PUDO INC.

(formerly "Grandview Gold Inc.")

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2015

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of PUDO Inc. (formerly "Grandview Gold Inc.") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

PUDO Inc.

(formerly "Grandview Gold Inc.")

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

As at	Notes	November 30, 2015	February 28, 2015
Assets			
Current assets			
Cash		$ **105,799**	$ 319,625
Short-term investment		**25,000**	-
Trade and other receivables	6	**109,396**	15,328
Prepaid expenses and deposits		**50,177**	5,000
Total current assets		**290,372**	339,953
Non-current assets			
Equipment	7	**98,102**	2,142
Intangible assets	8	**15,208**	18,958
Total assets		$ **403,682**	$ 361,053
Liabilities			
Current liabilities			
Trade and other payables	14	$ **316,264**	$ 109,322
Advances payable	9	**34,719**	-
Borrowings	15	**1,021**	586,324
Total liabilities		**352,004**	695,646
Shareholders' equity (deficiency)			
Share capital	10	**2,312,455**	16,668
Broker warrants	12	**25,869**	-
Stock options	13	**157,982**	-
Deficit		**(2,444,628)**	(351,261)
Shareholders' equity (deficiency)		**51,678**	(334,593)
Total liabilities and shareholders' equity (deficiency)		$ **403,682**	$ 361,053

Nature of operations and going concern (note 1)
Subsequent events (note 19)

Approved by the Board of Directors:

Director

""

Director

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

PUDO Inc.

(formerly "Grandview Gold Inc.")

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

As at	Notes	November 30, 2015	February 28, 2015
Assets			
Current assets			
Cash		$ 105,799	$ 319,625
Short-term investment		25,000	-
Trade and other receivables	6	109,396	15,328
Prepaid expenses and deposits		50,177	5,000
Total current assets		290,372	339,953
Non-current assets			
Equipment	7	98,102	2,142
Intangible assets	8	15,208	18,958
Total assets		$ 403,682	$ 361,053
Liabilities			
Current liabilities			
Trade and other payables	14	$ 316,264	$ 109,322
Advances payable	9	34,719	-
Borrowings	15	1,021	586,324
Total liabilities		352,004	695,646
Shareholders' equity (deficiency)			
Share capital	10	2,312,455	16,668
Broker warrants	12	25,869	-
Stock options	13	157,982	-
Deficit		(2,444,628)	(351,261)
Shareholders' equity (deficiency)		51,678	(334,593)
Total liabilities and shareholders' equity (deficiency)		$ 403,682	$ 361,053

Nature of operations and going concern (note 1)
Subsequent events (note 19)

Approved by the Board of Directors:

"" Director

"" Director

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

PUDO Inc.

(formerly "Grandview Gold Inc.")

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended November 30, 2015	Three Months Ended November 30, 2014	Nine Months Ended November 30, 2015	Nine Months Ended November 30, 2014
Revenue	**$ 30,004**	$ 4,844	**$ 72,113**	$4,844
Cost of sales	**(13,786)**	(2,422)	**(32,495)**	(2,422)
Gross profit	**16,218**	2,422	**39,618**	2,422
Administrative expenses (note 16)	**373,510**	66,630	**652,522**	135,609
Share-based payment (note 13)	**-**	-	**157,982**	-
Operating loss	**(357,292)**	(64,208)	**(770,886)**	(133,187)
Finance costs (note 17)	**(4)**	(8,236)	**(14,523)**	(8,236)
Reverse takeover transaction costs (note 11)	**-**	-	**(1,307,958)**	-
Net loss and comprehensive loss for the period	**$ (357,296)**	$ (72,444)	**$(2,093,367)**	$ (141,423)
Loss per share - basic and diluted	**$ (0.02)**	$ (0.02)	**$ (0.22)**	$ (0.04)
Weighted average number of shares outstanding - basic and diluted	**15,594,802**	3,333,332	**9,386,220**	3,333,332

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

PUDO Inc.

(formerly "Grandview Gold Inc.")

