TRAKOPOLIS IOT CORP.
(formerly Lateral Gold Corp.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)

THREE MONTHS ENDED SEPTEMBER 30, 2016

These unaudited condensed consolidated interim financial statements of Trakopolis IoT Corp. (formerly Lateral Gold Corp.) for the three months ended September 30, 2016 have been prepared by management and approved by the Board of Directors.

TRAKOLPOLIS IOT CORP. (formerly Lateral Gold Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)
AS AT

		September 30, 2016		June 30, 2016 (Audited)
ASSETS				
Current				
Cash and cash equivalents	$	155,873	$	354,302
Receivables and prepaid expenses (Note 4)		15,417		7,085
	$	171,290	$	361,387
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (Note 5)	$	49,986	$	32,156
Shareholders' equity				
Share capital (Note 7)		2,378,570		2,378,570
Reserves (Note 7)		336,343		336,343
Deficit		(2,593,609)		(2,385,682)
		121,304		329,231
	$	171,290	$	361,387

Nature and continuance of operations (Note 1)
Significant transaction (Note 10)
Subsequent events (Notes 7, 10 & 11)

Director

Director

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

TRAKOPOLIS IOT CORP. (formerly Lateral Gold Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)
THREE MONTHS ENDED SEPTEMBER 30,

		2016		2015
EXPENSES				
Consulting fees	$	22,500	$	-
Office and miscellaneous		7,555		205
Professional fees		11,841		14,357
Rent		4,500		4,500
RTO transaction costs (Note 10)		144,932		-
Shareholder communications		2,010		-
Transfer agent and filing fees		15,444		2,818
Travel and related costs		-		5,687
		(208,782)		27,567
OTHER ITEM				
Interest income		855		-
Loss and comprehensive loss for the period	$	(207,927)	$	(27,567)
Basic and diluted loss per common share	$	(0.08)	$	(0.01)
Weighted average number of common shares outstanding		2,547,697		2,547,697

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

TRAKOPOLIS IOT CORP. (formerly Lateral Gold Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)
THREE MONTHS ENDED SEPTEMBER 30,

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (207,927)	$ (27,567)
Changes in non-cash working capital items:		
Increase in receivables and prepaid expenses	(8,332)	(1,339)
Increase (decrease) in accounts payable and accrued liabilities	17,830	(2,609)
Decrease in cash and cash equivalents during the period	(198,429)	(31,515)
Cash and cash equivalents, beginning of period	354,302	482,690
Cash and cash equivalents, end of period	$ 155,873	$ 451,175
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -
Cash and cash equivalents consist of:		
Cash	$ 20,873	$ 451,175
Guaranteed Investment Certificate	135,000	-
	$ 155,873	$ 451,175

There were no significant non-cash financing and investing activities for the three months ended September 30, 2016 and 2015.

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

TRAKOPOLIS IOT CORP. (formerly Lateral Gold Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	Share Capital				
	Number	**Amount**	**Reserves**	**Deficit**	**Total**
Balance at June 30, 2015	2,547,697	$ 2,378,570	$ 336,343	$ (2,240,363)	$ 474,550
Loss and comprehensive loss for the period	-	-	-	(27,567)	(27,567)
Balance at September 30, 2015	2,547,697	$ 2,378,570	$ 336,343	$ (2,267,930)	$ 446,983
Balance at June 30, 2016	2,547,697	$ 2,378,570	$ 336,343	$ (2,385,682)	$ 329,231
Loss and comprehensive loss for the period	-	-	-	(207,927)	(207,927)
Balance at September 30, 2016	2,547,697	$ 2,378,570	$ 336,343	$ (2,593,609)	$ 121,304

Subsequent to September 30, 2016, the Company completed a 4-old for 1-new share consolidation. All common shares, options, warrants and per share figures have been retroactively restated to reflect the consolidation.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Trakopolis IoT Corp. (formerly Lateral Gold Corp.) (the "Company") is incorporated under the Business Corporations Act, British Columbia.

Subsequent to September 30, 2016, the Company's domicile was officially changed from British Columbia to Alberta, Canada. This Continuation was approved by the Company's shareholders. The Company's head office and principal address is located at 421 – 7th Avenue SW, Suite 1700, Calgary, Alberta, T2P 4K9. The Company's registered and records office is located at 900 – 885 W. Georgia Street, Vancouver, BC, V6C 3H1.

Subsequent to the three months ended September 30, 2016, the Company completed a 4-old for 1-new share consolidation (Note 7). All common shares, warrants, options, loss per share and weighted average number of shares outstanding have been retroactively restated for the share consolidation. Additionally, the Company changed its name from Lateral Gold Corp. to Trakopolis IoT Corp. (Note 10).

These unaudited condensed consolidated interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses. 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 and repay its liabilities arising from normal business operations as they become due. Management believes the Company has sufficient working capital to meet its liabilities for the next twelve months.

These unaudited condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements were authorized for issue on November 23, 2016 by the directors of the Company.

