard to the preceding on July 15, 2010.

The following is management's discussion and analysis and results of operations of the company for the year ended December 31, 2013, and its financial position as at December 31, 2013.

This management's discussion and analysis ("MD&A") includes financial information from, and should be read in conjunction with, the annual financial statements for the year ended December 31, 2013, including the notes thereto and, the annual financial statements for the year ended December 31, 2012, including the notes thereto. The Company's fiscal year end is December 31. The reporting currency is the Canadian dollar. The financial data contained in this discussion and analysis is in compliance with International Financial Reporting Standards (IFRS).

The financial statements and the notes thereto have been prepared under principles applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business.

The date of this management's discussion and analysis is March 5, 2014.

Additional information on 71 Capital Corp. has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available on line at www.sedar.com .

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking statements" and "forward-looking information" under applicable Canadian securities laws. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "believe", "plan", "intend", "estimate", "forecast", "predict", "potential", "continue", "anticipate", or the negative thereof or variations thereon or similar terminology concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of the Company. Without limitation, this would include statements about the Company's search for a Qualifying Transaction. Forward-looking information is based on certain factors and assumptions regarding, among other things, the due diligence pertaining to a Qualifying Transaction and the subsequent approval of the documentation that would be prepared for the regulatory authorities and respective shareholders. It could also apply to the estimation of initial and sustaining capital requirements for such. While management considers these assumptions to be reasonable, based on information currently available to it, they may prove to be incorrect. See "Risks and Uncertainties", "Financial Instruments", and "Outlook" sections of this MD&A.

Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in the securities of the Company should not place undue reliance on these forward-looking statements.

We disclaim any intention or obligation to update or revise any forward-looking statement whether as a result of new information, future events or otherwise, except to the extent required by applicable laws and that the forward-looking statements contained in this MD&A are made as of the date hereof.

EVALUATION OF DISCLOSURE, INTERNAL CONTROLS, AND PROCEDURES

Disclosure Controls and procedures
Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in reports filed with or submitted to the various securities regulators is recorded, processed, summarized and reported within the time periods specified. This information is gathered and reported to the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), so that timely decisions can be made regarding disclosure.

The Company's management, under the supervision of, and with the participation of, the CEO and CFO, have designed and evaluated the Company's disclosure controls and procedures as defined in their signed certification of annual and interim filings venture issuer basic certificate. Based on this evaluation, the CEO and CFO have concluded that, as of the date of this MD&A, the Company's disclosure controls and procedures were effective.

Internal Control over Financial Reporting
Designing, establishing and maintaining adequate internal control over financial reporting is the responsibility of the Company's management. Internal control over financial reporting is a process designed by, or under the supervision of management, and affected by the Board of Directors, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements in conformity with IFRS. These controls include policies and procedures pertaining to the maintenance of records that, in reasonable detail, accurately reflect transactions pertaining to its assets; provide reasonable assurance that all transactions are recorded to permit the preparation of its financial statements and that expenditures are being made only in accordance with authorizations of management of the Company, and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements. Management is responsible for establishing and maintaining internal control over financial reporting and has designed and implemented such controls to ensure that the required objectives of these internal controls have been met. The management of the Company applied its judgement in evaluating the cost-benefit relationship to controls and procedures. The result of which was, because of the inherent limitations in all control systems, no evaluation of the controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Minor control deficiencies have been identified within the Company's accounting and/or finance departments and its financial information systems over segregation of duties and user access respectively. Specifically, as is common for companies of this size, certain duties within the accounting and/or finance departments were not adequately segregated due to the limited number of individuals employed in these areas. At the present time, the CEO and CFO oversee all material transactions and related accounting records. The audit committee reviews the financial statements in detail, the key risks of the Company, and queries management about all significant transactions.

For the period covered by this MD&A there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the

Company's internal control over financial reporting.

EXECUTIVE COMPENSATION

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FINANCIAL HIGHLIGHTS

The Company attained its listing on the TSX Venture Exchange on December 24, 2008.

The Company's continued operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or, an investment of an interest in a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange.

The Company raised $117,000 from the issuance of 2,340,000 common seed shares at $0.05 per common share on June 12, 2008. Pursuant to a special resolution passed at the Annual and Special Meeting of Shareholders held on March 21, 2011, 1,000,000 common shares purchased by directors and officers of the Company at a discount to its initial public offering were cancelled. This cancellation resulted in the average cost per common share to these individuals being increased to $0.10 per common share which equates to the initial public offering price per common share. The Company instructed its transfer agent to cancel such common shares which took place on March 30, 2011.

Options on 234,000 common shares were granted on June 12, 2008, to the directors and officers of the Company at $0.10 per common share exercisable until June 11, 2013. As a result of the resolution to cancel 1,000,000 common shares, 100,000 of these common share options were cancelled in order to comply with the Company's stock option plan leaving options to acquire 134,000 common shares outstanding which expired on June 11, 2013.

The Initial Public Offering (IPO) of the Company's common shares took place on December 18, 2008, resulting in an additional 3,050,600 common shares being issued at $0.10 per share for aggregate proceeds of $186,626 which was net of financing expenses.

Compensation options on 305,060 common shares were granted to the agents of the Company as a portion of their compensation pertaining to the Initial Public Offering at $0.10 per common share exercisable until December 17, 2010. In May, 2009, one of the agents exercised options on 20,671 common shares at $0.10 per common share amounting to $2,067. The applicable stock-based compensation on this exercise was $827. This left compensation options on 284,389 common shares outstanding which expired on December 17, 2010.

Options on 305,060 common shares were granted on December 18, 2008, to the directors and officers of the Company at $0.10 per common share expired on December 17, 2013.

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The expenses relating to the three months and year ended December 31, 2013, and 2012, were:

	Three months ended December 31,		Twelve months ended December 31,	
	2013	2012	2013	2012
EXPENSES				
Bank charges	$ 30	$ 15	$ 132	$ 85
General	-	-	892	-
Legal and audit	6,780	6,780	6,497	7,060
Qualifying transaction	-	-	-	8,475
Insurance	-	-	2,584	-
Shareholder information	1,771	-	11,843	-
Sustaining fees and filing fees	(565)	1,413	10,992	5,650
Transfer agent	2,119	1,471	6,895	3,440
	$ 10,135	$ 9,679	$ 39,835	$ 24,710

Three months ended December 31, 2013

The loss recorded by the Company for the three months ended December 31, 2013 was $10,135 compared to a loss of $9,679 for the same period in 2012. The details of the increased loss of $456 in 2013 are; an increase in bank charges of $15 in 2013, an increase in shareholder information of $1,771, a decrease in sustaining and filing fees of $1,978 in 2013 and, transfer agents fees increased in 2013 by $648.

Year ended December 31, 2013

The loss recorded by the Company for the year ended December 31 2013 was $39,835 compared to a loss of $24,710 for the same period in 2012. The details of the increased loss of $15,125 in 2013 are; an increase in bank charges of $47, general expense of $892, insurance of $2,584, shareholder information of $11,843, sustaining and filing fees of $5,342, transfer agents fees of $3,455, less a decrease in legal and audit fees of $563, and qualifying transaction expenses of $8,475.

The majority of the increases in expenses were due to the costs incurred to hold the Company's Annual and Special Meeting of Shareholders in 2013 that was not held in 2012.

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Set forth below is certain selected financial information in respect of the eight most recently completed quarters of the Company. These data are derived from the Company's financial statements.

STATEMENTS OF FINANCIAL POSITION as at

Expressed in $000's of Canadian dollars

	Dec. 31 2013	Sep. 30 2013	Jun. 30 2013	Mar. 31 2013	Dec. 31 2012	Sep. 30 2012	Jun. 30 2012	Mar. 31 2012
	$	$	$	$	$	$	$	$
ASSETS:								
Current	133	137	142	159	173	176	178	194
LIABILITIES AND EQUITY								
Current	7	0	0	0	6	0	0	6
Shareholders' equity								
Share capital	306	306	306	306	306	306	306	306
Contributed surplus	31	31	31	31	31	31	31	31
Deficit	(211)	(200)	(195)	(178)	(170)	(161)	(159)	(149)
	126	137	142	159	167	176	178	188
	133	137	142	159	173	176	178	194
WORKING CAPITAL	126	137	142	159	167	176	178	188
COMMON SHARES OUTSTANDING (000's)	4,411	4,411	4,411	4,411	4,411	4,411	4,411	4,411

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
for the three months ended

Expressed in whole Canadian dollars

	Dec. 31 2013	Sep. 30 2013	Jun. 30 2013	Mar. 31 2013	Dec. 31 2012	Sep. 30 2012	Jun. 30 2012	Mar. 31 2012
	$	$	$	$	$	$	$	$
EXPENSES								
Bank charges	30	30	30	40	15	15	15	40
General	-	-	892	-	-	-	-	-
Insurance	-	-	2,585	-	-	-	-	-
Legal and audit	6,780	-	-	(282)	6,780	-	280	-
Qualifying transaction	-	-	-	-	-	-	8,475	-
Shareholder information	1,771	2,945	7,128	-	-	-	-	-
Sustaining and filing fees	(565)	1,412	3,717	6,427	1,413	1,412	-	2,825
Transfer agent	2,119	823	3,153	800	1,471	637	624	708
	10,135	5,210	17,505	6,985	9,679	2,064	9,394	3,573
NET LOSS FOR THE PERIOD	10,135	5,210	17,505	6,985	9,679	2,064	9,394	3,573
LOSS PER SHARE	-	-	-	-	-	-	-	-

Set forth below is certain selected financial information in respect of the three most recently completed financial years of the Company. These data are derived from the Company's financial statements.

STATEMENTS OF FINANCIAL POSITION as at

Expressed in $000's of Canadian dollars	Dec. 31 2013	Dec. 31 2012	Dec. 31 2011
ASSETS:	$	$	$
Current	133	173	197
LIABILITIES AND EQUITY			
Current	7	7	6
Shareholders' equity			
Share capital	306	306	306
Contributed surplus	31	31	31
Deficit	(211)	(171)	(146)
	126	166	191
	133	173	197
WORKING CAPITAL	126	166	191
CASH DIVIDENDS DECLARED	0	0	0
Weighted average number of common shares outstanding			
Basic (000's)	4,411	4,411	4,652
Diluted (000's)	4,763	4,850	5,116

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Expressed in whole Canadian dollars	Jan. 1 to Dec.31 2013	Jan. 1 to Dec.31 2012	Jan. 1 to Dec.31 2011
EXPENSES	$	$	$
Bank charges	132	85	60
General	892	-	-
Insurance	2,584	-	-
Legal and audit	6,497	7,060	6,500
Qualifying transaction - due diligence	-	8,475	2,825
Shareholder information	11,843		5,400
Sustaining and filing fees	10,992	5,650	5,515
Transfer agent	6,895	3,440	4,989
	39,835	24,710	25,289
NET LOSS FOR THE PERIOD	39,835	24,710	25,289
BASIC AND DILUTED LOSS PER SHARE	$0.01	$0.01	$0.01

RELATED PARTY TRANSACTIONS

Since the inception of the Company, no related party transactions have taken place.

LIQUIDITY AND CAPITAL RESOURCES

The present international economic situation appears to still be in a state of flux. Risk management together with the inherent uncertainties will be paramount in the minds of the Company's management as they endeavor to plot the course for the Company in the ensuing months and possibly year ahead.

Working capital was $126,440 at December 31, 2013, compared to $166,275 at December 31, 2012. The decrease in working capital of $39,835 was related to a decrease in cash and cash equivalents of $39,835. Working Capital at December 31, 2013, was represented by cash and cash equivalents of $133,220 less current liabilities $6,780.

The Company's approach to managing its liquidity is to ensure that it has sufficient resources to meet its liabilities as they come due and have sufficient working capital to fund operations until it consummates an agreement for an acceptable Qualifying Transaction.

Three months ended December 31, 2013

Cash flow used in operating activities

The Company recorded a loss for the three months ended December 31, 2013, of $10,135 and an increase in accounts payable and accrued liabilities of $6,780 which resulted in a cash usage of $3,355 in operating activities.

Year ended December 31, 2013

Cash flow used in operating activities

The Company recorded a loss for the year ended December 31, 2013, of $39,835 which resulted in a cash usage of $39,835 in operating activities.

CAPITAL STOCK AND DEFICIT

The authorized capital of the Company consists of an unlimited number of common shares without nominal or par value. As at December 31, 2013, and December 31, 2012, 4,411,271 common shares were issued and outstanding as fully paid and non-assessable.

The Company, under its stock option plan, had no options outstanding on its common shares at December 31, 2013. All options that were outstanding at December 31, 2012 expired during 2013.

Shareholders' equity at December 31, 2013, was $126,440 compared to $166,275 at December 31, 2012, a decrease of $39,835. This occurred as a result of the following:

Net loss for the year	$ 39,835

The following common shares and convertible securities were outstanding at December 31, 2013:

	Expiry Date	Exercise Price	Options Outstanding	Common Shares on Exercise
Common shares				4,411,271

CONTRIBUTED SURPLUS

The contributed surplus balance at December 31, 2013, and December 31, 2012, was unchanged at $30,597.

RISKS AND UNCERTAINTIES

Any investment in the common shares of the Company must be regarded as highly speculative due to the nature of its business.

The Company was incorporated on February 6, 2008, and has no active business or assets other than cash and cash equivalents. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction.

Any offering of the Company's common shares is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment.

The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company.

Upon completion of any offering of the Company's common shares, an investor will suffer an immediate dilution on investment per common share based on the gross proceeds of the issue less the financing expenses of the issue. An acquisition financed by the issuance of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted. There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to sell their common shares.

Until the completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction.

OUTLOOK

The Company, a capital pool company, has only one objective and that is its successful involvement in the identification and evaluation of a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange. Once identified and due diligence has taken place, the TSX Venture Exchange must approve the Qualifying Transaction and so must shareholders.

The Company is confident that a Qualifying Transaction will be completed and, at that time, will apply to be listed on either the TSX Venture Exchange or the Toronto Stock Exchange.

OTHER INFORMATION

Contractual Obligations

The Company does not have any contractual obligations.

Off-Statements of Financial Position Items

As at December 31, 2013, and December 31, 2012, the Company had no material arrangements off its Statements of Financial Position such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market, or credit risk to the Company.

Going Concern

Management has prepared its financial statements using accounting principles applicable to a going concern which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. Should the going concern assumption no longer be valid, adjustments would be required to the carrying values of assets and liabilities and to the reported expenses, and statements of financial position classifications.

Critical Accounting Policies

The financial statements are reported in Canadian dollars and, they may include management's estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. If estimates and assumptions were made actual results could differ from these estimates and assumptions. The financial statements have been prepared using careful judgment within the significant accounting policies summarized below.

Loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the year. Contingently issuable shares are not considered outstanding common shares and consequently are not included in the loss per share calculation. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants and other similar instruments outstanding that may add to the total number of common shares.

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 instrument: 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 receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market 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
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Other liabilities

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair value of assets and liabilities.

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly.

Level 3 – one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

Cash and cash equivalents and accounts payable and accrued liabilities are considered Level 1 in the hierarchy.

Income taxes

The Company accounts for its income taxes using the deferred tax assets and liabilities method. Deferred income tax assets and liabilities are determined based on the difference between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in profit or loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable profit for the years in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are not discounted.

The tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income or of equity, in which case the tax expense is recognized in other comprehensive income or equity respectively.

Current income tax assets and liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed on the basis of tax profit which differs from net profit. This calculation is made using tax rates and laws enacted at the end of the reporting period.

Accounting for stock-based compensation

The Company has adopted IFRS 2, Share based payment, for the recognition, measurement, and disclosure of stock-based compensation. The Company's options vest on granting therefore, compensation expense is recognized at that time with the same amount being recorded as contributed surplus. The expense is determined using an option pricing model that takes into account the exercise price, the term of the option, the current share price, the expected volatility of the underlying shares, the expected dividend yield, and the risk free interest rate for the term of the option. If the options are exercised, contributed surplus will be reduced by the applicable amount. Stock-based compensation calculations have no effect on the Company's cash position.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amount of expenses during the reported period. These estimates are reviewed periodically, and as adjustments become necessary they are made in the period in which they become known. Actual results could differ from these estimates.

Future changes in accounting policies

IFRS 9, Financial Instruments, which introduces new requirements for classifying and measuring financial assets, must be applied starting January 1, 2013, with early adoption permitted.

The Company evaluated the impact of the above standard on its financial performance and financial statement disclosures and concluded that the impact will not be material.

Capital disclosures

The Company manages its capital structure and makes adjustments to it in light of the changes in economic conditions and the risk characteristics of its underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the Company.

The Company's capital structure consists of its shareholders' equity. The Company's objective when managing its capital is to safeguard the Company's accumulated capital by maintaining a sufficient level of funds to complete a Qualifying Transaction (as defined by Policy 2.4 of the TSX Venture Exchange).

The Company does have externally imposed capital requirements to which it is subject as defined in policy 2.4 of the TSX Venture Exchange.

The Company has never declared a dividend to its shareholders.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable considering the nature and relative size of the Company.

There were no changes in the Company's approach to capital management during this reporting period.

DIRECTORS AND OFFICERS

L. Kirk Brennenstuhl:	Director
Mark E. Crossett:	Director
Gregory W. Hewitt:	Director, Chief Executive Officer, President
A. George Matthew:	Director, Chief Financial Officer, Secretary
Eric R. Roblin:	Director

March 5, 2014.

71 Capital Corp.

A Capital Pool Company

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS AND THE YEAR ENDED DECEMBER 31, 2012

INTRODUCTION

71 CAPITAL CORP. ("the Company") is a Canadian controlled Capital Pool Company engaged in the business of identifying and evaluating companies, businesses, or assets with a view to completing a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange.

The Company was incorporated on February 6, 2008, under the Canada Business Corporations Act. The principal place of business for the Company is c/o Fogler, Rubinoff LLP, Suite 3000 – 77 King Street West, Toronto Dominion Centre, Toronto, Ontario, M5J 2Z9

The Company does not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

The Company attained its listing on the TSX Venture Exchange on December 24, 2008. The Company's present listing is on NEX, a separate board of the TSX Venture Exchange. The trading symbol for the Company is SVN.H.

The Company is confident that a Qualifying Transaction will be completed and, at that time, will apply to be listed on either the TSX Venture Exchange or the Toronto Stock Exchange.

On May 4, 2011, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities continue the halt in trading of its common shares on the NEX.

The letter of intent is for the amalgamation of the Company with Kingsview Iron Ore Limited ("Kingsview"). Kingsview is a private company engaged in the exploration and development of mining claims in the Province of Quebec, Canada, prospective for iron deposits.

For the terms of the Qualifying Transaction, further details on Kingsview, management and board of directors of the resulting issuer, the possible sponsorship of the Qualifying Transaction, proforma capital structure, termination, and a description of significant conditions to closing please refer to the Company's press release dated May 4, 2011, that has been filed on www.sedar.com . The parties are continuing to perform their due diligence, working on the preparation of a definitive amalgamation agreement, and preparing the documentation for submission to the regulatory authorities for their approval.

On October 28, 2010, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the TSX Venture Exchange. The letter of intent was for the amalgamation of the Company with Orx Pharmaceutical Corporation ("Orx"), a Canadian Controlled Private Corporation. The Company issued a press release on May 4, 2011, stating that the Company has terminated its letter of intent with Orx.

On August 18, 2009, the Company announced that a letter of intent for a Qualifying Transaction had been signed. The letter of intent was for the acquisition of all of the issued and outstanding securities of Prairie Pulse Inc. ("Prairie"), a Canadian Controlled Private Company. The Company received notice; after the markets were closed on July 14, 2010, from Prairie stating that "its shareholders are no longer interested in pursuing a transaction with 71 Capital Corp." The Company issued a press release in regard to the preceding on July 15, 2010.

The following is management's discussion and analysis and results of operations of the company for the three months and year ended December 31, 2012, and its financial position as at December 31, 2012.

This management's discussion and analysis ("MD&A") includes financial information from, and should be read in conjunction with, the annual financial statements for the year ended December 31, 2012, including the notes thereto and, the annual financial statements for the year ended December 31, 2011, including the notes thereto. The Company's fiscal year end is December 31. The reporting currency is the Canadian dollar. The financial data contained in this discussion and analysis is in compliance with Interim Financial Reporting ("IAS 34") in conformity with International Financial Reporting Standards (IFRS).

The date of this management's discussion and analysis is March 27, 2013.

The Company's common shares are presently listed on NEX, a separate board of the TSX Venture Exchange, symbol SVN.H.

Additional information on 71 Capital Corp. has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available on line at www.sedar.com .

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Canadian Accounting Standards Board (the "AcSB") has confirmed that International Financial Reporting Standards as promulgated by the International Accounting Standards Board ("IASB"), would replace existing generally accepted accounting principles in Canada ("Canadian GAAP") for publicly accountable enterprises for fiscal years beginning on or after January 1, 2011.

This MD&A includes the results of operations and financial position presented in accordance with IFRS.

IFRS 2, Share Based Payment, permits the application of that standard only to equity instruments granted after November 7, 2002 that had not vested by January 1, 2010. The Company had no stock options that remained unvested on the transition date, and accordingly, the Company has not applied IFRS 2 for all equity instruments granted after November 7, 2002 that had vested by January 1, 2010.

As anticipated by management, the adoption of IFRS has resulted in certain presentation, disclosure and description changes to the financial statements. IFRS 1 does not permit changes to estimates that have been made previously. Consistent with that restriction, estimates used in the preparation of the Company's opening statement of financial position in compliance with IFRS were consistent with those that were made under Canadian GAAP.

In the opinion of management, all adjustments considered necessary for fair presentation under IFRS have been included.

The financial statements and the notes thereto have been prepared under principles applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains “forward-looking statements” and “forward-looking information” under applicable Canadian securities laws. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", “should", "expect", "believe", "plan", "intend", "estimate", “forecast”, "predict", "potential", "continue", “anticipate", or the negative thereof or variations thereon or similar terminology concerning matters that are not historical facts. Forward-looking information may relate to management’s future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of the Company. Without limitation, this would include statements about the Company’s search for a Qualifying Transaction. Forward-looking information is based on certain factors and assumptions regarding, among other things, the due diligence pertaining to a Qualifying Transaction and the subsequent approval of the documentation that would be prepared for the regulatory authorities and respective shareholders. It could also apply to the estimation of initial and sustaining capital requirements for such. Considerations such as the necessary financing, environmental costs, reclamation costs, and material costs, necessary to continue the development of the underlying investment, the receipt of necessary regulatory approvals, and assumptions with respect to environmental risks, title disputes or claims, and other similar matters. While management considers these assumptions to be reasonable, based on information currently available to it, they may prove to be incorrect. See “Risks and Uncertainties”, “Financial Instruments”, and “Outlook” sections of this MD&A.

Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in the securities of the Company should not place undue reliance on these forward-looking statements.

We disclaim any intention or obligation to update or revise any forward-looking statement whether as a result of new information, future events or otherwise, except to the extent required by applicable laws and that the forward-looking statements contained in this MD&A are made as of the date hereof.

EVALUATION OF DISCLOSURE, INTERNAL CONTROLS, AND PROCEDURES

Disclosure Controls and procedures
Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in reports filed with or submitted to the various securities regulators is recorded, processed, summarized and reported within the time periods specified. This information is gathered and reported to the Company’s management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), so that timely decisions can be made regarding disclosure.

The Company’s management, under the supervision of, and with the participation of, the CEO and CFO, have designed and evaluated the Company’s disclosure controls and procedures as defined in their signed certification of annual and interim filings venture issuer basic certificate. Based on this evaluation, the CEO and CFO have concluded that, as of the date of this MD&A, the Company’s disclosure controls and procedures were effective.

Internal Control over Financial Reporting
Designing, establishing and maintaining adequate internal control over financial reporting is the responsibility of the Company’s management. Internal control over financial reporting is a process designed by, or under the supervision of management, and affected by the Board of Directors, to provide reasonable assurance regarding the reliability of financial reporting and the

preparation of the Company’s financial statements in conformity with IFRS. These controls include policies and procedures pertaining to the maintenance of records that, in reasonable detail, accurately reflect transactions pertaining to its assets; provide reasonable assurance that all transactions are recorded to permit the preparation of its financial statements and that expenditures are being made only in accordance with authorizations of management of the Company, and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on its financial statements. Management is responsible for establishing and maintaining internal control over financial reporting and has designed and implemented such controls to ensure that the required objectives of these internal controls have been met. The management of the Company applied its judgement in evaluating the cost-benefit relationship to controls and procedures. The result of which was, because of the inherent limitations in all control systems, no evaluation of the controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Minor control deficiencies have been identified within the Company’s accounting and/or finance departments and its financial information systems over segregation of duties and user access respectively. Specifically, as is common for companies of this size, certain duties within the accounting and/or finance departments were not adequately segregated due to the limited number of individuals employed in these areas. At the present time, the CEO and CFO oversee all material transactions and related accounting records. The audit committee reviews the financial statements in detail, the key risks of the Company, and queries management about all significant transactions.

For the period covered by this MD&A there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

EXECUTIVE COMPENSATION

There has been no executive compensation paid to the executives of the Company since its inception.

FINANCIAL HIGHLIGHTS OF OPERATIONS

The Company attained its listing on the TSX Venture Exchange on December 24, 2008

The Company’s continued operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or, an investment of an interest in a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange.

The Company raised $117,000 from the issuance of 2,340,000 common seed shares at $0.05 per common share on June 12, 2008. Pursuant to a special resolution passed at the Annual and Special Meeting of Shareholders held on March 21, 2011, 1,000,000 common shares purchased by directors and officers of the Company at a discount to its initial public offering were cancelled. This cancellation resulted in the average cost per common share to these individuals being increased to $0.10 per common share which equates to the initial public offering price per common share. The Company instructed its transfer agent to cancel such common shares which took place on March 30, 2011.

Options on 234,000 common shares were granted on June 12, 2008, to the directors and officers of the Company at $0.10 per common share exercisable until June 11, 2013. As a result of the resolution to cancel 1,000,000 common shares, 100,000 of these common share options were cancelled in order to comply with the Company's stock option plan leaving options to acquire 134,000 common shares outstanding.

The Initial Public Offering (IPO) of the Company's common shares took place on December 18, 2008, resulting in an additional 3,050,600 common shares being issued at $0.10 per share for aggregate proceeds of $186,626 which was net of financing expenses.

Compensation options on 305,060 common shares were granted to the agents of the Company as a portion of their compensation pertaining to the Initial Public Offering at $0.10 per common share exercisable until December 17, 2010. In May, 2009, one of the agents exercised options on 20,671 common shares at $0.10 per common share amounting to $2,067. The applicable stock-based compensation on this exercise was $827. This left compensation options on 284,389 common shares outstanding which expired on December 17, 2010.

Options on 305,060 common shares were granted on December 18, 2008, to the directors and officers of the Company at $0.10 per common share exercisable until December 17, 2013.

The expenses relating to the three and twelve months ended December 31, 2012, and 2011, as were:

	Three months ended December 31,		Twelve months ended December 31,	
	2012	2011	2012	2011
EXPENSES				
Bank charges	$ 15	$ 15	$ 85	$ 60
Legal and audit	6,780	6,500	7,060	6,500
Qualifying transaction - due diligence	-	2,825	8,475	2,825
Shareholder information	-	-	-	5,400
Sustaining fees	1,413	(151)	5,650	5,515
Transfer agent	1,471	1,474	3,440	4,989
	$ 9,679	$ 10,663	$ 24,710	$ 25,289

Three months ended December 31, 2012

The loss recorded by the Company for the three months ended December 31, 2012, was $9,679 compared to a loss of $10,663 for the same period in 2011. The reasons for the decreased loss of $984 in 2012 were; an increase of $1,564 in sustaining in the 2012 period which was the result of a change in policy by the Regulatory Authorities requesting payments quarterly rather than yearly, an increase in legal and audit expenses of $280 in the 2012 period, a reduction in transfer agent fees in the 2012 period of $3, and a reduction in qualifying transaction expenses of $2,825 in the 2012 period due to no filing expenses during the 2012 period.

Twelve months ended December 31, 2012

The loss recorded by the Company for the year ended December 31, 2012 was $24,710 compared to a loss of $25,289 for the same period in 2011. The reasons for the decreased loss of $579 in 2012 were; an increase in bank charges of $25 in the 2012 period, an increase of $560 in legal and audit expenses in the 2012 period, an increase of $5,650 in qualifying transaction expenses due to increased filings with the Regulatory Authorities in the 2012 period, a decrease in the 2012 shareholder information expense of $5,400 due to no shareholder meeting in 2012, an increase of $135 in sustaining fees in the 2012 period, and a reduction of $1,549 in 2012 transfer agent fees due to no shareholder meeting being held.

Set forth below is certain selected financial information in respect of the eight most recently completed quarters of the Company. These data are derived from the Company's financial statements.

STATEMENTS OF FINANCIAL POSITION as at

Expressed in $000's of Canadian dollars

	Dec. 31 2012	Sep. 30 2012	Jun. 30 2012	Mar. 31 2012	Dec. 31 2011	Sep. 30 2011	Jun. 30 2011	Mar. 31 2011
	$	$	$	$	$	$	$	$
ASSETS:								
Current	173	176	178	194	197	201	204	207
LIABILITIES AND EQUITY								
Current	6	0	0	6	6	0	0	0
Shareholders' equity								
Share capital	306	306	306	306	306	306	306	306
Contributed surplus	31	31	31	31	31	31	31	31
Deficit	(170)	(161)	(159)	(149)	(146)	(136)	(133)	(130)
	167	176	178	188	191	201	204	207
	173	176	178	194	197	201	204	207
WORKING CAPITAL	167	176	178	188	191	201	204	207
COMMON SHARES OUTSTANDING (000's)	4,411	4,411	4,411	4,411	4,411	4,411	4,411	4,411

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS for the three months ended

Expressed in whole Canadian dollars

	Dec. 31 2012	Sep. 30 2012	Jun. 30 2012	Mar. 31 2012	Dec. 31 2011	Sep. 30 2011	Jun. 30 2011	Mar. 31 2011
	$	$	$	$	$	$	$	$
EXPENSES								
Bank charges	15	15	15	40	15	15	15	15
Legal and audit	6,780	-	280	-	6,500	-	-	-
Qualifying transaction	-	-	8,475	-	2,825	-	-	-
Shareholder information	-	-	-	-	-	1,793	2,857	750
Sustaining fees	1,413	1,412	-	2,825	(151)	-	(210)	5,876
Transfer agent	1,471	637	624	708	1,474	660	624	2,231
	9,679	2,064	9,394	3,573	10,663	2,468	3,286	8,872
NET LOSS FOR THE PERIOD	9,679	2,064	9,394	3,573	10,663	2,468	3,286	8,872
LOSS PER SHARE	-	-	-	-	-	-	-	-

Set forth below is certain selected financial information in respect of the three most recently completed financial years of the Company. These data are derived from the Company's financial statements. The year 2010 has been presented in accordance with Canadian GAAP. The change from Canadian GAAP to IFRS would have resulted in no change to the Company's results during these years had they been reported under IFRS.