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian Dollars)

(Unaudited)

	Number of common shares	Share capital (note 10)	Broker warrants (note 12)	Stock options reserve (note 13)	Deficit	Total
Balance, February 28, 2014	3,333,332	$ 16,668	$ -	$ -	$ (27,264)	$ (10,596)
Net loss for the period	-	-	-	-	(141,423)	(141,423)
Balance, November 30, 2014	3,333,332	$ 16,668	$ -	$ -	$ (168,687)	$ (152,019)
Balance, February 28, 2015	3,333,332	$ 16,668	$ -	$ -	$ (351,261)	$ (334,593)
Issuance of common shares on conversion of borrowings (note 10(b)(iii))	1,883,333	470,867	-	-	-	470,867
Conversion of Class A preferred shares (note 11)	5,100,132	102,002	-	-	-	102,002
Conversion of PUDO shares and consideration for reverse takeover (note 11)	4,178,005	1,044,501	-	-	-	1,044,501
Issuance of common shares in private placement (note 10(b)(ii))	1,100,000	715,974	-	-	-	715,974
Valuation of broker warrants issued in private placement (note 10(b)(ii))	-	(25,869)	25,869	-	-	-
Transaction costs incurred for private placement (note 10(b)(ii))	-	(11,688)	-	-	-	(11,688)
Share-based payment (note 13)	-	-	-	157,982	-	157,982
Net loss for the period	-	-	-	-	(2,093,367)	(2,093,367)
Balance, November 30, 2015	15,594,802	$ 2,312,455	$ 25,869	$ 157,982	$(2,444,628)	$ 51,678

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

PUDO Inc.

(formerly "Grandview Gold Inc.")

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Nine Months Ended November 30, 2015	Nine Months Ended November 30, 2014
Cash flows (used in) operating activities		
Net loss for the period	**$ (2,093,367)**	$ (141,423)
Adjustments for:		
Reverse takeover transaction costs (note 11)	**1,307,958**	-
Share-based payment (note 13)	**157,982**	-
Amortization	**12,257**	3,750
Net change in non-cash working capital:		
Trade and other receivables	**(82,422)**	(18,192)
Prepaid expenses and deposits	**(45,177)**	5,438
Trade and other payables	**(41,174)**	51,407
Cash flows (used in) operating activities	**(783,943)**	(99,020)
Cash flows provided by (used in) investing activities		
Cash obtained upon reverse takeover (note 11)	**111,047**	-
Short-term investments	**(25,000)**	-
Purchase of equipment	**(104,468)**	(2,000)
Cash flows (used in) investing activities	**(18,421)**	(2,000)
Cash flows provided by financing activities		
Proceeds from issuance of shares (note 10(b)(ii))	**715,974**	-
Transaction costs (note 10(b)(ii))	**(11,688)**	-
Proceeds from issuance of preferred shares (note 11)	**102,002**	-
(Repayments of) proceeds from borrowings	**(217,750)**	460,135
Cash flows provided by financing activities	**588,538**	460,135
Change in cash during the period	**(213,826)**	359,115
Cash, beginning of period	**319,625**	17
Cash, end of period	**$ 105,799**	$ 359,132

Supplemental information:

	2015	2014
Broker warrants issued for services	**25,869**	-
Conversion of borrowings into shares	**470,867**	-
Conversion of Class A preferred shares	**102,002**	-
Shares issued to effect reverse takeover	**1,044,501**	-

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

1. Nature of operations and going concern

My Courier Depot Inc. ("MCD") is incorporated under the Ontario Business Corporations Act on December 16, 2013 and domiciled in Canada. Its registered office is situated at 400 Brunel Road, Mississauga, Ontario, Canada, L4Z 2C2.

MCD's principal activity is providing E-commerce shipment services through collaboration with specific online retailers for delivery of their products, and working with national and international courier companies to provide alternate drop-off and pickup options of packages.

PUDO Inc. (formerly "Grandview Gold Inc. (the "Company")) was a gold exploration company focused on exploring and developing gold properties in gold camps of North and South America. The Company was incorporated under the laws of the Province of Ontario. To date, the Company has not earned significant revenues from gold exploration and was considered to be in the exploration and evaluation stage.

On March 18, 2015, the Company entered into a share exchange agreement (the "Share Exchange Agreement") to acquire all of the issued and outstanding securities of MCD. Pursuant to the Share Exchange Agreement, the Company's management was replaced with management appointed by MCD and the Company will carry on the business of MCD under the new name of "PUDO Inc." (see note 10)

On July 13, 2015, the Company completed (i) the consolidation of the issued and outstanding common shares of the Company on the basis of one (1) post-consolidation common share ("Post-Consolidation shares") for each twenty (20) pre-consolidation common shares and (ii) the change of the Company's name to "PUDO Inc.".