Principles of consolidation

These unaudited condensed consolidated interim financial statements include the accounts of its wholly-owned U.S. subsidiary, Lateral Gold, Inc., (until April 29, 2015, the date the Company dissolved its U.S. subsidiary), and of its wholly-owned Canadian subsidiary, 1973460 Alberta Ltd., from the date of incorporation, being June 1, 2016. Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the unaudited condensed consolidated interim financial statements from the date which control is transferred to the Company until the date that control ceases. All intercompany accounts and transactions have been eliminated on consolidation.

Basis of preparation

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Basis of preparation *(cont'd)*

These unaudited condensed consolidated interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. The Company follows the same accounting policies as those that were used to prepare its annual financial statements for the year ended June 30, 2016. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2016.

3. NEW AND FUTURE ACCOUNTING STANDARDS

The Company has not early adopted these standards and is assessing the impact that these standards will have on its financial statements:

i) IFRS 9 Financial Instruments (new; to replace IAS 39 and IFRIC 9);
ii) IFRS 15 Revenue from Contracts from Customers (new, to replace IAS 11, IAS 18, IFRIC 13 and IFRIC 15); and
iii) IFRS 16 Leases (new).

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

4. RECEIVABLES AND PREPAID EXPENSES

The Company's receivables and prepaid expenses are as follows:

	September 30, 2016	June 30, 2016
GST recoverable	$ 11,870	$ 3,529
Accrued interest receivable	1,047	1,056
Prepaid expenses	2,500	2,500
	$ 15,417	$ 7,085

(Expressed in Canadian Dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

	September 30, 2016	June 30, 2016
Trade payables	$ 49,986	$ 14,699
Accrued liabilities	-	17,457
Total	$ 49,986	$ 32,156

6. RELATED PARTY TRANSACTIONS

Key management includes directors, executive officers and officers of the Company. The Company paid or accrued fees to key management or companies controlled by key management as follows:

	2016	2015
Professional fees	$ 9,000	$ 9,000

During the three months ended September 30, 2016, the Company paid $9,000 (2015 - $9,000) to a company controlled by the Company's corporate secretary.

As at September 30, 2016 and June 30, 2016, there were no amounts owing to related parties.

7. SHARE CAPITAL AND RESERVES

a) Authorized share capital and private placements

As at September 30, 2016, the authorized share capital of the Company is an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. All issued shares, consisting only of common shares, are fully paid.

Subsequent to September 30, 2016, the Company completed a 4-old for 1-new share consolidation. All common shares, options, warrants and per share figures have been retroactively restated to reflect the consolidation.

During the three months ended September 30, 2016 and 2015 and the year ended June 30, 2016, there were no share capital transactions.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (cont'd)

b) Stock options

As at September 30, 2016, the Company had outstanding stock options enabling the holders to acquire common shares as follows:

Number of shares	Exercise Price	Expiry date
15,692	$ 10.00	June 17, 2017

Stock option transactions and the number of options are summarized as follows:

	Number Of Options	Weighted Average Exercise Price
Balance, June 30, 2015, 2016 and September 30, 2016	15,692	$ 10.00

c) Share-based payments

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years with vesting determined by the board of directors.

No stock options were granted during the three months ended September 30, 2016 or during the year ended June 30, 2016.

d) Warrants

As at September 30, 2016, the Company had outstanding share purchase warrants enabling the holders to acquire commons shares as follows:

Number of shares	Exercise Price	Expiry date
76,527	$ 10.00	June 15, 2017

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (cont'd)

d) Warrants (cont'd)

Warrant transactions and the number of warrants are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price	Weighted Average Life Remaining (in years)
Balance, June 30, 2016 and September 30, 2016	76,527	$	10.00	0.75

8. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition of new business ventures.

9. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The fair value of the Company's receivables and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of the instruments. The Company's other financial instrument, being cash and cash equivalents, is measured at fair value using Level 1 inputs.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and cash equivalents and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of GST recoverable from the Canadian federal government and interest receivable on guaranteed investment certificates. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at September 30, 2016, the Company had cash and cash equivalents of $155,873 to settle current liabilities of $49,986.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Such fluctuations may be significant.

9. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (cont'd)

Market risk (cont'd)

(a) Interest rate risk

The Company has cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company is not currently exposed to significant foreign currency risk on fluctuations in exchange rates as most transactions are denominated in Canadian dollars.

(c) Price risk

The Company is exposed to price risk with respect to equity price. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Another price risk is the risk that changes in prices, including commodity prices or equity prices, will have an effect on future cash flows associated with financial instruments. The cash flows associated with financial instruments of the Company are not exposed to other price risk. The Company does not hedge its currency risk.

Capital management

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital, reserves and deficit.

The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and investments.

The Company is not subject to externally imposed capital restrictions.