STATEMENTS OF FINANCIAL POSITION as at

Expressed in $000's of Canadian dollars	**Dec. 31 2012**	**Dec. 31 2011**	**Dec. 31 2010**
ASSETS:	$	$	$
Current	173	197	222
LIABILITIES AND EQUITY			
Current	7	6	6
Shareholders' equity			
Share capital	306	306	306
Contributed surplus	31	31	31
Deficit	(171)	(146)	(121)
	166	191	216
	173	197	222
WORKING CAPITAL	166	191	216
CASH DIVIDENDS DECLARED	0	0	0
COMMON SHARES OUTSTANDING (000's)	4,411	4,411	5,411

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Expressed in whole Canadian dollars	**Jan. 1 to Dec.31 2012**	**Jan. 1 to Dec.31 2011**	**Jan. 1 to Dec.31 2010**
EXPENSES	$	$	$
Bank charges	85	60	85
General	-	-	1,610
Insurance	-	-	1,301
Legal and audit	7,060	6,500	5,757
Qualifying transaction - due diligence	8,475	2,825	17,917
Shareholder information		5,400	8,896
Sustaining fees	5,650	5,515	5,250
Transfer agent	3,440	4,989	4,273
	24,710	25,289	45,089
NET LOSS FOR THE PERIOD	24,710	25,289	45,089
BASIC AND DILUTED LOSS PER SHARE	$0.01	$0.01	$0.01

RELATED PARTY TRANSACTIONS

Since the inception of the Company, no related party transactions have taken place.

LIQUIDITY AND CAPITAL RESOURCES

The present international economic situation appears to still be in a state of flux. Risk management together with the inherent uncertainties will be paramount in the minds of the Company's management as they endeavor to plot the course for the Company in the ensuing months and possibly year ahead.

Working capital was $166,275at December 31, 2012, compared to $190,985 at December 31, 2011. The decrease in working capital of $24,710 was related to a decrease in cash and cash equivalents of $24,430 and an increase in accounts payable and accrued liabilities $280. Current assets at December 31, 2012, were represented by cash and cash equivalents of $173,055 and current liabilities were represented by accounts payable and accrued liabilities of $6,780.

The Company's approach to managing its liquidity is to ensure that it has sufficient resources to meet its liabilities as they come due and have sufficient working capital to fund operations until it consummates an agreement for an acceptable Qualifying Transaction.

Three months ended December 31, 2012

Cash flow used in operating activities

The Company recorded a loss for the three months ended December 31, 2012, of $9,679 and had accounts payable and accrued liabilities of $6,780 which resulted in a net cash usage of $2,899 in operating activities.

Twelve months ended December 31, 2012

Cash flow used in operating activities

The Company recorded a loss for the year ended December 31, 2012 of $24,710 and increased its accounts payable and accrued liabilities by $280 which resulted in a cash usage of $24,430 in operating activities.

CAPITAL STOCK AND DEFICIT

The authorized capital of the Company consists of an unlimited number of common shares without nominal or par value. As at December 31, 2012, and December 31, 2011, 4,411,271 common shares were issued and outstanding as fully paid and non-assessable.

The Company, under its stock option plan, had at December 31, 2012, and December 31, 2011, options outstanding on 439,060 of its common shares.

Shareholders' equity at December 31, 2012, was $166,275 compared to $190,985 at December 31, 2011, a decrease of $24,710. This occurred as a result of the following:

Net loss for the year	$ 24,710

The following common shares and convertible securities were outstanding at December 31, 2012:

	Expiry Date	Exercise Price	Options Outstanding	Common Shares on Exercise
Common shares				4,411,271
Options	June 11/2013	$0.10	134,000	134,000
	Dec. 17/2013	$0.10	305,060	305,060

CONTRIBUTED SURPLUS

The contributed surplus balance at December 31, 2012, and December 31, 2011, was unchanged at $30,597.

RISKS AND UNCERTAINTIES

The common shares of the Company are listed on NEX, a separate board of the TSX Venture Exchange, under the symbol SVN.H. An investment in the common shares must be regarded as highly speculative due to the nature of the Company's business and its present stage of development.

The Company was incorporated on February 6, 2008, and has no active business or assets other than cash and cash equivalents. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction.

Any offering of the Company's common shares is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment.

The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company.

Upon completion of any offering of the Company's common shares, an investor will suffer an immediate dilution on investment per common share based on the gross proceeds of the issue less the financing expenses of the issue. An acquisition financed by the issuance of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted. There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to sell their common shares.

Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction.

OUTLOOK

The Company, a capital pool company, has only one objective and that is its successful involvement in the identification and evaluation of a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange. Once identified and due diligence has taken place, the TSX Venture Exchange must approve the Qualifying Transaction and so must shareholders.

On April 6, 2011, the Company's common shares began trading on NEX, a separate board of the TSX Venture Exchange and its trading symbol changed from SVN.P to SVN.H

The Company is confident that a Qualifying Transaction will be completed and, at that time, will apply to be listed on either the TSX Venture Exchange or the Toronto Stock Exchange.

OTHER INFORMATION

Contractual Obligations

The Company does not have any contractual obligations.

Off-Statements of Financial Position Items

As at December 31, 2012, and December 31, 2011, the Company had no material arrangements off its Statements of Financial Position such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market, or credit risk to the Company.

Going Concern

Management has prepared its financial statements using accounting principles applicable to a going concern which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. Should the going concern assumption no longer be valid, adjustments would be required to the carrying values of assets and liabilities and to the reported expenses, and statements of financial position classifications.

Critical Accounting Policies

The financial statements are reported in Canadian dollars and, they may include management's estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. If estimates and assumptions were made actual results could differ from these estimates and assumptions. The financial statements have been prepared using careful judgment within the significant accounting policies summarized below.

Loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the year. Contingently issuable shares are not considered outstanding common shares and consequently are not included in the loss per share calculation. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants and other similar instruments outstanding that may add to the total number of common shares.

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 instrument: 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 receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market 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
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Other liabilities

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair value of assets and liabilities.

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly.

Level 3 – one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

Cash and cash equivalents and accounts payable and accrued liabilities are considered Level 1 in the hierarchy.

Income taxes

The Company accounts for its income taxes using the deferred tax assets and liabilities method. Deferred income tax assets and liabilities are determined based on the difference between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in profit or loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable profit for the years in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are not discounted.

The tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income or of equity, in which case the tax expense is recognized in other comprehensive income or equity respectively.

Current income tax assets and liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed on the basis of tax profit which differs from net profit. This calculation is made using tax rates and laws enacted at the end of the reporting period.

Accounting for stock-based compensation

The Company has adopted IFRS 2, Share based payment, for the recognition, measurement, and disclosure of stock-based compensation. The Company's options vest on granting therefore, compensation expense is recognized at that time with the same amount being recorded as contributed surplus. The expense is determined using an option pricing model that takes into account the exercise price, the term of the option, the current share price, the expected volatility of the underlying shares, the expected dividend yield, and the risk free interest rate for the term of the option. If the options are exercised, contributed surplus will be reduced by the applicable amount. Stock-based compensation calculations have no effect on the Company's cash position.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amount of expenses during the reported period. These estimates are reviewed periodically, and as adjustments become necessary they are made in the period in which they become known. Actual results could differ from these estimates.

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of January 1, 2010 were consistent with its Canadian GAAP estimates for the same date.

Future changes in accounting policies

IFRS 9, Financial Instruments, which introduces new requirements for classifying and measuring financial assets, must be applied starting January 1, 2013, with early adoption permitted.

The Company is currently evaluating the impact of the above standard on its financial performance and annual financial statement disclosures but expects that such impact will not be material.

Capital disclosures

The Company manages its capital structure and makes adjustments to it in light of the changes in economic conditions and the risk characteristics of its underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the Company.

The Company's capital structure consists of its shareholders' equity. The Company's objective when managing its capital is to safeguard the Company's accumulated capital by maintaining a sufficient level of funds to complete a Qualifying Transaction (as defined by Policy 2.4 of the TSX Venture Exchange).

The Company does have externally imposed capital requirements to which it is subject as defined in policy 2.4 of the TSX Venture Exchange.

The Company has never declared a dividend to its shareholders.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable considering the nature and relative size of the Company.

There were no changes in the Company's approach to capital management during this reporting period.

DIRECTORS AND OFFICERS

L. Kirk Brennenstuhl:	Director
Mark E. Crossett:	Director
Gregory W. Hewitt:	Director, Chief Executive Officer, President
A. George Matthew:	Director, Chief Financial Officer, Secretary
Eric R. Roblin:	Director

March 27, 2013.

71 Capital Corp.

A Capital Pool Company

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2011

INTRODUCTION

71 CAPITAL CORP. (the "Company") is a Canadian controlled Capital Pool Company engaged in the business of identifying and evaluating companies, businesses, or assets with a view to completing a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange.

The Company was incorporated on February 6, 2008, under the Canada Business Corporations Act. The principal place of business for the Company is c/o Fogler, Rubinoff LLP, Suite 1200 – 95 Wellington Street West, Toronto Dominion Centre, Toronto, Ontario, M5J 2Z9

The Company does not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

At the Annual and Special Meeting of Shareholders held on March 21, 2011, the disinterested Shareholders, being Shareholders that are arms length to the Company, approved the filing of an application to have the Company's common shares trade on NEX, a separate board of the TSX Venture Exchange. The Company filed the application and as a result the TSX Venture Exchange issued a transfer to NEX Bulletin stating that:

- In accordance with TSX Venture Policy 2.4, Capital Pool Companies, the Company has not completed a qualifying transaction within the prescribed time frame.

- Effective Wednesday, April 6, 2011, the Company's listing transferred to NEX, the Company's Tier classification changed from Tier 2 to NEX, and the Filing and Service Office changed from Toronto to NEX.

- As of April 6, 2011, the Company is subject to restrictions on share issuances and certain types of payments as set out in the NEX policies.

- The trading symbol for the Company will change from SVN.P to SVN.H.

The Company is confident that a Qualifying Transaction will be completed and, at that time, will apply to be listed on either the TSX Venture Exchange or the Toronto Stock Exchange.

On May 4, 2011, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities continue the halt in trading of its common shares on the NEX.

The letter of intent is for the amalgamation of the Company with Kingsview Iron Ore Limited ("Kingsview"). Kingsview is a private company engaged in the exploration and development of mining claims in the Province of Quebec, Canada, prospective for iron deposits.

For the terms of the Qualifying Transaction, further details on Kingsview, management and board of directors of the resulting issuer, the possible sponsorship of the Qualifying Transaction, proforma capital structure, termination, and a description of significant conditions to closing please refer to the Company's press release dated May 4, 2011, that has been filed on www.sedar.com . The parties are continuing to perform their due diligence, working on the preparation of a definitive amalgamation agreement, and preparing the documentation for submission to the regulatory authorities for their approval.

On October 28, 2010, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the TSX Venture Exchange. The letter of intent was for the amalgamation of the Company with Orx Pharmaceutical Corporation ("Orx"), a Canadian Controlled Private Corporation. The Company issued a press release on May 4, 2011, stating that the Company has terminated its letter of intent with Orx.

On August 18, 2009, the Company announced that a letter of intent for a Qualifying Transaction had been signed. The letter of intent was for the acquisition of all of the issued and outstanding securities of Prairie Pulse Inc. ("Prairie"), a Canadian Controlled Private Company. The Company received notice; after the markets were closed on July 14, 2010, from Prairie stating that "its shareholders are no longer interested in pursuing a transaction with 71 Capital Corp." The Company issued a press release in regard to the preceding on July 15, 2010.

The following is management's discussion and analysis and results of operations of the company for the three and twelve months ended December 31, 2011, and its financial position as at December 31, 2011.

This management's discussion and analysis ("MD&A") includes financial information from, and should be read in conjunction with, financial statements for the year ended December 31, 2011, including the notes thereto and, the financial statements for the year ended December 31, 2010, including the notes thereto. The Company's fiscal year end is December 31. The reporting currency is the Canadian dollar. The financial data contained in this discussion and analysis is in conformity with International Financial Reporting Standards (IFRS).

The date of this management's discussion and analysis is April 4, 2012.

The Company's common shares are presently listed on NEX, a separate board of the TSX Venture Exchange, symbol SVN.H.

Additional information on 71 Capital Corp. has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available on line at www.sedar.com .

ADOPTION OF ACCOUNTING STANDARDS AND PRONOUNCEMENTS IN CONFORMITY WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

This MD&A has been prepared by management in conformity with International Financial Reporting Standards ("IFRS").

The Canadian Accounting Standards Board (the "AcSB") has confirmed that International Financial Reporting Standards as promulgated by the International Accounting Standards Board ("IASB"), would replace existing generally accepted accounting principles in Canada ("Canadian GAAP") for publicly accountable enterprises for fiscal years beginning on or after January 1, 2011.

This MD&A includes the results of operations and financial position presented in accordance with "First-Time Adoption of IFRS" ("IFRS 1") that was applied on transition. As a result of the adoption of IFRS, there was no impact on the Company's balance sheet at December 31, 2009, as reported under Canadian GAAP, thereby resulting in a similar opening balance sheet at January 1, 2010, in conformity with IFRS.

IFRS 2, Share Based Payment, permits the application of that standard only to equity instruments granted after November 7, 2002 that had not vested by January 1, 2010. The Company had no stock options that remained unvested on the transition date, and accordingly, the Company has not applied IFRS 2 for all equity instruments granted after November 7, 2002 that had vested by January 1, 2010.

As anticipated by management, the adoption of IFRS has resulted in certain presentation, disclosure and description changes to the financial statements. IFRS 1 does not permit changes to estimates that have been made previously. Consistent with that restriction, estimates used in the preparation of the Company's opening statement of financial position in compliance with IFRS were consistent with those that were made under Canadian GAAP.

As a result of the adoption of IFRS, there was no impact on the Company's balance sheets at December 31, 2011, December 31, 2010 and January 1, 2010 and to the Company's statements of loss and comprehensive loss for the three month and twelve month periods ended December 31, 2011 and for the same periods ended December 31, 2010. There are also no material differences between the cash flow statement presented under Canadian GAAP and that presented under IFRS for the three month and twelve month periods ended December 31, 2011 and for the same periods ended December 31, 2010. Accordingly, no reconciliations have been presented.