On July 14, 2015, the Company acquired all of the issued and outstanding shares of MCD ("MCD shares") on the basis of 8,333.33 Post-Consolidation shares for 1 MCD share. Effective July 14, 2015, the Company issued an aggregate of 10,316,797 shares of the Company to former shareholders of MCD (the "Acquisition"). The Acquisition was accounted for as a reverse takeover ("RTO") whereby MCD was identified as the acquirer for accounting purposes and the comparative figures presented in the unaudited condensed interim consolidated financial statements after RTO are those of MCD (see note 11).

The Company has completed voluntary delisting of the Company's common shares from the NEX and received approval for the listing of all of its issued and outstanding securities on the Canadian Securities Exchange effective July 28, 2015.

These unaudited condensed interim consolidated financial statements have been prepared with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at November 30, 2015, the Company had a working capital deficiency of $61,632 (February 28, 2015 - working capital deficiency of $355,693), had not yet achieved profitable operations, and had accumulated losses of $2,444,628 as at November 30, 2015 (February 28, 2015 - $351,261). These conditions reflect material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. While the Company has been successful in raising the necessary funding to continue operations in the past, there is no assurance that it will be able to do so in the future. These unaudited condensed interim consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of preparation

(a) Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB and interpretations issued by the IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of January 28, 2016, the date the Board of Directors approved the financial statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements of MCD as at and for the year ended February 28, 2015 other than changes in accounting policies as discussed below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending February 29, 2016 could result in restatement of these unaudited condensed interim consolidated financial statements.

(b) Basis of presentation

The unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for the short-term investment, comprised of a guaranteed investment certificate, which is stated at its fair value. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. Significant accounting policies

(a) New standards not yet adopted and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning on or after March 1, 2016 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – *Financial Instruments* ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). 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, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. 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, 2018. Earlier adoption is permitted.

3. Significant accounting policies (continued)

(a) New standards not yet adopted and interpretations issued but not yet effective (continued)

IFRS 15 - *Revenue From Contracts With Customers* ("IFRS 15") proposes to replace IAS 18 - Revenue, IAS 11 -Construction Contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted.

IAS 38 *Intangible Assets* ("IAS 38") and IAS 16, Property, Plant and Equipment ("IAS 16")were amended in May 2014 to introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate. The amendment is effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

(b) Changes in accounting standards

The Company has adopted the following amendment effective March 1, 2015.

IAS 24 *Related Party Disclosures* ("IAS 24") was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. The amendments to IAS 24 are effective for annual periods beginning on or after July 1, 2014.

There was no impact on the adoption of this amendment on the financial statements.

4. Financial risk management

(a) Fair values

The carrying amounts of trade and other receivables, cash, trade and other payables, advances payable and borrowings approximate their fair values, given their short-term nature. As at November 30, 2015, the Company's short-term investment was classified as Level 2 within the fair value hierarchy.

(b) Financial risk factors

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk, market risk, and capital risk management.

This note represents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and their management of capital.

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

(Expressed in Canadian Dollars)

4. Financial risk management (continued)

b) Financial risk factors (continued)

(i) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet commitments it has entered to with the Company. The financial assets that potentially expose the Company to credit risk consist principally of cash or other receivables. The extent of the Company's exposure to credit risk approximate their carrying values are recorded in the Company's statement of financial position.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The maximum exposure to credit risk at the reporting date was:

	November 30, 2015	February 28, 2015
Trade and other receivable	**$ 109,396**	$ 15,328
Cash	**105,799**	319,625
Short-term investment	**25,000**	-
	$ 240,195	$ 334,953

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to finance its operations and to mitigate the effects of fluctuations in cash flows.

The following are the contractual maturities of financial liabilities:

	November 30, 2015	February 28, 2015
	<1 year	< 1 year
Trade and other payable	**$ 316,264**	$ 109,322
Advances payable	**34,719**	-
Borrowings	**1,021**	586,324
	$ 352,004	$ 695,646

In order to meet such cash commitments, the Company will be required to generate sufficient cash inflows from operating and financing activities.

4. Financial risk management (continued)

b) Financial risk factors (continued)

(iii) Market risk

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

The Company's exposure to risks of changes in market interest rates relate primarily to its cash balances. The Company constantly analyzes its interest rate exposure, giving consideration to potential renewals of existing positions, alternative financial positions and the mix of fixed and variable interest rates.