10. SIGNIFICANT TRANSACTION

The Company entered into an amalgamation agreement, dated June 13, 2016, with its wholly-owned subsidiary, 1973460 Alberta Ltd. ("AcquisitionCo") and CANHaul International Corp. ("CANHaul"), pursuant to which AcquisitionCo and CANHaul have agreed to amalgamate and the Company has agreed to acquire all of the issued and outstanding securities of CANHaul in exchange for the issuance of common shares of the Company. The transaction will result in a reverse takeover ("RTO") of the Company. In connection with the execution of the amalgamation agreement, each of the directors, officers and 10% shareholders of each of the Company and of CANHaul entered into a voting support agreement, pursuant to which each agreed to vote in favor of the RTO and

10. SIGNIFICANT TRANSACTION (cont'd)

related transactions, including the continuance of the Company from the Province of British Columbia to the Province of Alberta and the consolidation of the Company's outstanding common shares on a four-old for one-new basis.

CANHaul is a private company existing under the laws of Alberta, and operates in the location-based connectivity and visibility space.

Completion of the RTO was subject to a number of conditions, including acceptance by the TSX Venture Exchange ("TSX-V"), approval by the shareholders of the Company and CANHaul of the resolutions to be voted on at their respective shareholder meetings, and completion of a $5,000,000 financing (or such other amount as may be agreed to among the Company, CANHaul and the agents for the financing).

Subsequent to September 30, 2016, the Company completed a public offering pursuant to which it sold an aggregate of 5,750,000 subscription receipts at a price of $1.00 per subscription receipt for gross proceeds of $5,750,000. The subscription receipts issued in connection with the offering included 750,000 subscription receipts issued pursuant to the full exercise of the agents' overallotment option.

In connection with the offering, the Company agreed to: (i) pay the agents a cash commission equal to 7% of the gross proceeds of the offering; (ii) issue to the agents an aggregate of 402,500 share purchase warrants, being equal to 7% of the number of subscription receipts sold under the offering, with each agent warrant entitling the holder to acquire one common share in the capital of the Company; (iii) pay the agents a corporate finance fee in the amount of $100,000 (which has been paid in full by CANHaul); (iv) reimburse the agents for their reasonable expenses in connection with the offering; and (v) as the overallotment option was exercised in full, pay an agent an additional corporate finance fee comprised of a cash payment of $50,000 and the issuance of 75,000 common shares.

Certain common shares of the Company issued in connection with the RTO will be subject to the escrow requirements of the TSX-V, mutually agreed-upon performance escrow conditions and hold periods as required by applicable securities laws.

As at September 30, 2016, the Company incurred expenditures totalling $144,932 in conjunction with the RTO transaction.

Subsequent to September 30, 2016, the Company closed the RTO with CANHaul. Pursuant to the RTO, the Company consolidated its outstanding common shares on a four-old for one-new basis, continued into Alberta pursuant to the Business Corporations Act (Alberta), changed its name to Trakopolis IoT Corp., and CANHaul has become a wholly-owned subsidiary of the Company. The common shares of Trakopolis commenced trading on the TSX-V as a Tier 1 technology issuer under the symbol TRAK on November 1, 2016.

In conjunction with this RTO transaction, the Company issued:

1) 14,285,183 common shares at a deemed price of $0.54 per share as consideration for the amalgamation;

2) 949.993 bonus common shares to certain shareholders of CANHaul;

3) 611,749 common shares as finders' and success fees; and

4) 2,229,970 escrow shares which will be subject to TSX-V Tier 1 value escrow.

The Company, through its wholly-owned subsidiary, CAN Telematics Inc., has entered into a credit agreement among CAN Telematics, BEST Active 365 Fund LP, Tier One Capital LP, BEST Total Return Fund Inc. and BEST Special

Purpose Fund 1 LP, dated Sept. 9, 2016, whereby the lenders agreed to make available to CAN Telematics credit facilities in the aggregate principal amount of up to $2,800,000. The BEST funds facilities are available in a maximum of two advances, of which an initial draw of an aggregate principal amount of $2,300,000 has been made available upon closing of the RTO, with an additional advance of up to $500,000 being made available subject to the terms and conditions set out in the credit agreement. The BEST funds facilities, regardless of their advance date, have a maturity of May 26, 2019. Interest accrues on the outstanding principal amount of the BEST funds facilities at the rate of 11% per annum.

Pursuant to the Company’s obligations under the credit agreement, the BEST funds facilities have been used, among other things, to pay out, in full, the amended and restated credit facility agreement dated October 6, 2015, among CAN Telematics, Espresso Capital Tax Credit Fund III LP and Investment Fund IV LP.

11. SUBSEQUENT EVENT

Subsequent to September 30, 2016, the Company announced that it has acquired all rights to the Electronic Logbook (ELOG) software assets from privately held Verigo Inc. (“Verigo”) based in Alberta.

The purchase price of the Verigo software assets is $1,500,000 and will be paid through a per-user royalty not to exceed 10 years. Existing Verigo subscribers will be transferred over to the Company. However, royalties from such subscribers will not be applied to the purchase price.