In the opinion of management, all adjustments considered necessary for fair presentation under IFRS have been included.

The financial statements and the notes thereto have been prepared under principles applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking statements" and "forward-looking information" under applicable Canadian securities laws. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "believe", "plan", "intend", "estimate", "forecast", "predict", "potential", "continue", "anticipate", or the negative thereof or variations thereon or similar terminology concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of the Company. Without limitation, this would include statements about the Company's search for a Qualifying Transaction. Forward-looking information is based on certain factors and assumptions regarding, among other things, the due diligence pertaining to a Qualifying Transaction and the subsequent approval of the documentation that would be prepared for the regulatory authorities and respective shareholders. It could also apply to the estimation of initial and sustaining capital requirements for such. Considerations such as the necessary financing, environmental costs, reclamation costs, and material costs, necessary to continue the development of the underlying investment, the receipt of necessary regulatory approvals, and assumptions with respect to environmental risks, title disputes or claims, and other similar matters. While management considers these assumptions to be reasonable, based on information currently available to it, they may prove to be incorrect. See "Risks and Uncertainties", "Financial Instruments", and "Outlook" sections of this MD&A.

Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in the securities of the Company should not place undue reliance on these forward-looking statements.

We disclaim any intention or obligation to update or revise any forward-looking statement whether as a result of new information, future events or otherwise, except to the extent required by applicable laws and that the forward-looking statements contained in this MD&A are made as of the date hereof.

EVALUATION OF DISCLOSURE, INTERNAL CONTROLS, AND PROCEDURES

Disclosure Controls and procedures
Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in reports filed with or submitted to the various securities regulators is recorded, processed, summarized and reported within the time periods specified. This information is gathered and reported to the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), so that timely decisions can be made regarding disclosure.

The Company's management, under the supervision of, and with the participation of, the CEO and CFO, have designed and evaluated the Company's disclosure controls and procedures as defined in their signed certification of annual and interim filings venture issuer basic certificate. Based on this evaluation, the CEO and CFO have concluded that, as of the date of this MD&A, the Company's disclosure controls and procedures were effective.

Internal Control over Financial Reporting
Designing, establishing and maintaining adequate internal control over financial reporting is the responsibility of the Company's management. Internal control over financial reporting is a process designed by, or under the supervision of management, and affected by the Board of Directors, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements in conformity with IFRS. These controls include policies and procedures pertaining to the maintenance of records that, in reasonable detail, accurately reflect transactions pertaining to its assets; provide reasonable assurance that all transactions are recorded to permit the preparation of its financial statements and that expenditures are being made only in accordance with authorizations of management of the Company, and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements. Management is responsible for establishing and maintaining internal control over financial reporting and has designed and implemented such controls to ensure that the required objectives of these internal controls have been met. The management of the Company applied its judgement in evaluating the cost-benefit relationship to controls and procedures. The result of which was, because of the inherent limitations in all control systems, no evaluation of the controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Minor control deficiencies have been identified within the Company's accounting and/or finance departments and its financial information systems over segregation of duties and user access respectively. Specifically, as is common for companies of this size, certain duties within the accounting and/or finance departments were not adequately segregated due to the limited number of individuals employed in these areas. At the present time, the CEO and CFO oversee all material transactions and related accounting records. The audit committee reviews the financial statements in detail, the key risks of the Company, and queries management about all significant transactions.

For the period covered by this MD&A there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

EXECUTIVE COMPENSATION

There has been no compensation paid to the executives of the Company since its inception.

FINANCIAL HIGHLIGHTS OF OPERATIONS

The Company's continued operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or, an investment of an interest in a Qualifying Transaction (as defined) within 24 months of attaining its listing on the TSX Venture Exchange which occurred on December 24, 2008, see INTRODUCTION on the first page of this MD&A.

The Company raised $117,000 from the issuance of 2,340,000 common seed shares at $0.05 per common share on June 12, 2008. Pursuant to a special resolution passed at the Annual and Special Meeting of Shareholders held on March 21, 2011, 1,000,000 common shares purchased by directors and officers of the Company at a discount to its initial public offering were cancelled. This cancellation resulted in the average cost per common share to these individuals being increased to $0.10 per common share which equates to the initial public offering price per common share. The Company instructed its transfer agent to cancel such common shares which took place on March 30, 2011.

Options on 234,000 common shares were granted on June 12, 2008, to the directors and officers of the Company at $0.10 per common share exercisable until June 11, 2013. As a result of the resolution to cancel 1,000,000 common shares, 100,000 of these common share options were cancelled in order to comply with the Company's stock option plan leaving options to acquire 134,000 common shares outstanding.

The Initial Public Offering (IPO) of the Company's common shares took place on December 18, 2008, resulting in an additional 3,050,600 common shares being issued at $0.10 per share for aggregate proceeds of $186,626 which was net of financing expenses.

Compensation options on 305,060 common shares were granted to the agents of the Company as a portion of their compensation pertaining to the Initial Public Offering at $0.10 per common share exercisable until December 17, 2010. In May, 2009, one of the agents exercised options on 20,671 common shares at $0.10 per common share amounting to $2,067. The applicable stock-based compensation on this exercise was $827. This left compensation options on 284,389 common shares outstanding which expired on December 17, 2010.

Options on 305,060 common shares were granted on December 18, 2008, to the directors and officers of the Company at $0.10 per common share exercisable until December 17, 2013.

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The expenses relating to the three months ended December 31, 2011, and December 31, 2010, as well as the twelve months ended December 31, 2011, and December 31, 2010 were:

	Three months ended December 31,		Twelve months ended December 31,	
	2011	2010	2011	2010
EXPENSES				
Bank charges	$ 15	$ 15	$ 60	$ 85
General	-	383	-	1,610
Insurance	-	1,301	-	1,301
Legal and audit	6,500	5,537	6,500	5,757
Qualifying transaction - due diligence	2,825	2,251	2,825	17,917
Shareholder information	-	3,827	5,400	8,896
Sustaining fees	(151)	-	5,515	5,250
Transfer agent	1,474	1,471	4,989	4,273
	$ 10,663	$ 14,785	$ 25,289	$ 45,089

Three months ended December 31, 2011

The loss recorded by the Company for the three months ended December 31, 2011, was $10,663 compared to a loss of $14,785 for the same period in 2010. The reasons for the decreased loss of $4,122 in 2011 were; no general, insurance, or shareholder expenses in 2011 compared to $5,511 in 2010, an increase in 2011 for legal and audit expenses of $963, an increase in qualifying transaction – due diligence expense in 2011 of $574, an increase in transfer agent fees of $3 in 2011, and a refund of $151 pertaining to sustaining fee expense in the 2011 period.

Twelve months ended December 31, 2011

The loss recorded by the Company for the twelve months ended December 31, 2011 was $25,289 compared to a loss of $45,089 for the same period in 2010. The reasons for the decreased loss of $19,800 in 2011 were; a reduction in bank charges of $25 in 2011, no general or insurance expense in 2011 of $2,911, an increase in legal and audit expenses in 2011 of $743, a decrease in qualifying transaction - expenses in 2011 of $15,092, a decrease of $3,496 in shareholder information expense in 2011 when compared to 2010, an increase in 2011 of $265 in sustaining fees, and an increase in transfer agent fees of $716 for 2011 when compared to 2010.

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Set forth below is certain selected financial information in respect of the eight most recently completed quarters of the Company. These data are derived from the Company's financial statements. The quarters of 2010 have been presented in accordance with Canadian GAAP. The change from Canadian GAAP to IFRS would have resulted in no change to the Company's results during these periods.

STATEMENTS OF FINANCIAL POSITION as at

Expressed in $000's of Canadian dollars

	Dec. 31 2011	Sep. 30 2011	Jun. 30 2011	Mar. 31 2011	Dec. 31 2010	Sep. 30 2010	Jun. 30 2010	Mar. 31 2010
	$	$	$	$	$	$	$	$
ASSETS:								
Current	197	201	204	207	222	231	237	255
LIABILITIES AND EQUITY								
Current	6	0	0	0	6	0	2	0
Shareholders' equity								
Share capital	306	306	306	306	306	306	306	307
Contributed surplus	31	31	31	31	31	31	31	30
Deficit	(146)	(136)	(133)	(130)	(121)	(106)	(102)	(82)
	191	201	204	207	216	231	235	255
	197	201	204	207	222	231	237	255
WORKING CAPITAL	191	201	204	207	216	231	235	255
COMMON SHARES OUTSTANDING (000's)	4,411	4,411	4,411	4,411	5,411	5,411	5,411	5,411

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
for the three months ended

Expressed in whole Canadian dollars

	Dec. 31 2011	Sep. 30 2011	Jun. 30 2011	Mar. 31 2011	Dec. 31 2010	Sep. 30 2010	Jun. 30 2010	Mar. 31 2010
	$	$	$	$	$	$	$	$
EXPENSES								
Bank charges	15	15	15	15	15	15	15	40
General	-	-	-	-	383	-	1,227	-
Insurance	-	-	-	-	1,301	-	-	-
Legal and audit	6,500	-	-	-	5,537	-	220	-
Qualifying transaction	2,825	-	-	-	2,251	2,127	13,539	-
Shareholder information	-	1,793	2,857	750	3,827	1,071	3,594	404
Sustaining fees	(151)	-	(210)	5,876	-	-	-	5,250
Transfer agent	1,474	660	624	2,231	1,471	626	1,517	659
	10,663	2,468	3,286	8,872	14,785	3,839	20,112	6,353
NET LOSS FOR THE PERIOD	10,663	2,468	3,286	8,872	14,785	3,839	20,112	6,353
LOSS PER SHARE	-	-	-	-	-	-	-	-

Set forth below is certain selected financial information in respect of the three most recently completed financial years of the Company. These data are derived from the Company's financial statements. The years of 2009 and 2010 have been presented in accordance with Canadian GAAP. The change from Canadian GAAP to IFRS would have resulted in no change to the Company's results during these years had they been reported under IFRS.

STATEMENTS OF FINANCIAL POSITION as at

Expressed in $000's of Canadian dollars	**Dec. 31 2011**	**Dec. 31 2010**	**Dec. 31 2009**
ASSETS:	$	$	$
Current	197	222	267
LIABILITIES AND EQUITY			
Current	6	6	5
Shareholders' equity			
Share capital	306	306	307
Contributed surplus	31	31	31
Deficit	(146)	(121)	(76)
	191	216	262
	197	222	267
WORKING CAPITAL	191	216	262
CASH DIVIDENDS DECLARED	0	0	0
COMMON SHARES OUTSTANDING (000's)	4,411	5,411	5,391

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Expressed in whole Canadian dollars	**Jan. 1 to Dec.31 2011**	**Jan. 1 to Dec.31 2010**	**Jan. 1 to Dec.31 2009**
EXPENSES	$	$	$
Bank charges	60	85	61
General	-	1,610	-
Insurance	-	1,301	1,540
Legal and audit	6,500	5,757	5,145
Qualifying transaction - due diligence	2,825	17,917	475
Shareholder information	5,400	8,896	3,940
Sustaining fees	5,515	5,250	5,250
Transfer agent	4,989	4,273	4,656
	25,289	45,089	21,067
NET LOSS FOR THE PERIOD	25,289	45,089	21,067
BASIC AND DILUTED LOSS PER SHARE	$0.01	$0.01	-

RELATED PARTY TRANSACTIONS

Since the inception of the Company, no related party transactions have taken place.

LIQUIDITY AND CAPITAL RESOURCES

The present international economic situation appears to still be in a state of flux. Risk management together with the inherent uncertainties will be paramount in the minds of the Company's management as they endeavor to plot the course for the Company in the ensuing months and possibly year ahead.

Working capital was $190,985 at December 31, 2011, compared to $216,274 at December 31, 2010. The decrease in working capital of $25,289 was related to a decrease in cash and cash equivalents of $24,326, and an increase in accounts payable and accrued liabilities of $963 due to obligations the Company had at December 31, 2011, that were paid in 2012.

Current assets at December 31, 2011, were represented by cash and cash equivalents of $197,485 and current liabilities represented by accounts payable and accrued liabilities at December 31, 2011 of $6,500.

The Company's approach to managing its liquidity is to ensure that it has sufficient resources to meet its liabilities as they come due and have sufficient working capital to fund operations until it consummates an agreement for an acceptable Qualifying Transaction.

Three months ended December 31, 2011

Cash flow used in operating activities

The Company recorded a loss for the three months ended December 31, 2011, of $10,663 which when reduced by the increase in accounts payable and accrued liabilities of $6,500 resulted in a net cash usage of $4,163 in operating activities during the three months ended December 31, 2011.

Twelve months ended December 31, 2011

Cash flow used in operating activities

The company recorded a loss for the twelve months ended December 31, 2011, of $25,289 which when reduced by the increase in accounts payable and accrued liabilities of $963 resulted in a net cash usage of $24,326 in operating activities during the twelve months ended December 31, 2011.

CAPITAL STOCK AND DEFICIT

The authorized capital of the Company consists of an unlimited number of common shares without nominal or par value. As at December 31, 2010, 5,411,271 common shares were issued and outstanding as fully paid and non-assessable. On March 30, 2011, 1,000,000 common shares were cancelled leaving 4,411,271 common shares issued and outstanding.

The Company, under its stock option plan, had at December 31, 2010, options outstanding on 539,060 of its common shares. On March 30, 2011, options on 100,000 common shares were cancelled leaving options on 439,060 of its common shares outstanding.

On December 17, 2010, unexercised compensation options granted on its common shares to its agents in December, 2008, numbering 284,389 expired.

Shareholders' equity at December 31, 2011, was $190,985 compared to $216,274 at December 31, 2010, a decrease of $25,289. This occurred as a result of the following:

Net loss for the period	$ 25,289

The following common shares and convertible securities were outstanding at December 31, 2011:

	Expiry Date	Exercise Price	Options Outstanding	Common Shares on Exercise
Common shares				4,411,271
Options	June 11/2013	$0.10	134,000	134,000
	Dec. 17/2013	$0.10	305,060	305,060

CONTRIBUTED SURPLUS

The contributed surplus balance at December 31, 2011, and December 31, 2010, was unchanged at $30,597.

RISKS AND UNCERTAINTIES

The common shares of the Company are listed on NEX, a separate board of the TSX Venture Exchange, under the symbol SVN.H. An investment in the common shares must be regarded as highly speculative due to the nature of the Company's business and its present stage of development.

The Company was incorporated on February 6, 2008, and has no active business or assets other than cash and cash equivalents. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction.

Any offering of the Company's common shares is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment.

The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company.

Upon completion of any offering of the Company's common shares, an investor will suffer an immediate dilution on investment per common share based on the gross proceeds of the issue less the financing expenses of the issue. An acquisition financed by the issuance of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted. There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to sell their common shares.

Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction.

OUTLOOK

The Company, a capital pool company, has only one objective and that is its successful involvement in the identification and evaluation of a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange. Once identified and due diligence has taken place, the TSX Venture Exchange must approve the Qualifying Transaction and so must shareholders.

On April 6, 2011, the Company's common shares began trading on NEX, a separate board of the TSX Venture Exchange and its trading symbol changed from SVN.P to SVN.H

The Company is confident that a Qualifying Transaction will be completed and, at that time, will apply to be listed on either the TSX Venture Exchange or the Toronto Stock Exchange.