Currency risk

Since the Company has a bank account denominated in USD, it is exposed to foreign currency risk due to fluctuations in exchange rate. The Company purchases goods and services in Canadian dollars and US dollars. Since the Company reports its results in Canadian dollars, the functional currency of the Company, it is exposed to changes in the value of the US dollar relative to that of the Canadian dollar. The Company also entered into investment loan agreements which are denominated in US dollar which implies that it is exposed to foreign currency risk due to fluctuations in exchange rate. As at November 30, 2015, the Company had cash of US$60,506 ($80,672) (February 28, 2015 – US$237,995 ($299,368)) and borrowings of $nil (February 28, 2015 - US$366,266 ($455,313)).

Interest rate risk

The Company's exposure to risks of changes in market interest rates relates primarily to its cash balances. The Company constantly analyzes its interest rate exposure, giving consideration to potential renewals of existing positions, alternative financial positions and the mix of fixed and variable interest rates.

(iv) Capital risk management

The Company reviews and manages its capital position from time to time to maintain a balance between its liability and equity levels. The Company uses the capital contributed by investors to finance its working capital requirements.

The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future developments of the business. The Company defines capital as equity. The Company is not subject to any externally imposed capital requirements.

The Company's capital management objectives, policies and processes have remained unchanged during the nine months ended November 30, 2015 and the year ended February 28, 2015.

(v) Sensitivity analysis

Based on management's knowledge and experience in the financial markets, the Company believes the following movements are reasonably possible over a nine month period:

Sensitivity to a plus or minus 1% change in the US–Canadian dollar foreign exchange rate, based on the current US dollar denominated balances as at November 30, 2015, would affect the net loss by approximately plus or minus $1,000 during a nine-month period.

5. Critical accounting estimates and judgments

The Company makes estimates and judgments that affect the reported amounts of assets and liabilities within the next year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations future events that are believed to be reasonable under the circumstances.

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Computer software and equipment
The useful life of computer software and equipment is determined by management at the time the software and equipment is acquired and brought into use and is regularly reviewed for appropriateness. For unique software products controlled by the Company, the life is based on management's historical experience with similar products as well as anticipation of future events which may impact their life such as changes in technology.

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Income taxes and recoverability of potential deferred tax assets
In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

Share-based payment
The Company measures the cost of equity-settled transactions with employees and directors by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the share option.

(Expressed in Canadian Dollars)

6. Trade and other receivables

	November 30, 2015	February 28, 2015
Trade receivable	**$ 18,608**	$ 3,238
HST receivable	**76,696**	6,186
Other receivable	**14,092**	5,904
	$ 109,396	$ 15,328

7. Equipment

Equipment	Computer
Cost	
Balance at February 28, 2015	$ 2,208
Additions	104,467
Balance at November 30, 2015	**$ 106,675**
Accumulated amortization	
Balance at February 28, 2015	$ 66
Amortization	8,507
Balance at November 30, 2015	**$ 8,573**
Carrying amounts	
Balance at February 28, 2015	$ 2,142
Balance at November 30, 2015	**$ 98,102**

8. Intangible assets

	Computer Software
Cost	
Balance at February 28, 2015	$ 25,000
Balance at November 30, 2015	**$ 25,000**
Accumulated amortization	
Balance at February 28, 2015	$ 6,042
Amortization	3,750
Balance at November 30, 2015	**$ 9,792**
Carrying amounts	
Balance at February 28, 2015	$ 18,958
Balance at November 30, 2015	**$ 15,208**

(Expressed in Canadian Dollars)

9. Advances payable

At November 30, 2015, the Company had advances payable of $34,719 owing to a shareholder of the Company. These advances are unsecured, non-interest bearing and due on demand.

10. Share Capital

(a) Authorized

Unlimited number of common shares with no par value.

Unlimited number of Class A preferred shares. The preference shares are without par value, redeemable, voting, non-participating, and are convertible into common shares at the rate of one common share for five preference shares (none currently issued and outstanding).

