
NEOTECK SOLUTIONS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2013 AND 2012
(Unaudited – Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements 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 interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

NEOTECK SOLUTIONS INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in Canadian Dollars)

	Note	November 30, 2013 \$	February 28, 2013 \$
ASSETS			
Current assets			
Cash		109,404	263,001
GST / HST recoverable		12,187	15,783
<hr/>			
Total assets		121,591	278,784
<hr/>			
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	16,615	15,271
<hr/>			
SHAREHOLDERS' EQUITY			
Share capital	4	2,403,006	2,403,006
Contributed surplus		189,514	189,514
Deficit		(2,487,544)	(2,329,007)
<hr/>			
		104,976	263,513
<hr/>			
Total liabilities and equity		121,591	278,784
<hr/>			

Nature of operations and going concern (Note 1)

Approved and authorized on behalf of the Board of Directors on January 28, 2014

“Gunther Roehlig” Director

“Stephen Pearce” Director

NEOTECK SOLUTIONS INC.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Expressed in Canadian Dollars)

	Note	Three months ended		Nine months ended	
		November 30,		November 30,	
		2013	2012	2013	2012
		\$	\$	\$	\$
REVENUE					
Sales	3	-	-	-	69,758
Cost of sales	5	-	-	-	(26,382)
Gross profit		-	-	-	43,376
ADMINISTRATIVE EXPENSES					
Accounting and audit	5	8,959	11,515	33,383	28,965
Amortization and depreciation		-	-	-	3,029
Bank charges and interest		44	197	165	2,524
Consulting fees		18,034	6,037	49,284	21,037
Customer support		-	-	-	12,056
Foreign exchange loss		-	-	-	182
Legal	5	4,268	18,298	13,193	58,298
Management fees	5	2,625	5,000	18,375	29,463
Marketing	5	1,161	787	2,525	13,682
Office and miscellaneous		4,158	217	4,817	8,107
Regulatory and stock transfer		5,542	9,375	12,550	19,951
Rent	5	9,775	-	24,245	1,500
Research and development	5	-	-	-	2,079
		(54,566)	(51,426)	(158,537)	(200,873)
OTHER INCOME					
Gain on sale of subsidiary		-	13,540	-	13,540
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD					
		(54,566)	(37,886)	(158,537)	(143,957)
NET LOSS PER SHARE – BASIC AND DILUTED					
		(0.00)	(0.00)	(0.00)	(0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
		38,060,966	30,921,400	38,060,966	14,297,542

NEOTECK SOLUTIONS INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Unaudited – Expressed in Canadian dollars, except for share figures)

	Number of Shares	Share Capital \$	Contributed Surplus \$	Deficit \$	Total \$
Balance, February 29, 2012	6,075,966	1,092,985	24,589	(2,142,738)	(1,025,164)
Shares repurchased for cash	(1,000,000)	(20,000)	-	-	(20,000)
For cash pursuant to private placement	30,000,000	1,350,000	150,000	-	1,500,000
Share issuance costs – cash	-	(5,054)	-	-	(5,054)
Share issuance costs – finders units	2,985,000	(14,925)	14,925	-	-
Net loss for the period	-	-	-	(143,957)	(143,957)
Balance, November 30, 2012	38,060,966	2,403,006	189,514	(2,286,695)	305,825
Net loss for the period	-	-	-	(42,312)	(42,312)
Balance, February 28, 2013	38,060,966	2,403,006	189,514	(2,329,007)	263,513
Net loss for the period	-	-	-	(158,537)	(158,537)
Balance, November 30, 2013	38,060,966	2,403,006	189,514	(2,487,544)	104,976

NEOTECK SOLUTIONS INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS

For the nine months ended November 30
(Unaudited – Expressed in Canadian Dollars)

	2013	2012
	\$	\$
Operating activities:		
Net loss for the period	(158,537)	(143,957)
Items not affecting cash:		
Amortization and depreciation	-	3,029
Gain on sale of subsidiary	-	(13,540)
	(158,537)	(154,468)
Changes in non-cash working capital related to operations:		
Accounts receivable	3,596	(13,042)
Inventory	-	(5,711)
Accounts payable and accrued liabilities	1,344	(15,278)
Net cash used in operating activities	(153,597)	(188,499)
Investing activities:		
Intangible assets – product development	-	(7,107)
Transfer of cash on sale of subsidiary	-	(9,276)
Net cash used in investing activities	-	(16,383)
Financing activities:		
Proceeds from issuance of common shares	-	1,500,000
Share issuance costs	-	(5,054)
Repurchase of common shares	-	(20,000)
Repayment of loans payable	-	(21,000)
Due to related parties	-	(940,259)
Net cash provided by financing activities	-	513,687
(Decrease) increase in cash during the period	(153,597)	308,805
Cash – beginning of the period	263,001	11,792
Cash – end of the period	109,404	320,597
Supplemental disclosure of cash flow information:		
Interest paid	-	504
Non-cash financing and investing activities:		
Fair value of units issued as finder fees	-	149,250
Forgiveness of debt owed to related party in exchange for shares of subsidiary	-	47,000