OTHER INFORMATION

Contractual Obligations

The Company does not have any contractual obligations.

Off-Statements of Financial Position Items

As at December 31, 2011, the Company had no material arrangements off its Statements of Financial Position such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market, or credit risk to the Company.

Going Concern

Management has prepared its financial statements using accounting principles applicable to a going concern which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. Should the going concern assumption no longer be valid, adjustments would be required to the carrying values of assets and liabilities and to the reported expenses, and statements of financial position classifications.

Critical Accounting Policies

The financial statements are reported in Canadian dollars and, they may include management's estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. If estimates and assumptions were made actual results could differ from these estimates and assumptions. The financial statements have been prepared using careful judgment within the significant accounting policies summarized below.

Loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the year. Contingently issuable shares are not considered outstanding common shares and consequently are not included in the loss per share calculation. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants and other similar instruments outstanding that may add to the total number of common shares.

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 instrument: 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 receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market 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
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Other liabilities

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair value of assets and liabilities.

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly.

Level 3 – one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

Cash and cash equivalents are considered Level 1 in the hierarchy.

Income taxes

The Company accounts for its income taxes using the deferred tax assets and liabilities method. Deferred income tax assets and liabilities are determined based on the difference between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in profit or loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable profit for the years in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are not discounted.

The tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income or of equity, in which case the tax expense is recognized in other comprehensive income or equity respectively.

Current income tax assets and liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed on the basis of tax profit which differs from net profit. This calculation is made using tax rates and laws enacted at the end of the reporting period.

Accounting for stock-based compensation

The Company has adopted IFRS 2, Share based payment, for the recognition, measurement, and disclosure of stock-based compensation. The Company's options vest on granting therefore, compensation expense is recognized at that time with the same amount being recorded as contributed surplus. The expense is determined using an option pricing model that takes into account the exercise price, the term of the option, the current share price, the expected volatility of the underlying shares, the expected dividend yield, and the risk free interest rate for the term of the option. If the options are exercised, contributed surplus will be reduced by the applicable amount. Stock-based compensation calculations have no effect on the Company's cash position.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amount of expenses during the reported period. These estimates are reviewed periodically, and as adjustments become necessary they are made in the period in which they become known. Actual results could differ from these estimates.

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of January 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

Future changes in accounting policies

IFRS 9, Financial Instruments, which introduces new requirements for classifying and measuring financial assets, must be applied starting January 1, 2013, with early adoption permitted.

The Company is currently evaluating the impact of the above standard on its financial performance and condensed financial statement disclosures but expects that such impact will not be material.

Capital disclosures

The Company manages its capital structure and makes adjustments to it in light of the changes in economic conditions and the risk characteristics of its underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the Company.

The Company's capital structure consists of its shareholders' equity. The Company's objective when managing its capital is to safeguard the Company's accumulated capital by maintaining a sufficient level of funds to complete a Qualifying Transaction (as defined by Policy 2.4 of the TSX Venture Exchange).

The Company does have externally imposed capital requirements to which it is subject as defined in policy 2.4 of the TSX Venture Exchange.

The Company has never declared a dividend to its shareholders.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable considering the nature and relative size of the Company.

There were no changes in the Company's approach to capital management during this reporting period.

DIRECTORS AND OFFICERS

L. Kirk Brennenstuhl:	Director
Mark E. Crossett:	Director
Gregory W. Hewitt:	Director, Chief Executive Officer, President
A. George Matthew:	Director, Chief Financial Officer, Secretary
Eric R. Roblin:	Director

April 4, 2012

71 Capital Corp.

A Capital Pool Company

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2015

INTRODUCTION

71 CAPITAL CORP. ("the Company") is a Canadian controlled Capital Pool Company engaged in the business of identifying and evaluating companies, businesses, or assets with a view to completing a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange.

The Company was incorporated on February 6, 2008, under the Canada Business Corporations Act. The principal place of business for the Company is c/o Fogler, Rubinoff LLP, Suite 3000 – 77 King Street West, Toronto Dominion Centre, Toronto, Ontario, M5K 1G8.

The Company does not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

The Company attained its listing on the TSX Venture Exchange on December 24, 2008. The Company's present listing is on NEX, a separate board of the TSX Venture Exchange. The trading symbol for the Company is SVN.H.

The Company is confident that a Qualifying Transaction will be completed and, at that time, will apply to be listed on either the TSX Venture Exchange or the Toronto Stock Exchange.

Subsequent Event

On May 19, 2015, the Company announced in a press release that a letter of intent for a Qualifying Transaction had been signed. The letter of intent was to acquire all of the issued and outstanding securities ("the Prodigy shares") of TCB Corporation doing Business as Prodigy Ventures. Prodigy Ventures is a private company and a "venture builder" creating new business platforms and applications in many of the highest growth technology segments. At the Company's Shareholder Meeting held on June 22, 2015, the shareholders approved the transaction to acquire Prodigy Ventures. Subsequent to June 30, 2015, the parties have submitted all applicable information to the regulatory authorities for their approval.

On August 20, 2014, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the NEX**.** The letter of intent was for the amalgamation of the Company with Brightstar Seniors' Living Corporation ("Brightstar"). Brightstar is a private company engaged in the development of independent seniors' housing projects. The Company issued a press release on February 12, 2015, stating that the letter of intent with Brightstar has been terminated by them due to the current market conditions. The Company's common shares resumed trading on February 17, 2015.

On September 5, 2013, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the NEX. The letter of intent was for the amalgamation of the Company with ADL Oilfield Ltd. ("ADL"). ADL is a privately held Calgary based oil and gas service company engaged in providing cleanouts, stimulation, optimization, and remediation of oil and gas wells using a patented Stable Foam process. The Company issued a press release on March 11, 2014, stating that it has terminated its letter of intent with ADL due to the current market conditions. The Company's common shares commenced trading on March 13, 2014.

On May 4, 2011, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities continue the halt in trading of its common shares on the NEX. The letter of intent was for the amalgamation of the Company with Kingsview Iron Ore Limited ("Kingsview"). Kingsview is a private company engaged in the exploration and development of mining claims in the Province of Quebec, Canada, prospective for iron deposits. The Company issued a press release on April 30, 2013, stating that it has terminated the letter of intent with Kingsview. The Company's common shares resumed trading on May 2, 2013.

On October 28, 2010, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the TSX Venture Exchange. The letter of intent was for the amalgamation of the Company with Orx Pharmaceutical Corporation ("Orx"), a Canadian Controlled Private Corporation. The Company issued a press release on May 4, 2011, stating that the Company has terminated its letter of intent with Orx.

On August 18, 2009, the Company announced that a letter of intent for a Qualifying Transaction had been signed. The letter of intent was for the acquisition of all of the issued and outstanding securities of Prairie Pulse Inc. ("Prairie"), a Canadian Controlled Private Company. The Company received notice; after the markets were closed on July 14, 2010, from Prairie stating that "its shareholders are no longer interested in pursuing a transaction with 71 Capital Corp." The Company issued a press release in regard to the preceding on July 15, 2010.

The following is management's discussion and analysis and results of operations of the company for the three months ended March 31, 2015, and its financial position as at March 31, 2015.

This management's discussion and analysis ("MD&A") includes financial information from, and should be read in conjunction with, the financial statements for the three months ended March 31, 2015, including the notes thereto and, the financial statements for the year ended December 31, 2014 including the notes thereto. The Company's fiscal year end is December 31. The reporting currency is the Canadian dollar. The financial data contained in this discussion and analysis is in compliance with International Financial Reporting Standards (IFRS).

The financial statements and the notes thereto have been prepared under principles applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business.

The date of this management's discussion and analysis is May 10, 2015.

Additional information on 71 Capital Corp. has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available on line at www.sedar.com .

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking statements" and "forward-looking information" under applicable Canadian securities laws. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "believe", "plan", "intend", "estimate", "forecast", "predict", "potential", "continue", "anticipate", or the negative thereof or variations thereon or similar terminology concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of the Company. Without limitation, this would include statements about the Company's search for a Qualifying Transaction. Forward-looking information is based on certain factors and assumptions regarding, among other things, the due diligence pertaining to a Qualifying Transaction and the subsequent approval of the documentation that would be prepared for the regulatory authorities and respective shareholders. It could also apply to the estimation of initial and sustaining capital requirements for such. While management considers these assumptions to be reasonable, based on information currently available to it, they may prove to be incorrect. See "Risks and Uncertainties", "Financial Instruments", and "Outlook" sections of this MD&A.

Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in the securities of the Company should not place undue reliance on these forward-looking statements.

We disclaim any intention or obligation to update or revise any forward-looking statement whether as a result of new information, future events or otherwise, except to the extent required by applicable laws and that the forward-looking statements contained in this MD&A are made as of the date hereof.

EVALUATION OF DISCLOSURE, INTERNAL CONTROLS, AND PROCEDURES

Disclosure Controls and procedures
Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in reports filed with or submitted to the various securities regulators is recorded, processed, summarized and reported within the time periods specified. This information is gathered and reported to the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), so that timely decisions can be made regarding disclosure.

The Company's management, under the supervision of, and with the participation of, the CEO and CFO, have designed and evaluated the Company's disclosure controls and procedures as defined in their signed certification of annual and interim filings venture issuer basic certificate. Based on this evaluation, the CEO and CFO have concluded that, as of the date of this MD&A, the Company's disclosure controls and procedures were effective.

Internal Control over Financial Reporting
Designing, establishing and maintaining adequate internal control over financial reporting is the responsibility of the Company's management. Internal control over financial reporting is a process designed by, or under the supervision of management, and affected by the Board of Directors, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements in conformity with IFRS. These controls include policies and procedures pertaining to the maintenance of records that, in reasonable detail, accurately reflect transactions pertaining to its assets; provide reasonable assurance that all transactions are recorded to permit the preparation of its financial statements and that expenditures are being made only in accordance with authorizations of management of the Company, and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements. Management is responsible for establishing and maintaining internal control over financial reporting and has designed and implemented such controls to ensure that the required objectives of these internal controls have been met. The management of the Company applied its judgement in evaluating the cost-benefit relationship to controls and procedures. The result of which was, because of the inherent limitations in all control systems, no evaluation of the controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Minor control deficiencies have been identified within the Company's accounting and/or finance departments and its financial information systems over segregation of duties and user access respectively. Specifically, as is common for companies of this size, certain duties within the accounting and/or finance departments were not adequately segregated due to the limited number of individuals employed in these areas. At the present time, the CEO and CFO oversee all material transactions and related accounting records. The audit committee reviews the financial statements in detail, the key risks of the Company, and queries management about all significant transactions.

For the period covered by this MD&A there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

EXECUTIVE COMPENSATION
There has been no executive compensation paid to the executives of the Company since its inception.

FINANCIAL HIGHLIGHTS
The Company attained its listing on the TSX Venture Exchange on December 24, 2008.

The Company's continued operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or, an investment of an interest in a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange.

The Company raised $117,000 from the issuance of 2,340,000 common seed shares at $0.05 per common share on June 12, 2008. Pursuant to a special resolution passed at the Annual and Special Meeting of Shareholders held on March 21, 2011, 1,000,000 common shares purchased by directors and officers of the Company at a discount to its initial public offering were cancelled. This cancellation resulted in the average cost per common share to these individuals being increased to $0.10 per common share which equates to the initial public offering price per common share. The Company instructed its transfer agent to cancel such common shares which took place on March 30, 2011.

Options on 234,000 common shares were granted on June 12, 2008, to the directors and officers of the Company at $0.10 per common share exercisable until June 11, 2013. As a result of the resolution to cancel 1,000,000 common shares, 100,000 of these common share options were cancelled in order to comply with the Company's stock option plan leaving options to acquire 134,000 common shares outstanding which expired on June 11, 2013.

The Initial Public Offering (IPO) of the Company's common shares took place on December 18, 2008, resulting in an additional 3,050,600 common shares being issued at $0.10 per share for aggregate proceeds of $186,626 which was net of financing expenses.

Compensation options on 305,060 common shares were granted to the agents of the Company as a portion of their compensation pertaining to the Initial Public Offering at $0.10 per common share exercisable until December 17, 2010. In May, 2009, one of the agents exercised options on 20,671 common shares at $0.10 per common share amounting to $2,067. The applicable stock-based compensation on this exercise was $827. This left compensation options on 284,389 common shares outstanding which expired on December 17, 2010.

Options on 305,060 common shares were granted on December 18, 2008, to the directors and officers of the Company at $0.10 per common share expired on December 17, 2013.

The expenses relating to the Three months ended March 31, 2015, and 2014, were:

	Three months ended March 31.	
	2015	2014
EXPENSES		
(Expressed in whole Canadian dollars)		
Bank charges	$ 30	$ 20
Shareholder information	271	-
Sustaining and filing fees	5,792	5,823
Transfer agent	799	797
	$ 6,892	$ 6,640

Three months ended March 31, 2015

The loss recorded by the Company for the three months ended March 31, 2015 was $6,892 compared to a loss of $6,640 for the same period in 2014. The details of the increased loss of $252 in 2015 are: an increase in bank charges of $10 in 2015, an increase in shareholders information of $271, a decrease in sustaining and filing fees of $31 and an increase in transfer agent fees of $2.

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Set forth below is certain selected financial information in respect of the eight most recently completed quarters of the Company.
These data are derived from the Company's financial statements.

STATEMENTS OF FINANCIAL POSITION as at

Expressed in $000's of Canadian dollars

	Mar. 31 2015	Dec. 31 2014	Sep. 30 2014	Jun. 30 2014	Mar. 31 2014	Dec. 31 2013	Sep. 30 2013	Jun. 30 2013
	$	$	$	$	$	$	$	$
ASSETS:								
Current	95	109	110	117	120	133	137	142
LIABILITIES AND EQUITY								
Current	-	7	-	-	-	7	-	-
Shareholders' equity								
Share capital	306	306	306	306	306	306	306	306
Contributed surplus	31	31	31	31	31	31	31	31
Deficit	(242)	(235)	(227)	(220)	(217)	(211)	(200)	(195)
	95	102	110	117	120	126	137	142
	95	109	110	117	120	133	137	142
WORKING CAPITAL	95	102	110	117	120	126	137	142
COMMON SHARES OUTSTANDING (000's)	4,411	4,411	4,411	4,411	4,411	4,411	4,411	4,411

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
for the three months ended

Expressed in whole Canadian dollars

	Mar. 31 2015	Dec. 31 2014	Sep. 30 2014	Jun. 30 2014	Mar. 31 2014	Dec. 31 2013	Sep. 30 2013	Jun. 30 2013
	$	$	$	$	$	$	$	$
EXPENSES								
Bank charges	30	30	30	40	20	30	30	30
General	-	-	-	-	-	-	-	892
Insurance	-	-	-	-	-	-	-	2,585
Legal and audit	-	6,780	-	-	-	6,780	-	-
Qualifying transaction	-	-	-	-	-	-	-	-
Shareholder information	271	-	4,343	-	-	1,771	2,945	7,128
Sustaining and filing fees	5,792	-	1,412	1,412	5,823	(565)	1,412	3,717
Transfer agent	799	713	1,675	973	797	2,119	823	3,153
	6,892	7,523	7,460	2,425	6,640	10,135	5,210	17,505
NET LOSS FOR THE PERIOD	6,892	7,523	7,460	2,425	6,640	10,135	5,210	17,505
LOSS PER SHARE	-	-	-	-	-	-	-	-

Set forth below is certain selected financial information in respect of the three most recently completed years of the Company. These data are derived from the Company's financial statements.