(b) Issued

Common Shares	Number		Amount
Balance of common shares, February 28, 2015	**3,333,332**	**$**	**16,668**
Issuance of common shares on conversion of borrowings (iii)	1,883,333		470,867
Conversion of Class A preferred shares	5,100,132		102,002
Conversion of PUDO shares and consideration for RTO (i) (note 1)	4,178,005		1,044,501
Issuance of common shares in private placement (ii)	1,100,000		715,974
Valuation of broker warrants issued in private placement (ii)	-		(25,869)
Transaction costs incurred for private placement (ii)	-		(11,688)
Balance, November 30, 2015	**15,594,802**	**$**	**2,312,455**

(i) On July 14, 2015, the Company acquired all of the issued and outstanding shares of MCD on the basis of 8,333.33 post-consolidation shares for 1 MCD common share. In addition, the Company also acquired all of the issued and outstanding Class A preferred shares of MCD on the basis of 8,333.33 post-consolidation shares for 1 MCD preferred share. Effective July 14, 2015, the Company issued an aggregate of 10,316,797 shares of the Company to former shareholders of MCD. The 400 common shares and 612 Class A preferred shares as at February 28, 2015 and the 226 common shares issued on conversion of borrowings during the six months ended August 31, 2015 had been restated on the basis of the ratio of 1: 8,333.33 to 3,333,332, 5,100,132 and 1,883,333 common shares of PUDO, respectively, to reflect the shares issued in the RTO. The Acquisition was accounted for as a RTO whereby MCD was identified as the acquirer for accounting purpose (see note 11).

(ii) On August 24, 2015, the Company closed a non-brokered private placement of 1,100,000 common shares at a price of $0.63 or US$0.50 per common share for total proceeds of $715,974. A total of 90,000 broker warrants were issued in connection with the private placement, exercisable for one common share at a price of $0.63. The first 50,000 warrants are exercisable for six months and the remaining 40,000 warrants are exercisable for two years. The broker warrants have an estimated fair value of $25,869, using the Black-Scholes valuation model with the following assumptions: risk-free interest rate of 0.33%, expected life of nine months and two years, expected volatility of 100% and expected dividend yield of 0%.

(iii) Borrowings and related interest were converted into 226 common shares of MCD at a price of US$1,666.67 per common share, which has been restated to 1,883,333 common shares to reflect the number of shares of PUDO issued in the RTO.

(Expressed in Canadian Dollars)

11. Reverse takeover

The share capital of each company before the RTO was as follows:

PUDO

	Number of Common Shares	Amount
Balance, February 28, 2015	**81,163,032**	**$ 16,533,842**
Consolidation of common shares	(77,105,027)	-
Common shares issued in settlement of advances from shareholder	120,000	30,000
Balance, July 14, 2015 prior to the RTO	**4,178,005**	**$ 16,563,842**

MCD

	Number of Common Shares	Amount
Balance, February 28, 2015	**400**	**$ 16,668**
Shares issued in settlement of borrowings (note 10(b)(iii))	226	470,867
Balance, July 14, 2015 prior to the RTO [(1)]	**626**	**$ 487,535**

[(1)] MCD also had 612 Class A preferred shares outstanding at July 14, 2015 prior to the RTO, which had been issued to existing shareholders of MCD for cash consideration of $102,002.

On July 14, 2015, the Company acquired all of the issued and outstanding shares of MCD on the basis of 8,333.33 Post-Consolidation shares for 1 MCD share. In addition, the Company also acquired all of the issued and outstanding Class A preferred shares of MCD on the basis of 8,333.33 Post-Consolidation shares for 1 MCD preferred share. Effective July 14, 2015, the Company issued an aggregate of 10,316,797 shares of the Company to former shareholders of MCD.

In accordance with IFRS 3, Business Combination, the substance of the transaction is a reverse takeover of a non-operating company. The transaction does not constitute a business combination as PUDO does not meet the definition of a business under the standard. As a result, the transaction is accounted for as a capital transaction with MCD being identified as the acquirer and the equity consideration being measured at fair value. The resulting consolidated statement of financial position is presented as a continuance of MCD and comparative figures presented in the consolidated financial statements after the reverse takeover are those of MCD.

IFRS 2, Share-based Payment, applies to transactions where an entity grants equity instruments and cannot identify specifically some or all of the goods or services received in return. Because MCD would have issued shares with a value in excess of the assets received, the difference is recognised in loss and comprehensive loss as a transaction cost. The amount assigned to the transaction cost of $1,307,958 is the difference between the fair value of the consideration and the net identifiable assets of PUDO acquired by MCD and included in the unaudited condensed interim consolidated statement of loss and comprehensive loss.

