SIYATA MOBILE INC.

(formerly Teslin River Resources Corp.)

Consolidated Interim Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

As at and for the nine months ended September 30, 2015 and 2014

Siyata Mobile Inc.

(formerly Teslin River Resources Corp.)

(the "Company" or "Siyata")

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As at and for the nine months ended September 30, 2015

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The Management of the Company is responsible for the preparation of the accompanying unaudited consolidated interim financial statements. The unaudited consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") for the preparation of consolidated interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company's auditor has not performed a review of these consolidated 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.

Siyata Mobile Inc.
(formerly Teslin River Resources Corp.)
Consolidated Interim Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
As at

		September 30, 2015		December 31, 2014
Assets				
Current Assets				
Cash	**$**	**2,267,979**	$	-
Trade and other receivables (Note 5)		**1,422,808**		1,254,000
Advances to suppliers		**500,000**		716,000
Inventory		**2,775,646**		1,345,000
Prepaids		**166,667**		-
		7,133,100		3,315,000
Non-current Assets				
Equipment		**5,000**		-
Intangible assets (Note 6)		**2,725,280**		2,413,000
Total Assets	**$**	**9,863,380**	$	5,728,000
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accrued liabilities	**$**	**399,583**	$	269,000
Due to related party (Note 10)		**3,096,500**		6,106,000
Other payables		**-**		156,000
		3,496,083		6,531,000
Liability for severance pay		**-**		14,000
Shareholders' Equity (Deficiency)				
Share capital (Note 7)		**6,019,341**		-
Accumulated other comprehensive income		**421,488**		82,000
Reserves (Note 7)		**2,341,509**		(899,000)
Deficit		**(2,415,041)**		-
		6,367,297		(817,000)
Total Liabilities and Shareholders' Equity	**$**	**9,863,380**	$	5,728,000

Nature of Operations (Note 1)

Approved on November 30, 2015 on behalf of the Board:

"Robert Chisholm"
Robert Chisholm - CFO

"Marc Seelenfreund"
Marc Seelenfreund – CEO and Director

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

Siyata Mobile Inc.
(formerly Teslin River Resources Corp.)
Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
As at

	For the three months ended September 30, 2015	2014	For the nine months ended September 30, 2015	2014
Revenue	**$ 2,209,865**	$ 1,941,000	**$ 7,218,461**	$ 4,689,000
Cost of sales	**(1,767,873)**	(1,500,000)	**(5,716,215)**	(3,590,000)
Gross profit	**$ 441,992**	$ 441,000	**$ 1,502,246**	$ 1,099,000
Expenses:				
Research and development	**13,852**	28,000	**71,000**	90,000
Selling and marketing	**238,372**	266,000	**854,435**	722,000
General and administrative	**303,687**	106,000	**598,650**	272,000
Total operating expenses	**555,911**	400,000	**1,524,085**	1,084,000
Net Operating Profit (Loss)	**$ (113,919)**	$ 41,000	**$ (21,839)**	$ 15,000
Other expenses:				
Finance expense (income)	**$ (304,741)**	$ 66,000	**$ (147,000)**	$ 176,000
Issuance of shares (Note 4)	**1,861,778**	-	**1,861,778**	-
Transaction costs and net liabilities acquired (Note 4)	**678,424**	-	**678,424**	-
Total other expenses	**$ 2,235,461**	$ 66,000	**$ 2,393,202**	$ 176,000
Net Loss for the period	**$ (2,349,380)**	$ (25,000)	**$ (2,415,041)**	$ (161,000)
Translation Adjustment	**398,488**	(37,000)	**339,488**	(37,000)
Net loss and comprehensive loss for the period	**$ (1,950,892)**	$ (62,000)	**$ (2,075,553)**	$ (198,000)
Weighted average number of shares outstanding	**44,045,660**	-	**14,843,226**	-
Basic and diluted operating loss per share	**$ (0.00)**	N/A	**$ (0.00)**	N/A
Basic and diluted loss per share	**$ (0.05)**	N/A	**$ (0.16)**	N/A

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

Siyata Mobile Inc.
(formerly Teslin River Resources Corp.)
Consolidated Interim Statements of Changes in Shareholders' Equity / (Deficiency)
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
As at