STATEMENTS OF FINANCIAL POSITION as at

Expressed in $000's of Canadian dollars	Dec. 31 2014	Dec. 31 2013	Dec. 31 2012
ASSETS:	$	$	$
Current	109	133	173
LIABILITIES AND EQUITY			
Current	7	7	7
Shareholders' equity			
Share capital	306	306	306
Contributed surplus	31	31	31
Deficit	(235)	(211)	(171)
	102	126	166
	109	133	173
WORKING CAPITAL	102	126	166
CASH DIVIDENDS DECLARED	-	-	-
Weighted average number of common shares outstanding			
Basic (000's)	4,411	4,411	4,411
Diluted (000's)	4,411	4,763	4,850

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Expressed in whole Canadian dollars	Jan. 1 to Dec.31 2014	Jan. 1 to Dec.31 2013	Jan. 1 to Dec.31 2012
EXPENSES	$	$	$
Bank charges	120	132	85
General	-	892	-
Insurance	-	2,584	-
Legal and audit	6,780	6,497	7,060
Qualifying transaction - due diligence		-	8,475
Shareholder information	4,343	11,843	-
Sustaining and filing fees	8,648	10,992	5,650
Transfer agent	4,157	6,895	3,440
	24,048	39,835	24,710
NET LOSS FOR THE PERIOD	24,048	39,835	24,710
BASIC AND DILUTED LOSS PER SHARE	$0.01	$0.01	$0.01

RELATED PARTY TRANSACTIONS

Since the inception of the Company, no related party transactions have taken place.

LIQUIDITY AND CAPITAL RESOURCES

The present international economic situation appears to still be in a state of flux. Risk management together with the inherent uncertainties will be paramount in the minds of the Company's management as they endeavor to plot the course for the Company in the ensuing months and possibly year ahead.

Working capital was $95,500 at March 31, 2015, compared to $102,392 at December 31, 2014. The decrease in working capital of $6,892 was related to a decrease in cash and cash equivalents of $13,672 and a decrease in accounts payable and accrued liabilities of $6,780. Working Capital at March 31, 2015, was represented by cash and cash equivalents of $95,500.

Under the rules of the TSX Venture Exchange, capital pool companies have restrictions placed on the manner in which they can spend their cash. The rules provide that no more than the lesser of 30% of the gross proceeds from the sale of securities issued by a capital pool company and $210,000 may be used for purposes other than those relating to identifying a qualifying transaction. Although 71 Capital Corp. has not spent any of its cash on items prohibited by the policy, since 71 Capital Corp. has been in existence since February 6, 2008 it has not been able to comply with the above noted 30% limitation. This limit has been exceeded due to the requirement to pay ongoing expenses necessary to continue 71 Capital Corp. as a listed entity including, transfer agent fees, listing fees and audit fees. 71 Capital Corp. believes that it received a mandate from its Shareholders to spend its funds in this manner when Shareholders approved the transfer of the listing to the NEX Exchange rather than winding up.

The Company's approach to managing its liquidity is to ensure that it has sufficient resources to meet its liabilities as they come due and have sufficient working capital to fund operations until it consummates an agreement for an acceptable Qualifying Transaction.

Three months ended March 31, 2015

Cash flow used in operating activities

The Company recorded a loss for the three months ended March 31, 2015 of $6,892 and a decrease in accounts payable and accrued liabilities of $6,780 which resulted in a cash usage of $13,672 in operating activities.

CAPITAL STOCK AND DEFICIT

The authorized capital of the Company consists of an unlimited number of common shares without nominal or par value. As at March 31, 2015, and December 31, 2014, 4,411,271 common shares were issued and outstanding as fully paid and non-assessable.

The Company, under its stock option plan, had no options outstanding on its common shares at March 31, 2015. All options that were outstanding expired during 2013.

Shareholders' equity at March 31, 2015, was $95,500 compared to $102,392 at December 31, 2014, a decrease of $6,892. This occurred as a result of the following:

Net loss for the period	$6,892

The following common shares were outstanding at March 31, 2015:

Common shares	4,411,271

CONTRIBUTED SURPLUS

The contributed surplus balance at March 31, 2015, and December 31, 2014, was unchanged at $30,597.

RISKS AND UNCERTAINTIES

Any investment in the common shares of the Company must be regarded as highly speculative due to the nature of its business.

The Company was incorporated on February 6, 2008, and has no active business or assets other than cash and cash equivalents. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction.

Any offering of the Company's common shares is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment.

The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company.

Upon completion of any offering of the Company's common shares, an investor will suffer an immediate dilution on investment per common share based on the gross proceeds of the issue less the financing expenses of the issue. An acquisition financed by the issuance of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted. There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to sell their common shares.

Until the completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction.

OUTLOOK

The Company, a capital pool company, has only one objective and that is its successful involvement in the identification and evaluation of a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange. Once identified and due diligence has taken place, the TSX Venture Exchange must approve the Qualifying Transaction and so must shareholders.

The Company is confident that a Qualifying Transaction will be completed and, at that time, will apply to be listed on either the TSX Venture Exchange or the Toronto Stock Exchange.

OTHER INFORMATION

Contractual Obligations

The Company does not have any contractual obligations.

Off-Statements of Financial Position Items

As at March 31, 2015, and December 31, 2014, the Company had no material arrangements off its Statements of Financial Position such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market, or credit risk to the Company.

Going Concern

Management has prepared its financial statements using accounting principles applicable to a going concern which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. Should the going concern assumption no longer be valid, adjustments would be required to the carrying values of assets and liabilities and to the reported expenses, and statements of financial position classifications.

Critical Accounting Policies

The financial statements are reported in Canadian dollars and, they may include management's estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. If estimates and assumptions were made actual results could differ from these estimates and assumptions. The financial statements have been prepared using careful judgment within the significant accounting policies summarized below.

Loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the year. Contingently issuable shares are not considered outstanding common shares and consequently are not included in the loss per share calculation. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants and other similar instruments outstanding that may add to the total number of common shares.

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 instrument: 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 receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market 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
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Other liabilities

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair value of assets and liabilities.

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly.

Level 3 – one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

Cash and cash equivalents and accounts payable and accrued liabilities are considered Level 1 in the hierarchy.

Income taxes

The Company accounts for its income taxes using the deferred tax assets and liabilities method. Deferred income tax assets and liabilities are determined based on the difference between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in profit or loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable profit for the years in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are not discounted.

The tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income or of equity, in which case the tax expense is recognized in other comprehensive income or equity respectively.

Current income tax assets and liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed on the basis of tax profit which differs from net profit. This calculation is made using tax rates and laws enacted at the end of the reporting period.

Accounting for stock-based compensation

The Company has adopted IFRS 2, Share based payment, for the recognition, measurement, and disclosure of stock-based compensation. The Company's options vest on granting therefore, compensation expense is recognized at that time with the same amount being recorded as contributed surplus. The expense is determined using an option pricing model that takes into account the exercise price, the term of the option, the current share price, the expected volatility of the underlying shares, the expected dividend yield, and the risk free interest rate for the term of the option. If the options are exercised, contributed surplus will be reduced by the applicable amount. Stock-based compensation calculations have no effect on the Company's cash position.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amount of expenses during the reported period. These estimates are reviewed periodically, and as adjustments become necessary they are made in the period in which they become known. Actual results could differ from these estimates.

Capital disclosures

The Company manages its capital structure and makes adjustments to it in light of the changes in economic conditions and the risk characteristics of its underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the Company.

The Company's capital structure consists of its shareholders' equity. The Company's objective when managing its capital is to safeguard the Company's accumulated capital by maintaining a sufficient level of funds to complete a Qualifying Transaction (as defined by Policy 2.4 of the TSX Venture Exchange).

The Company does have externally imposed capital requirements to which it is subject as defined in policy 2.4 of the TSX Venture Exchange.

The Company has never declared a dividend to its shareholders.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable considering the nature and relative size of the Company.

There were no changes in the Company's approach to capital management during this reporting period.

DIRECTORS AND OFFICERS

L. Kirk Brennenstuhl:	Director
Mark E. Crossett:	Director
Gregory W. Hewitt:	Director, Chief Executive Officer, President
A. George Matthew:	Director, Chief Financial Officer, Secretary
Eric R. Roblin:	Director

May 10, 2015.

SCHEDULE "E"
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR PRODIGY

TCB CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED
MARCH 31, 2015

August 6, 2015

Basis of Presentation

This Management's Discussion and Analysis of the Financial Position and Results of Operations ("MD&A") is the responsibility of management and has been reviewed and approved by the Board of Directors. This MD&A has been prepared in accordance with the requirements of the Canadian Securities Administrators. The Board of Directors is ultimately responsible for reviewing and approving the MD&A.

Throughout this document, TCB Corporation is referred to as "Prodigy", "we", "our" or "Company". This MD&A provides information that management believes is relevant to an assessment and understanding of the results of operations and financial condition of the Company. This document should be read in conjunction with the audited financial statements and the notes thereto for the year ended March 31, 2015. Prodigy's accounting policies are in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are in Canadian dollars unless otherwise indicated.

Materiality of Disclosures

This MD&A includes information we believe is material to investors. We consider something to be material if it results in, or would reasonably be expected to result in, a significant change in the market price or value of our shares, or if it is likely that a reasonable investor would consider the information to be important in making an investment decision.

Forward-Looking Statements

This MD&A contains forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "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, occur or be achieved. All statements in this MD&A that do not directly and exclusively relate to historical facts constitute "forward-looking information" within the meaning of Canadian securities laws. This information represents Prodigy's intentions, plans, expectations and beliefs, and are subject to risks, uncertainties and other factors, of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking information. These factors include but are not restricted to: the timing and size of new contracts; acquisitions and other corporate developments; the ability to attract and retain qualified personnel; market competition in the rapidly evolving information technology industry; general economic and business conditions; and other risks identified in the MD&A, in Prodigy's audited financial statements for the year ended March 31, 2015 and the Filing Statement filed with the TSX Venture Exchange (filed on SEDAR at www.sedar.com), as well as assumptions regarding the foregoing. The words "believe", "estimate", "expect", "intend", "anticipate", "foresee", "plan", and similar expressions and variations thereof, identify certain of such forward-looking information, which speak only as of the date on which they are made. In particular, statements relating to future performance are forward-looking information. Prodigy disclaims any intention or obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Readers are cautioned not to place undue reliance on this forward-looking information.

BUSINESS OVERVIEW

Prodigy was incorporated on July 7, 1992 and had no prior business history. Prior to April 1, 2014, Prodigy did business under its legal name, TCB Corporation, providing the consulting services of Tom Beckerman to a small group of clients.

On April 1, 2014, Prodigy commenced doing business under the registered name “Prodigy Ventures’ and issued participating, Prodigy Non-Voting Shares to two new minority shareholders, representing 30% of Prodigy's equity after the transaction. Prodigy is based in Toronto, Canada.

Also in April 2014, Prodigy took on eight initial subcontractors and shortly thereafter signed agreements with two Canadian banks to provide technology services and began work under those master service agreements.

Prodigy is comprised of two main business units: Prodigy Labs and a “venture builder” business.

Prodigy Labs is Prodigy's technology services business, a trusted technology supplier to leading Canadian financial institutions, providing clients with consulting services for strategy, design, project management, application development, staff augmentation and services related to Prodigy's business platforms. It provides these technology services to the aforementioned clients. Prodigy Labs' technology consulting services currently represent 100% of Prodigy's revenue.

Prodigy is also a “venture builder”. This unit is creating new business platforms and applications in many of the highest growth technology segments: mobile video, wearables, proximity marketing, mobile payments, augmented reality, 3D and social. Prodigy's business platforms and applications are or will be designed to deliver B2B, B2C, P2P (Peer to Peer) and IoT (Internet of Things) capabilities. Prodigy’s research and development expenses are related solely to the venture builder business.

Vision and Strategy

Prodigy's vision and strategy consists of two tracks. The first track is to aggressively expand its services business, Prodigy Labs, into new market segments, new technologies, and a broader geographic reach. The second track is to create growth as a venture builder by building and marketing its innovative new business platforms and applications.

Management of Prodigy believes that there are a number of primary strategic benefits to operating a services business and venture builder business within one company.

1. Growth multiplier;
2. Top talent attraction and retention;
3. Shared management resources;
4. Shared infrastructure, administration, marketing and sales;
5. Streamlined access to capital for all ventures; and
6. Portfolio approach to new ventures.

Each of these benefits is discussed in greater detail below.

Growth multiplier

Management believes that operating a services business and venture builder within one company multiplies the growth opportunities for each. The enterprise technology services business is highly competitive, and requires a unique offering for a new entrant to grow. The ventures businesses provide the basis of that unique offering by demonstrating expertise in complementary high growth technology segments. While each new venture is primarily focused on building its own platform and application, many will have a significant opportunity for services revenue based on those platforms. However, independently attempting to capture that services revenue would distract from their primary platform-building focus. Instead, it is intended that the services business, Prodigy Labs, will capture and deliver these service revenues, multiplying overall growth.

Talent attraction and retention

Human resources are the core of any software and technology services business. Prodigy's two track strategy is a key enabler in its ability to attract and retain top talent. The most experienced and skilled technologists seek interesting work, opportunities to gain experience with trending developments, competitive compensation, a financial upside and a collegial environment. Prodigy's set of new ventures participate in the latest technology trends. Interesting work opportunities are provided to staff by redeploying to, or timesharing between, the services business and the ventures businesses, with a range of potential experience-building roles. Prodigy strives to keep compensation levels competitive, and its activity in the client staff augmentation business ensures that its market knowledge is current. It is anticipated that in the future Prodigy will also offer performance incentive options to top performing personnel. A collegial environment is fostered with a relaxed work environment and a minimal hands-on management layer.

Shared management resources

By sharing management resources across a number of cross-pollinating ventures, costs are reduced. The technology talent within each venture is freed to apply itself more efficiently to real value creation and the development and delivery of its actual products and/or services.

Shared infrastructure, administration, marketing and sales

By sharing infrastructure, administration, marketing and sales, Prodigy is able to realize additional cost savings. The pooling of these requirements for all internal venture clients permits the acquisition and deployment of more and better resources to satisfy their needs.

Streamlined access to capital

As a group of businesses under one roof, and as a future public company, Prodigy anticipates that there will be greater access to capital. New debt and/or equity will be raised from time to time as required to meet the ongoing aggregate requirements of all ventures. As ventures become profitable, their positive cash flows may also be reinvested in new ventures. Capital will be allocated to ventures based upon management's determination of risk/reward tradeoffs and regularly reviewed to adapt to changing conditions.

Portfolio approach to new ventures

Finally, a portfolio approach to new ventures mitigates overall risk for all participants: shareholders, management and company personnel. Over time, some ventures will be winners, others not. As new ventures mature and become successful, they may become wholly or partially legally and operationally independent, but Prodigy intends to retain ongoing interests in each, and may continue to provide enterprise services, and support for administration, marketing and sales, on a case by case basis. Timing of graduation to full/partial independence will be determined by each venture's growth, ongoing requirements and market conditions.