(Expressed in Canadian Dollars)

11. Reverse takeover (continued)

The fair value of the consideration is determined based on the percentage of ownership the legal parent's shareholders have in the consolidated entity after the transaction. This represents the fair value of the shares that MCD would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of MCD acquiring 100% of the shares in PUDO. The percentage of ownership PUDO shareholders had in the combined entity is 29% after the issue of 10,316,797 PUDO shares. The fair value of the consideration in the RTO is equivalent to the fair value of the 4,178,005 PUDO shares controlled by original PUDO shareholders. The fair value of the shares controlled by original PUDO shareholders was estimated to be $1,044,501 based on the estimated fair market value of $0.25 per share on the date of July 14, 2015.

Based on the statement of financial position of PUDO at the time of the RTO, the net liability at estimated fair value that were acquired by MCD were $263,457 and the resulting transaction cost charged to the unaudited condensed interim consolidated statements of loss and comprehensive loss is as follows:

Consideration		
Common shares	$	1,044,501
Identifiable asset (liabilities) acquired		
Cash	$	111,047
HST receivable		11,646
Accounts payable and accrued liabilities		(248,117)
Advances payable		(15,025)
Intercompany payable to MCD		(123,008)
Unidentifiable assets acquired		
Transaction cost		1,307,958
Total net identifiable assets and transaction cost	$	1,044,501

12. Broker warrants

	Number of Broker warrants		Exercise price
Balance, February 28, 2015	**-**	**$**	**-**
Broker warrants issued in private placement (note 10(b)(ii))	90,000		0.63
Balance, November 30, 2015	**90,000**	**$**	**0.63**

The following table reflects the broker warrants issued and outstanding as of November 30, 2015:

Expiry Date	Exercise Price ($)	Estimated Grant Date Fair Value ($)	Number of Broker Warrants Outstanding
February 24, 2016	0.63	11,178	50,000
August 24, 2017	0.63	14,691	40,000
	0.63	**25,869**	**90,000**

(Expressed in Canadian Dollars)

13. Stock options

The Company maintains an employee stock option plan under which the Board of Directors, or a committee appointed for such purpose, may from time to time grant to employees, officers, directors or consultants of the Company, options to acquire common shares in such numbers, for such terms and at such exercise prices, as may be determined by the Board of Directors or such committee.

The stock option plan provides that the maximum number of common shares in the capital of the Company that may be reserved for issuance for all purposes under the stock option plan shall be equal to 10% of the total issued and outstanding common shares and that the maximum number of common shares which may be reserved for issuance to any one optionee pursuant to share options may not exceed 5% of the common shares outstanding at the time of grant.

The following table reflects the continuity of stock options for the period ended November 30, 2015:

	Number of stock options	Exercise price
Balance, February 28, 2015	**-**	**$ -**
Granted	1,400,000	0.20
Balance, November 30, 2015	**1,400,000**	**$ 0.20**

The following table reflects the actual stock options issued and outstanding as of November 30, 2015:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Weighted Average Number of Options Outstanding	Options Vested (exercisable)	Estimated Grant Date Fair Value
July 14, 2016 (i)	0.20	0.87	1,400,000	1,400,000	$ 157,982

(i) On July 14, 2015, the Company granted 1,400,000 stock options to an officer and a director of the Company. The stock options are exercisable at $0.20 per share until July 14, 2016 and vested immediately at the time of grant. The grant date fair value of the stock options was estimated to be $157,982 using the Black-Scholes valuation model on the following assumptions: expected dividend yield of 0%; expected volatility of 100%, risk-free interest rate of 0.45%; and expected life of 1 year. During the nine months ended November 30, 2015, $157,982 was recorded as stock-based compensation in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

14. Trade and other payables

	November 30, 2015	February 28, 2015
Trade payables	**$ 222,035**	$ 29,998
Other payables	**47,900**	824
Accrued liabilities	**46,329**	78,500
	$ 316,264	$ 109,322

(Expressed in Canadian Dollars)

15. Borrowings

	November 30, 2015	February 28, 2015
Amounts due to Courier Cardinal Ltée (a)	**$ 833**	$ 131,011
Investment loans (b)	**-**	455,313
Due to shareholders	**188**	-
	$ 1,021	$ 586,324

(a) The amounts due to a related party, Courier Cardinal Ltée, a company under common control, represents amounts which bear interest at 5% per annum, are unsecured and due on demand.

(b) The investment loans were converted into shares of the Company (note 10(b)(iii)).

