71 Capital Corp.

A Capital Pool Company

NOTICE OF NO AUDITOR REVIEW – CONDENSED FINANCIAL STATEMENTS

UNDER NATIONAL INSTRUMENT 51-102, PART 4, SUBSECTION 4.3(3) (A), IF AN AUDITOR HAS NOT PERFORMED A REVIEW OF THE CONDENSED FINANCIAL STATEMENTS, THEY MUST BE ACCOMPANIED BY A NOTICE INDICATING THAT THE CONDENSED FINANCIAL STATEMENTS HAVE NOT BEEN REVIEWED BY AN AUDITOR.

THE ACCOMPANYING CONDENSED FINANCIAL STATEMENTS OF THE COMPANY HAVE BEEN PREPARED BY AND ARE THE RESPONSIBILITY OF THE COMPANY'S MANAGEMENT. THE COMPANY'S INDEPENDENT AUDITOR HAS NOT PERFORMED A REVIEW OF THESE CONDENSED FINANCIAL STATEMENTS IN ACCORDANCE WITH STANDARDS ESTABLISHED BY THE CANADIAN INSTITUTE OF CHARTERED ACCOUNTANTS FOR A REVIEW OF CONDENSED FINANCIAL STATEMENTS BY AN ENTITY'S AUDITOR

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
(Expressed in whole Canadian dollars)

	Notes	March 31, 2015 (Unaudited)	December 31, 2014 (Audited)
ASSETS			
Current			
Cash and cash equivalents		$ 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

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

(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

(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

(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.