Prodigy may also transition from a venture builder to an incubator, investing and/or acquiring promising startups/businesses in technology areas similar or complementary to its core competencies.

Services Business

Prodigy Labs is Prodigy's technology services business, a trusted technology supplier to leading Canadian financial institutions, providing enterprise clients with consulting services for strategy, design, project management, application development, staff augmentation, and services related to Prodigy's business platforms. Prodigy is currently a leader in the development of mobile enterprise applications development for Canadian banks. These services are provided primarily through the services of skilled technology subcontractors provided at hourly rates. During its first year most of Prodigy's revenue was generated through time and material contracts. However, a growing part of the business is through fixed price contracts, and Prodigy plans to emphasize future growth with fixed price work.

Prodigy's technology consulting services currently represent 100% of its revenue. Prodigy Labs has begun the transition from the organic growth of its first year to a more aggressive business development strategy. The business has started to invest in staff for sales and marketing, has targeted specific vertical markets, is implementing a contact and sales plan, and has defined a services offering that builds upon its successful experience with Canadian banks, as well as the unique capabilities of the other Prodigy businesses. Enterprise prospects are keenly interested in mobile video, wearables, proximity marketing, mobile payments, augmented reality, 3D and social platforms and applications, and need expert assistance to apply them to their businesses. Management of Prodigy believes that this will result in significant growth for Prodigy Labs.

To date, the majority of the personnel at Prodigy are dedicated sub-contractors, although there is a gradual shift towards hiring more full time employees. This shift should have a positive impact on future gross profit, build greater staff commitment, and is better aligned with the plan to emphasize fixed price client work. It will also enhance the mobility for staff between the ventures and services tracks within Prodigy, an important attraction for potential new hires. Most of Prodigy's personnel are located at the premises of its clients and the others work remotely.

Information technologies are abundant, complex and rapidly changing. In this context, Prodigy's success depends on its ability to remain at the forefront of its field, as well as to adapt its service approach to suit each client's specific needs. This situation demands the continual development of cutting-edge expertise, tools and methodology, as well as the skills of competent and committed professionals.

Competition for the services business of Prodigy Labs comes from a broad range of technology companies, from large international players like IBM and CGI, to smaller local participants, like BNotions, Pivotal Labs, and others. Prodigy Labs' sales efforts are based upon specific targeting of prospects in sectors of interest, dictated largely by the technology development work in Prodigy's businesses. For example, Prodigy Labs is targeting large retailers to sell services based upon its proximity marketing work. It is also targeting the banks and other financial institutions to sell services based upon its work in mobile video and augmented reality. Sales efforts are on a one-to-one personal level to senior executives in these enterprises. Prodigy recently hired its first Account Director and plans to grow the account sales and service team to a staff of up to ten people within two years.

Venture Builder Business

Prodigy is currently in the process of building a number of new ventures in its venture builder arm. One of these, iVideo, is currently in-market, two are in technology development, and the balance are in strategic development.

iVideo

Mobile video sharing is one of the fastest growing uses of mobile technology. Instagram, Vine, Snapchat, and others have demonstrated the potential for explosive growth, and users have shown a repeated willingness to quickly adopt new platforms offering interesting new video experiences.

iVideo is Prodigy's entry into this space. iVideo is the only split-screen video camera application in Apple's App Store. With almost no marketing effort, iVideo reached over 150,000 downloads in its first year as a free video camera app. It has a world-wide user base, and has reached the Top 100 list in the Photos and Video category of the Apple App Store in many countries.

iVideo is being transformed by Prodigy from a video camera app into a full video social network and its technology build is almost complete. The next release will offer these new social capabilities alongside its split screen interface and additional unique user interface designs for a compelling new video experience. An Apple Watch companion app is under construction, and a Google Glass iVideo app is nearing completion, awaiting the launch of Google Glass 2.0. An Android version will be created after the next release. iVideo will be marketed more aggressively after its next release with a goal of quickly growing its user base before a revenue model is applied to monetize the business.

Prodigy management believes that iVideo's competitive advantage will be the uniqueness of its user interface. Users have repeatedly shown that they will rapidly adopt mobile video apps that offer interesting new experiences. iVideo's user experience is unique compared to all other current offerings. Additionally, iVideo will act as a frictionless cross-platform bridge, enabling users of other platforms to continue to save and share their videos to those platforms while adopting and switching to iVideo, by providing transparent file compatibility and auto-upload features for these competitive platforms.

bconix™

Prodigy's bconix™ venture, currently in technology development, is building an enterprise technology platform to deliver a full suite of proximity marketing capabilities.

Proximity marketing is a revolutionary new marketing capability that is enabled by the creation of iBeacon technology. Originally developed as an open standard by Apple, iBeacon is a Bluetooth Smart (or low energy) protocol available on all current Apple and Android smartphones and tablets. It is a ranging technology that, within 100 metre Bluetooth range, can determine the approximate distance of a user's device relative to a small, inexpensive iBeacon transmitter. With beacons distributed around a location, a user carrying their device can be located in real time, indoors or out, as they move towards or away from a beacon. Since the Bluetooth Smart radio is very low power, it is permitted to be listening when the user's device is sleeping, and when it detects a beacon within range, if the user has loaded an app programmed to recognize that beacon, their device can be awakened with a notification. The notification can be programmed to provide any content, and can direct the user into a related app on their smartphone or tablet to provide a rich experience. This process, and the delivery of related rich marketing experiences, is called proximity marketing.

Since its availability less than two years ago, iBeacon has generated enormous interest in the retail sector. Pilot programs have been announced by some major retailers. Potential uses of the technology include in-store content delivery for coupons, offers, loyalty programs, product information, in-store mapping, on-demand help, personalized shopping experiences and more. In addition, there is great potential for proximity queuing and payment solutions, which will auto-recognize users in queue, provide in-queue experiences while waiting, and then auto-start the payment process at checkout or queue termination, all without the user needing to access their device. Similarly frictionless experiences are also possible in other payment situations, where just being in close proximity to a POS system will trigger the payment process.

The bconix™ server technology will provide beacon setup and mapping, content management and delivery, administration, security, usage tracking and analytics. The bconix™ client applications for smartphones will enable users to receive beacon notifications and provide the proximity-driven marketing content and user experiences. For point of sale payments, bconix™ will provide additional tablet and custom delivery platforms. The bconix™ platform will be made available online for small and medium size retailers, with a licensing revenue model, and customized or white labeled by Prodigy Labs for large enterprise clients. Other uses of the bconix™ platform are in banking, restaurants and bars, ticketing, personalized digital signage and more.

The iBeacon space is nascent and experiencing explosive growth. There is no clear platform leader. Competitors include Estimote, Radius Networks, kontakt.io and Ubudu, among others. All of these provide combined solutions of proprietary beacon hardware and software. The bconix™ platform will be a software only solution, designed to work with hardware from most manufacturers. It will offer capabilities to tie into existing customer relationship management and point of sale systems. Prodigy also is joint selling with a tier one network infrastructure provider, with world-wide capacity to install and service the hardware infrastructure requirements of large enterprises.

Prodigy is also developing the following ventures:

- a social proximity platform, called ZETZ, enabling peer-to-peer social connections with those nearby;
- another social proximity platform being developed as a marriage of iBeacon, mobile video and digital signage technologies;
- Noobify.me, a new venture for 3D personalized avatar creation and distribution, and video game personalization;
- Glass Crowd, a venture for creating shareable real time video feeds from wearable headsets;
- We Got Game, a platform for a transformative in-stadium mobile and social user experience; and
- additional ventures are in strategic development to deploy mobile video, AR, 3D, beacon and wearable technologies to create transformative user experiences in shopping, payments, real estate and fitness.

Intellectual Property

Currently, Prodigy has no patents. The rights to the software developed under contract for customers of Prodigy Labs are owned by those customers. As new ventures develop, their intellectual property will grow and may become significant over time. Each employee, officer, director, consultant and contractor providing services to Prodigy has validly assigned to Prodigy all rights such person or entity may have in the work completed on behalf of Prodigy.

Trends

Prodigy is directing its services and new ventures businesses into some of the highest expected growth areas for new technologies.

Mobile Video[1]

More and more people are watching video content on their mobile devices. What's astounding is how fast mobile video consumption is growing.

According to video marketing firm Ooyala, 38% of online video plays in Q4 2014 happened on a tablet or smartphone, double the activity in Q4 2013.

[1] (ref: http://www.ooyala.com/online-video-index)

More than 38% of video plays occurred on smartphones and tablet devices. Based on data from Ooyala's more than 500 clients across the world, the report analyzed video viewing behavior of over 220 million global video viewers.

Its data shows online video consumption has been climbing consistently for the past three years, up 16-times what it was in 2011.

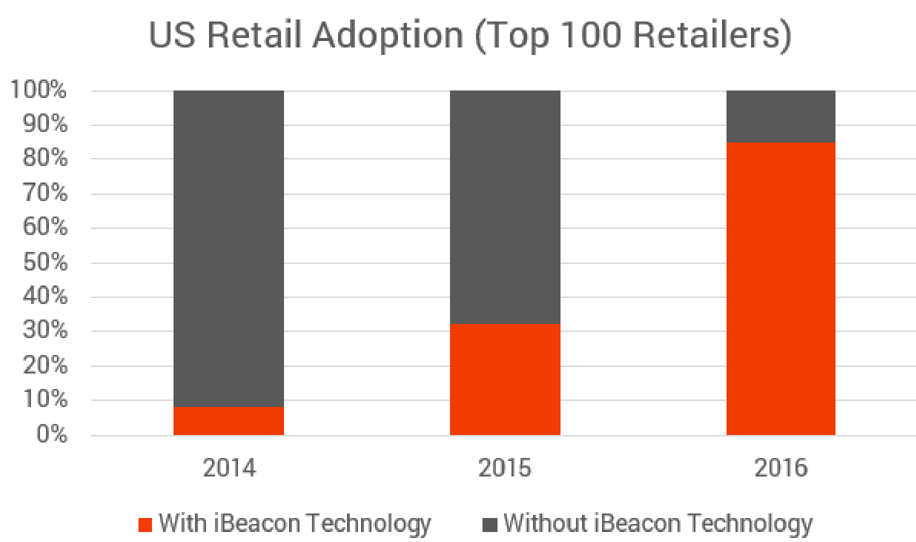
Ooyala's numbers show 54% of mobile phone video viewing is spent on content that runs 10-minutes or less.

Proximity[2]

Many well-known companies are already developing technology for iBeacons (using or have tested iBeacon technology): Major League Baseball, Orlando Magic, Marriott, Starwood Hotels, Tesco, Virgin Airlines, American Airlines, Japan Airlines, Coca Cola, Oscar Mayer, Hillshire, Walgreens, Walmart, Hammerson, Nivea, American Eagle, Macy's, Lord & Taylor, Levi's, Philips, and, of course, Apple.

They are not all retailers, but many are. With so many high-caliber companies have exhibiting such interest in iBeacon technology, there would seem to be excellent prospects for continued growth.

Prodigy believes that iBeacon technology poised to dominate retail.



About 85% of retailers in the United States are predicted to adopt iBeacon technology by the end of 2016. iBeacon technology is set to become a prolific part of the retail environment very soon.

Wearables[3]

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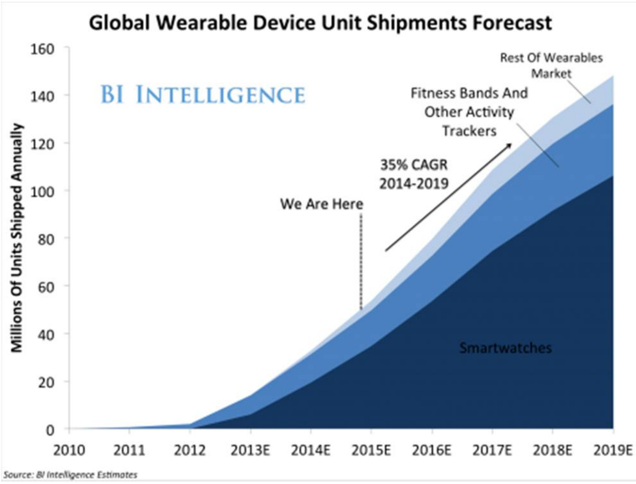
[2] (ref: http://echidnainc.com/ibeacon-technology-2015-adoption-statistics/)
[3] (ref.:http://www.businessinsider.com/the-wearable-computing-market-report-2014-10)

The global wearables market is expected to grow at a compound annual rate of 35% over the next five years, reaching 148 million units shipped annually in 2019, up from 33 million units shipped this year.



It is expected that the smartwatch will be the leading product category and take an increasingly large share of wearable shipments. It is forecasted that smartwatch shipments will rise by a compound annual rate of 41% over the next five years and that smartwatches will account for 59% of total wearable device shipments in 2015, and that share will expand to just over 70% of shipments by 2019.

It is anticipated that the Apple Watch will kick-start growth in the overall smartwatch market and that the Apple Watch will account for 40% of smartwatch shipments in 2015 and reach a peak 48% share in 2017.

Fitness bands and miscellaneous wearable device types, like smart eyewear, are expected to continue to cater to niche audiences and that fitness bands, because of their appeal to niche audiences interested in health and exercise, will see their share of the wearable device market contract to a 20% share in 2019, down from 36% in 2015. There will be some blur between fitness bands and smartwatches.

Now that both Apple and Google are in the smartwatch market, it is expected that they will dominate the market, much as they have in the smartphone and tablet markets. Because these platforms make up over 90% of the entire mobile platform market, many mobile users interested in wearable devices will gravitate toward Apple Watches and Android Wear-based devices.

Augmented and Virtual Reality[4]

From the Facebook acquisition of Oculus Rift and Google's investment in Magic Leap to the Samsung GearVR announcement, Google Ingress and Google Cardboard, the industry set the stage for AR and VR to become popular technologies in 2015.

There continues to be a pressing need for businesses and consumers to be able to see and experience things that can't be physically present and to project layers of virtual data onto real world environments, creating deeper and more meaningful experiences. AR and VR technologies are finally ready to help solve these problems. Certain of the developments that are expected to occur are the following:

1. Affordable VR headsets will normalize Virtual Reality – "It's not just for gamers anymore"
2. Evolved AR & VR business and marketing solutions
3. Retailers get serious with AR and VR as consumers start to expect it
4. Virtual test drives – and virtual vacations
5. Phones built for AR & VR

[4] (ref: http://www.marxentlabs.com/top-virtual-reality-augmented-reality-trends-2015/)

SUMMARY OF OPERATING RESULTS

Fiscal 2015 marks the first year of the Company operating as Prodigy Ventures, and the first year implementing its strategic plan. The Company had limited business operations prior to April 1, 2014. As a result, our profitability and cash from operating activities have markedly improved, and results from operations for previous years, while shown below, are not directly comparable.

The following tables set out selected financial information for Prodigy for the years indicated and should be considered in conjunction with the more complete information contained in the financial statements of Prodigy. Unless otherwise indicated, all currency amounts relating to the financial statements of Prodigy are stated in Canadian dollars.