16. Administrative expenses categorized by nature

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2015	**2014**	**2015**	**2014**
Salaries and benefits	**$ 53,359**	$ -	**$ 134,352**	$ -
General and administrative expenses	**38,058**	1,232	**67,370**	9,859
Advertising and promotion	**41,829**	1,484	**42,884**	22,924
Travel and business development	**33,126**	5,572	**56,017**	13,984
Consulting fees	**87,269**	29,831	**153,568**	57,831
Professional fees	**42,050**	26,500	**70,650**	26,500
Investor relations	**57,594**	-	**75,618**	-
Agent and filing fees	**9,535**	-	**34,017**	-
Foreign exchange loss	**3,384**	761	**5,789**	761
Amortization expense	**7,306**	1,250	**12,257**	3,750
	$ 373,510	$ 66,630	**$ 652,522**	$ 135,609

17. Finance costs

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2015	**2014**	**2015**	**2014**
Interest expense on investment loans	**$ -**	$ 4,961	**$ 13,477**	$ 4,961
Interest expense on amounts due to related company	**4**	3,275	**1,046**	3,275
	$ 4	$ 8,236	**$ 14,523**	$ 8,236

18. Related party transactions

(a) Related party balances and transactions:

During the three and nine month periods ended November 30, 2015, the Company had the following transactions with shareholders and companies under common control:

- incurred bookkeeping fees, included in professional fees of $37,500 and $52,500, respectively, (three and nine months ended November 2014 - $10,000 and $10,000) to Cardinal Couriers Ltd, a company with common officers and directors.
- incurred interest expense of $4 and $1,046, respectively, (three and nine months ended November 30, 2014 - $3,275 and $3,275) payable to Courier Cardinal Ltée pursuant to the borrowing arrangements as described in note 15(a).
- incurred consulting fees of $nil and $31,500, respectively, (three and nine months ended November 30, 2014 - $28,000and $28,000) to Courier Depot Network Inc., a significant shareholder of the Company.
- incurred share-based payment of $nil and $157,982, respectively, (three and nine months ended November 30, 2014 - $nil) in relation to stock options granted to an officer and a director of the Company (note 13).
- For the three and nine months ended November 30, 2015, the Company expensed $4,590 and $6,090, respectively, (three and nine months ended November 30, 2014 - $nil) to Marrelli Support Services Inc. for the services of Jing Peng to act as Chief Financial Officer of the Company.

All related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(b) Major shareholders:

As at November 30, 2015, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all of the common shares of the Company other than Palm Holding Inc. which owns or controls, directly or indirectly, 48.73% of the issued and outstanding shares of the Company. These stockholdings can change at any time at the discretion of the owner.

None of the Company’s major shareholders have different voting rights other than holders of the Company’s common shares.

The Company is not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

19. Subsequent events

(i) On December 22, 2015, the Company issued 50,000 common shares in exchange for 50,000 warrants at the exercise price of $0.63 per warrant for a total of $31,500 ($22,864 USD).

(ii) On December 2, 2015, pursuant to the Company’s stock option plan, the Company granted an aggregate of 69,000 options to the directors of the corporation. The options are exercisable at a price of $2.25 per common share. The options vest in 25% increments quarterly and expire two years following the grant date.

(iii) On December 22, 2015, the Company signed a letter of intent with 640624 N.B. LTD. (o/a Kinek) providing for the acquisition by the Company of the assets and undertaking of Kinek. In consideration for the transfer of the business, PUDO will issue common shares to Kinek based on Kinek’s 2015 revenues and will assume certain liabilities attached to the business. Kinek will have the right to nominate one director to the board of the Company for the ensuing year. Kinek is a private company headquartered in Rothesay, New Brunswick, Canada. Kinek has approximately 179,000 registered users who have signed up to use the Kinek network. The Kinek network is comprised of 109 trusted U.S. and Canadian businesses that have been signed up to be KinekPoints. KinekPoints receive and store parcels for their customers' convenience until they are picked up. By shipping to one of Kinek's many border KinekPoints, Canadians can order from U.S. companies that may not ship to Canada, have access to free shipping, larger product selection and at lower prices. The Acquisition is subject to, among other things, final diligence, revisions to the terms of outstanding liabilities of Kinek and negotiation of a definitive agreement to be entered into on or prior to closing. The transaction remains subject to all required regulatory approvals and is expected to close in January 2016.