NEOTECK SOLUTIONS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three and nine months ended November 30, 2013 and 2012
(Unaudited – Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Neodym Technologies Inc. was incorporated under the Company Act of British Columbia and changed its name to Neoteck Solutions Inc. ("the Company") on September 10, 2012. Prior to the September 10, 2012 divestiture of its gas detection equipment and operations (Note 3), its principal business activity was the development and sales of gas safety and loss control systems. The Company is currently determining the direction of its future operations. The Company is listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "NEO.H". The Company's registered and records office is located at 2600 - 1066 West Hastings Street, Vancouver Canada V6B 1N2.

These condensed interim financial statements have been prepared on the going concern basis, under the historical cost convention, which contemplates 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 business. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the statement of financial position classifications used.

As at November 30, 2013, the Company had working capital of \$104,976, had not yet achieved profitable operations, had an accumulated deficit of \$2,487,544 since inception and expects to incur further losses in the future. These factors may cast substantial doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom. Management intends to finance operating costs over the next year with current working capital. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, using the same accounting policies as detailed in the Company's audited annual financial statements for the year ended February 28, 2013. They do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and therefore should be read together with the audited annual financial statements for the year ended February 28, 2013.

These financial statements were approved by the board of directors for issue on January 28, 2014.

The preparation of these condensed interim financial statements in accordance with IAS 1, *Presentation of Financial Statements*, requires management to make certain critical accounting estimates and to exercise

NEOTECK SOLUTIONS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three and nine months ended November 30, 2013 and 2012
(Unaudited – Expressed in Canadian Dollars)

judgment in applying the Company's accounting policies. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. Critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities include the going concern assumption.

The results of operations of the Company's former wholly-owned subsidiary, Neodym Systems Inc. ("Neodym") were consolidated in the financial statements of the Company from March 1, 2011 until the Company's control over the subsidiary ceased on September 10, 2012. Subsequent to September 10, 2012, the Company consisted of one entity, Neoteck Solutions Inc.

3. SALE OF SUBSIDIARY

On September 10, 2012, the Company completed the sale of all of its shares in its wholly owned subsidiary, Neodym, to its former President and CEO in exchange for \$47,000 payable by forgiveness of debt owed to the purchaser. The sale price was considered to be fair value as determined by an independent valuator. Accordingly the financial results of Neodym were consolidated in the financial statements of the Company up to September 10, 2012.

4. SHARE CAPITAL

- a) Authorized – Unlimited common shares without par value.
- b) Issued – 38,060,966 common shares

On August 20, 2012, by a special resolution approved at the Company's annual general and special meeting of the shareholders, the Company consolidated its issued and outstanding common shares into one new share for each two pre-consolidated common shares. All share amounts have been retroactively restated for all periods presented.

NEOTECK SOLUTIONS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three and nine months ended November 30, 2013 and 2012
(Unaudited – Expressed in Canadian Dollars)

c) Warrants:

A summary of the status of the share purchase warrants is presented below:

	Number of warrants	Weighted average exercise price \$
Balance outstanding – February 29, 2012	-	-
Issued September 20, 2012	32,985,000	0.10
Balance outstanding – February 28, 2013	32,985,000	0.10
Expired September 20, 2013	(32,985,000)	0.10
Balance outstanding – November 30, 2013	-	-

5. RELATED PARTY TRANSACTIONS

The Company incurred charges to directors and officers and former directors and officers, or to companies associated with these individuals during the three and nine months ended November 30, 2013 and 2012 as follows:

	Three months ended November 30,		Nine months ended November 30,	
	2013	2012	2013	2012
	\$	\$	\$	\$
Accounting and administrative support	3,772	6,515	20,575	6,515
Cost of sales	-	-	-	6,046
Legal fees	924	-	1,178	-
Management fees	2,625	5,000	18,375	29,463
Marketing, research and development	-	-	-	18,000
Rent	-	-	-	1,500
	7,321	11,515	40,128	61,524

Accounts payable and accrued liabilities at November 30, 2013 includes \$508 (February 28, 2013 – \$nil) due to a company controlled by a director and in which the CFO is an associate. Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Key management of the Company includes the President, CFO and the Directors. During the three and nine months ended November 30, 2013, compensation in respect of services provided by key management

NEOTECK SOLUTIONS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three and nine months ended November 30, 2013 and 2012
(Unaudited – Expressed in Canadian Dollars)

consisted of management fees paid to the President and accounting and corporate secretarial fees paid to a company controlled by a director and in which the CFO is an associate.

During the three and nine months ended November 30, 2012, compensation in respect of services provided by key management consisted of management fees paid to the President and the former President, marketing, research and development fees paid to a former director, and accounting fees paid to a company controlled by a director and in which the CFO is an associate. Other than as reflected above, there were no other transactions with key management, or compensation paid or payable for their services.