	Number of Common Shares	Share Capital Amount	Accumulated other comprehensive income	Reserves	Deficit	Total Shareholders' Equity (Deficiency)
Balance, December 31, 2013	-	$ -	$ -	$ (646,000)	$ -	$ (646,000)
Contribution from related party carve out	-	-	-	(161,000)	-	(161,000)
Balance, September 30, 2014	-	$ -	$ -	$ (807,000)	$ -	$ (807,000)
Balance, December 31, 2014	**-**	**$ -**	**$ 82,000**	**$ (899,000)**	**$ -**	**$ (817,000)**
Shares of Siyata Mobile Inc. on Transaction date	8,880,482	-	-	-	-	-
Shares issued on Transaction (Note 4)	33,333,333	1,861,778	-	-	-	1,861,778
Exercise of warrants	2,731,123	361,300	-	-	-	361,300
Private placement	13,928,300	4,178,490	-	-	-	4,178,490
Share issue costs	-	(382,227)	-	113,404	-	(268,823)
Finders shares	717,849	-	-	-	-	-
Shares issued for incorporation of BC subsidiary	100	-	-	-	-	-
Share-based payments	-	-	-	134,772	-	134,772
Translation adjustment	-	-	339,488	-	-	339,488
Contribution from related party carve out	-	-	-	2,992,333	-	2,992,333
Loss for the period	-	-	-	-	(2,415,041)	(2,415,041)
Balance, September 30, 2015	**59,591,187**	**$ 6,019,341**	**$ 421,488**	**$ 2,341,509**	**$ (2,415,041)**	**$ 6,367,297**

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

Siyata Mobile Inc.
(formerly Teslin River Resources Corp.)
Consolidated Interim Statements of Cash Flows
As at and for the nine months ended September 30, 2015
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	For the nine months ended September 30,			
		2015		2014
Cash provided by / (used for):				
Operating Activities:				
Net loss for the period	**$**	**(2,415,041)**	$	(161,000)
Items not affecting cash:				
Amortization		**70,662**		90,000
Financing interest from related party		-		176,000
Transaction costs (Note 4)		**639,908**		
Issuance of common shares (Note 4)		**1,861,778**		-
Net liabilities acquired (Note 4)		**38,516**		
Share-based payments		**134,772**		-
Net change in non-cash working capital items:				
Trade and other receivables and advances to suppliers		**(283,374)**		(807,000)
Inventory		**(1,250,168)**		756,000
Prepaids		**(166,667)**		-
Accounts payable, accrued liabilities and other payables		**16,114**		(346,000)
Net cash used in operating activities		**(1,353,500)**		(292,000)
Investing Activities:				
Acquisition of equipment		**(5,000)**		-
Cash acquired on Transaction (Note 4)		**38,874**		-
Transaction costs (Note 4)		**(639,908)**		-
Development of intangible assets		**(43,454)**		(261,000)
Net cash used in financing activities		**(649,488)**		(261,000)
Financing Activities:				
Shares issued for cash	**$**	**4,539,790**	$	-
Share issue costs		**(268,823)**		-
Loans received		-		729,000
Interest paid		-		(176,000)
Net cash used in financing activities		**4,270,967**		553,000
Change in cash for the period		**2,267,979**		-
Cash, beginning of the period		**-**		-
Cash, end of the period	**$**	**2,267,979**	$	-
Supplementary Information:				
Cash paid during the period for interest expense	**$**	**-**	$	-
Cash paid during the period for income taxes	**$**	**-**	$	-

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

1. NATURE OF OPERATIONS

Siyata Mobile Inc. (formerly Teslin River Resources Corp.) ("Siyata" or the "Company") was incorporated under the Business Corporations Act, British Columbia on October 15, 1986. The Company's shares are listed on Tier 1 of the TSX Venture Exchange ("TSX-V") under the symbol SIM. As at September 30, 2015, the Company's principal activity is the sale of vehicle mounted, cellular based communications platforms over advanced 3G and 4G mobile networks and communication accessories. The corporate office of the Company is located at 1600 - 609 Granville Street, Vancouver, BC V7Y 1C3, and the registered and records office is located at 2200 - 885 West Georgia Street, Vancouver, BC V6C 3E8.

On July 24, 2015, Teslin River Resources Corp. ("Teslin") completed a reverse acquisition (the "Transaction") by way of three cornered amalgamation, pursuant to which the Company acquired certain telecom operations (the "Acquired Assets") of Israel-based cellular technology company, Accel Telecom Ltd. ("Accel"). The former shareholders of Accel were considered to have acquired control of Teslin. Upon closing of the Transaction the Company changed its name from Teslin River Resources Corp., to Siyata Mobile Inc. (Note 4).

These consolidated financial statements include the carve-out financial statements of a carve-out entity which present the historical financial statements of the Acquired Assets on a carve out basis up to the date of the Transaction.

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than a process of forced liquidation. These 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 as a going concern.

2. BASIS OF PREPARATION

The consolidated interim financial statements of the Company have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting.

2. BASIS OF PREPARATION (continued)

The consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries:

Name of Subsidiary	Place of Incorporation	Ownership	Status
Queensgate Resources Corp.	British Columbia, Canada	100%	Inactive
Queensgate Resources US Corp.	Nevada, USA	100%	Inactive
Siyata Mobile (Canada) Inc.	British Columbia, Canada	100%	Active
Siyata Mobile Israel Ltd.	Israel	100%	Active

The accounts of the subsidiaries have been included in these interim consolidated financial statements from the July 24, 2015 onwards. All intercompany balances and transactions have been eliminated on consolidated.