Profitability	**Year Ended March 31, 2015** (1)	**Year Ended March 31, 2014** (2)	**Year Ended March 31, 2013** (2)
Revenue	$2,730,698	$174,942	$32,834
Direct costs	$2,086,093	$Nil	$Nil
Expenses	$350,528	$99,647	$88,513
Net earnings (or loss) *Net earnings margin*	$159,229 *5.8%*	$33,245 *19.0%*	($55,679) *na*

All of the Company's revenue for the fiscal year ended March 31, 2015 was generated from three customers, all of which are financial institutions in Canada. Approximately 68% of the Company's revenue for that year was generated from one customer, a level of client concentration that the Company is expecting to reduce in the future.

Total revenue for the year ended March 31, 2015 increased to $2,730,698 from $174,942 in the prior year.

Expenses for the year ended March 31, 2015 consisted of $20,700 in advertising and promotion (2014 - $19,082), $16,026 in automobile expenses (2014 - $20,890), $41,067 in computer expenses (2014 - $9,598), $13,580 in interest and bank charges (2014 - $12,122), $2,089 in office and general (2014 -$15,234), $14,359 in professional fees (2014 - $9,551), $137,348 in research and development (2014 - $Nil), $10,567 in occupancy costs (2014 - $6,000), $12,189 in salaries and benefits (2014 - $2,881), $78,644 in sales commissions (2014 - $Nil), $492 in stock option expense (2014 - $Nil) and $3,467 in telecommunications (2014 - $4,289).

The year over year increase in revenue and expenses is the result of 2015 being the first year of the Company's operations as Prodigy Ventures, as discussed above. Revenue is expected to grow as new products are developed. Direct costs will increase in relation to changes in revenue.

Management expects the Company's overhead to increase in the short-term with the hiring of a new Chief Technology Officer and an account executive and increased spending on research and development. However, these additional costs are expected to be more than offset by increased revenues and margins in the short-term.

FINANCIAL CONDITION

The following table sets out selected measures of liquidity and financial position of the Company as at the dates indicated.

Balance sheet	**As at March 31, 2015** (1)	**As at March 31, 2014** (2)	**As at March 31, 2013** (2)
Cash	$347,582	$4,115	na
Total Assets	$666,818	$7,609	$4,469
Total Liabilities	$591,283	$41,795	$71,900
Shareholder's Equity	$75,535	($34,186)	($67,431)
Liquidity	**As at March 31, 2015** (1)	**As at March 31, 2014** (2)	**As at March 31, 2013** (2)
Cash provided by operating activities *As a % of revenue*	$235,288 *8.6%*	$28,321 16.2%	na

(1) Audited
(2) Unaudited. Given the changes in Prodigy's business as disclosed herein between the year ended March 31, 2015 and the prior years, the results for prior years are not directly comparable.

Prodigy's growth is financed through a combination of our cash flow from operations, borrowing under our existing credit facilities, the issuance of long-term debt, and the issuance of equity. One of our financial priorities is to maintain an optimal level of liquidity through the active management of our assets and liabilities as well as our cash flows.

As at March 31, 2015, cash was $347,582.

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of approximately $213,732 as at March 31, 2015 (2014 – deficiency of $37,680). The Company had positive cash flow from operations for the year ended

March 31, 2015 but additional funding may be required for working capital and further expansion of the business. New debt and/or equity will be raised from time to time as required to meet the ongoing aggregate requirements of all ventures. As ventures become profitable, their positive cash flows may also be reinvested in new ventures. Capital will be allocated to ventures based upon management's determination of risk/reward tradeoffs and regularly reviewed to adapt to changing conditions. Management believes that it will have sufficient capital to fund its operations for the next twelve months.

SUBSEQUENT EVENTS

Subsequent to March 31, 2015, the Company entered into a reverse three-cornered amalgamation agreement with 71 Capital Corp., a capital pool company. Under the terms of the agreement, 71 Capital Corp. would acquire the Company via the issuance of approximately 23,482,597 common shares (inclusive of the shares issued in the private placement and the shares issued to Robson Capital Inc. as described below) and approximately 88,051,416 non-voting shares of 71 Capital Corp. In connection with the amalgamation transaction, the Company closed a private placement for the issuance of 1,183,080 subscription receipts for gross proceeds of $85,773. Issue costs were $Nil. Each subscription receipt will be converted into one common share for no additional consideration upon the satisfaction of certain conditions.

In connection with the amalgamation, transaction costs are estimated to be $170,000.

Prior to the amalgamation, the Company will recapitalize its share capital via the issuance of 20,024,724 Common shares and 88,051,416 non-voting shares and the cancellation of the common, Series I Class A and Series II Class A shares, that were outstanding prior to the amalgamation.

In connection with the amalgamation transaction, 2,274,793 common shares will be issued to Robson Capital Inc. for financial advisory services.

Subsequent to March 31, 2015, the Company issued 16 common shares upon exercise of its outstanding stock options at an exercise price of $1 per gross proceeds of $16.

Subsequent to March 31, 2015, the Company entered into an agreement with BDC for a third loan facility. Under the terms of this facility, the Company received proceeds of $100,000, repayable in monthly instalments as to principal of approximately $2,080 per month over 48 months. The facility bears interest at the BDC's floating base rate plus 1% per annum and is guaranteed personally by the majority shareholder of the Company and a General Security Agreement over all personal property of the Company.

COMMITMENTS AND GUARANTEES

The Company's long-term debt comprises three credit facilities with the Business Development Bank of Canada ("BDC"). Each facility is guaranteed personally by the majority shareholder of the Company and bear interest at BDC's floating base interest rate plus 1% per annum, payable monthly. The first facility was negotiated effective May 27, 2014 to a maximum of $200,000. The second facility was negotiated effective December 11, 2014 to a maximum of $50,000. The third facility was negotiated effective June 2, 2015 to a maximum of $100,000. Subsequent to March 31, 2015, the Company drew on its second and third credit facilities.

Principal payments under the first facility as at March 31, 2015 are due as follows:

2016	$ 49,992
2017	49,992
2018	49,992
2019	41,660
	$191,636

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

CAPITAL MANAGEMENT

The Company defines capital as the aggregate of shareholder equity and debt. The Company's equity comprises the shares of the Company subscribed by the shareholders and retained earnings. The Board of Directors manages the dividend policy and the pricing of products and services of the Company so as to ensure that there is adequate cash flow to fund the Company's operations and safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders.

The Company is currently dependent on both external and internal financing, including loans from third parties and shareholders, to fund its activities. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is optimal.

There were no changes in the Company's approach to capital management during the years ended March 31, 2015 and March 31, 2014. The Company is not subject to externally imposed capital requirements.

RELATED PARTY TRANSACTIONS

The Company rents its premises from certain related parties on a month-to-month lease. These transactions were in the normal course of operations and are measured at their transaction amount, which is the amount agreed to by the related parties.

FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash and cash equivalents, accounts receivables, advances to shareholder, accounts payable and accrued liabilities and long-term debt. The fair values of these financial instruments approximate their carrying values, unless otherwise noted, due to their short-term maturities or interest rates which management believes approximates those of similar instruments in the current market. Except as otherwise noted the Company is not exposed to significant risks in relation to its financial instruments.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, 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 the Company's activities. There have been no changes to the Company's exposure to risks in respect of its financial instruments, and there have been no changes in respect of management's objectives, policies and processes in the management of its financial instruments from that of the prior reporting period.

The fair value of the note due from advances to (from) shareholder constitutes amounts due to (from) a related party. There is no active and visible market for instruments of these types. In the opinion of management, these instruments are carried at fair value due to their short-term to maturity.

The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares, Series II Class A shares and Series II Class B Shares. On March 31, 2015 the Company had 70 common shares, 20 Series I Class A shares and 10 Series II Class B shares outstanding. Subsequent to year end the Company issued 16 additional common shares upon exercise of outstanding stock options. Subsequent to year end, the Company will recapitalize its share capital issuing 20,024,724 common shares and 88,051,416 restricted shares and cancelling the existing common, Series I Class A and Series II Class A shares. In connection with the closing of the amalgamation transaction, the Company closed a private placement for the issuance of 1,183,080 subscription receipts for gross proceeds of $85,773. Upon closing the amalgamation transaction, 2,274,793 common shares will be issued to Robson Capital Inc. for financial advisory services.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements and notes to those statements. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates. Significant estimates made by management include the determination of revenue, the valuation of trade and other receivables, the useful lives and amortization rates of property and equipment, the completeness of amounts recorded as accounts payable and accrued liabilities, the valuation allowance for deferred tax assets, the valuation of long-term debt and the fair values of the Company's financial instruments.

These estimates have been applied in a manner consistent with that of prior years and there are no known trends, commitments, events or uncertainties that management believes will materially affect the assumptions utilized in the accompanying financial statements.

RISKS AND UNCERTAINTIES

The Company's operations involve certain risks and uncertainties that are inherent to the Company's industry and rapidly changing environment that could impact its business, financial condition or results of operations. Additional risks and uncertainties of which the Company is unaware, or that it currently deems to be immaterial, may also become important factors that affect the Company. The following is a description of the principal risk factors that will impact the Company:

Prodigy is a development stage company with a limited operating history.

Prodigy is a development stage company, subject to all the risks and uncertainties inherent in a new business and the development and sale of new products. As a result, it still must establish many functions necessary to operate a business, including finalizing its administrative structure, continuing product development, assessing and commencing its marketing activities, implementing financial systems and controls and personnel recruitment.

Prodigy has limited operating history and may not maintain profitability.

Prodigy, while incorporated in 1992, only commenced its current operations on April 1, 2014. Prodigy is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that Prodigy will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Prodigy may not be able to maintain profitability. In addition, Prodigy expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If Prodigy's revenues do not increase to offset these expected increases in costs and operating expenses, Prodigy will not be profitable.

Economic dependence on a limited number of customers.

Prodigy's revenue is obtained exclusively from its services business and 100% of the revenue from the services business is derived from three customers. Prodigy's contracts with these customers are limited in duration, typically with terms of 6-12 months. Prodigy's ability to continue to generate revenue from its services business depends on its ability to regularly renew these contracts and enter into contracts with new customers. Prodigy's ability to renew existing contracts and enter into new contracts in turn depends to a great degree on the quality of services provided and technology developed for its customers.

Prodigy believes that its focus on customer service and support is critical to onboarding new customers and retaining its existing customers. Prodigy's reputation among customers is critical for the growth and success of its business. Any perception that it does not provide satisfactory customer service, even if factually incorrect or based on isolated incidents, could damage Prodigy's reputation, undermine the trust and credibility it has established and have a negative impact on its ability to attract new, or retain existing, customers and enter into new markets or sectors.

Future growth dependent upon success of venture business.

Prodigy's future growth depends on the success of its venture builder business, the strategy of identifying, developing and launching new business platforms and applications in potentially high growth technology segments such as mobile video, wearables, proximity marketing, mobile payments, augmented reality, 3D and social. These areas are highly competitive and Prodigy may not be able to develop and implement its new platforms or applications before its competitors. Prodigy only has a small window of opportunity in which to gain the customer acceptance necessary to become a market leader in a particular target market, and it may not be able to develop its ventures before its potential competitors do so.

There is also no guarantee that Prodigy's platforms or applications will gain market acceptance ahead of those of its competitors, and thus may only have limited potential. Prodigy may realize, only after investing significant resources in a new platform or application, that such platform or application is not likely to generate the profits, growth or value that it expected.

Need for ongoing innovation.

The markets in which Prodigy competes are characterized by constant change and innovation and they are expected to continue to evolve rapidly. Prodigy's success has been based on its ability to identify and anticipate the needs of its customers and design platforms that provides them with the tools to serve their needs. Prodigy's ability to attract new customers, retain existing customers and increase revenue from both new and existing customers will depend in large part on its ability to continue to improve and enhance the functionality, performance, reliability, design, security and scalability of its platforms.

Ongoing need for financing.

Prodigy has have limited revenue from its new ventures, its ability to continue operations will be largely reliant on its continued attractiveness to equity investors. The Company Issuer may incur operating losses as it expends funds to develop its venture builder business operations. There is no guarantee that the Company will be able to achieve its business objectives. The continued development of Prodigy may require substantial additional financing in future. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. While the services business will provide some level of funding, a critical source of funding available to the Company will consist of equity financing. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards.

Attraction and retention of key personnel.

The Company has a small management team and the loss of a key individual or inability to attract suitably qualified staff could have a material adverse impact on its business. The Company may also encounter difficulties in obtaining and maintaining suitably qualified staff. Prodigy has sought to and will continue to ensure that management, directors and any key employees are provided with appropriate incentives; however, their services cannot be guaranteed.

Prodigy's future growth and success will depend upon its ability to identify, hire, develop, motivate and retain talented personnel with outstanding skills. There is no guarantee that it will be able to retain the services of any of its employees or other members of senior management in the future. Competition for talent is intense, particularly in technology driven industries such as Prodigy's, and its competitors may be able to offer Prodigy's potential or current personnel better pay, experience, benefits or opportunities. Failure to effectively recruit and retain talent could limit Prodigy's ability to increase sales, expand operations and achieve other strategic objectives.

Competition.

The industries in which Prodigy operates are highly competitive. The Company faces strong competition from other companies in the industry. Many of these companies have greater financial resources, operational experience and technical capabilities than Prodigy. As a result of this competition, the Company may be unable to maintain its operations or develop them as currently proposed, on terms it considers acceptable or at all. Consequently, the revenues, operations and financial condition of the Company could be materially adversely affected.

To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis.

Key Executives.

Prodigy is dependent on the services of key executives, including its directors and has a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of Prodigy, the loss of these persons or either company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Prodigy operates in an industry with the risk of intellectual property litigation. Claims of infringement against it may hurt its business.

Prodigy's success depends, in part, upon non-infringement of intellectual property rights owned by others and being able to resolve claims of intellectual property infringement without major financial expenditures or adverse consequences. Participants that own, or claim to own, intellectual property may aggressively assert their rights. From time to time, Prodigy may be subject to legal proceedings and claims relating to the intellectual property rights of others.

Future litigation may be necessary to defend Prodigy or its clients by determining the scope, enforceability, and validity of third-party proprietary rights or to establish its proprietary rights. Some competitors have substantially greater resources and are able to sustain the costs of complex intellectual property litigation to a greater degree and for longer periods of time. Regardless of whether claims that Prodigy are infringing patents or other intellectual property rights have any merit, these claims are time-consuming and costly to evaluate and defend and could:

- adversely affect relationships with future clients;
- cause delays or stoppages in providing products or services;
- divert management's attention and resources;
- require technology changes to its products that would cause Prodigy to incur substantial cost;
- subject Prodigy to significant liabilities; and
- require Prodigy to cease some or all of its activities.

In addition to liability for monetary damages, which may be tripled and may include attorneys' fees, or, in some circumstances, damages against clients, Prodigy may be prohibited from developing, commercializing, or continuing to provide some or all of its products unless it obtains licenses from, and pays royalties to, the holders of the patents or other intellectual property rights, which may not be available on commercially favorable terms, or at all.

Management of growth.

Prodigy may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of Prodigy to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Prodigy to deal with this growth may have a material adverse effect on Prodigy's business, financial condition, results of operations and prospects.