These consolidated interim financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

The Company's consolidated interim financial statements were authorized for issue by the Board of Directors on November 30, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

These consolidated interim financial statements of the Company have been prepared on the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, the consolidated interim financial statements have been prepared using the accrual basis of accounting, except for the statement of cash flows.

(a) Functional and presentation currency

Items included in the consolidated financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency") and has been determined for each entity within the Company. The functional currency of Siyata Mobile Inc., is the Canadian dollar and the functional currency of the Company's subsidiary, Queensgate Resources Corporation ("QRC"), is the Canadian dollar. The functional currency of Queensgate Resources US Inc. ("QR-US"), a wholly-owned subsidiary of QRC and Siyata Mobile (Canada) Inc., is the Canadian dollar and the functional currency of Siyata Mobile Israel Ltd. is the United States dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Foreign currency translation

Transactions in currencies other than the entity's functional currency are translated at the exchange rates in effect on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect as at the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities. Foreign currency differences arising on translation are recognized in the statement of loss and comprehensive loss.

(c) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

(i) Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but not limited to, the following:

- Income taxes - Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and future periods. Deferred tax assets, if any, are recognized to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse.

- Fair value of stock options and warrants - Determining the fair value of warrants and stock options requires judgments related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Use of estimates and judgements (continued)

(i) Critical accounting estimates (continued)

- Inventories - Inventories are valued at the lower of cost and net realizable value. Cost of inventory includes cost of purchase (purchase price, import duties, transport, handling, and other costs directly attributable to the acquisition of inventories), cost of conversion, and other costs incurred in bringing the inventories to their present location and condition. Net realizable value for inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions are made in profit or loss of the current period on any difference between book value and net realizable value.

- Estimated product returns - Revenue from product sales is recognized net of estimated sales discounts, credits, returns, rebates and allowances. The return allowance is determined based on an analysis of the historical rate of returns, industry return data, and current market conditions, which is applied directly against sales.

- Impairment of non-financial assets - The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to asset impairment. The recoverable amount of an asset or a cash-generating unit ("CGU") is determined using the greater of fair value less costs to sell and value in use which requires the use of various judgments, estimates, and assumptions. The Company identifies CGUs as identifiable groups of assets that are largely independent of the cash inflows from other assets or groups of assets. Value in use calculations require estimations of discount rates and future cash flows derived from revenue growth, gross margin and operating costs. Fair value less costs to sell calculations require the Company to estimate fair value of an asset or a CGU using market values of similar assets as well as estimations of the related costs to sell.

- Useful life of intangible Assets – The Company estimates the useful life used to amortize intangible assets relates to the expected future performance of the assets acquired based on the management estimate of the sales forecast.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Use of estimates and judgments (continued)

(i) Critical accounting judgments (continued)

- Deferred income taxes – judgments are made by management to determine the likelihood of whether deferred income tax assets at the end of the reporting period will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

- Functional currency - The functional currency for the Company and each of the Company's subsidiaries is the currency of the primary economic environment in which the respective entity operates; the Company has determined the functional currency of each entity to be the Canadian dollar. Such determination involves certain judgments to identify the primary economic environment. The Company reconsiders the functional currency of its subsidiaries if there is a change in events and/or conditions which determine the primary economic environment.

(d) Impairment of long lived assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Impairment of long lived assets (continued)

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

(e) Intangible assets

(i) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and Siyata has the intention and sufficient resources to complete development and to use or sell the asset. The expenditure capitalized in respect of development activities includes the cost of materials, direct labor and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs. Other development expenditure is recognized in profit or loss as incurred.

In subsequent periods, capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

(ii) Amortization

Amortization is a systematic allocation of the amortizable amount of an intangible asset over its useful life. The amortizable amount is the cost of the asset less its estimated residual value.

Amortization is recognized in profit or loss on a sales-based rate, other than intangible assets arising from a service concession arrangement that are amortized according to the unit of production method, over the estimated useful lives of the intangible assets from the date they are available for use, since these methods most closely reflect the expected pattern of consumption of the future economic benefits embodied in each asset.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Intangible assets

(iii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Internally generated intangible assets are not systematically amortized as long as they are not available for use, i.e. they are not yet on site or in working condition for their intended use. Accordingly, these intangible assets, such as development costs, are tested for impairment at least once a year, until such date as they are available for use.

Amortization method is sales based rate, the Company examines the estimated sales forecast at the end of each reporting period.

The Company examines the useful life of an intangible asset that is not periodically amortized at least once a year in order to determine whether events and circumstances continue to support the decision that the intangible asset has an indefinite useful life.

(f) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and the costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Revenues

Revenue from the sale of goods in the ordinary course of business is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. When the credit period is short and constitutes the accepted credit in the industry, the future consideration is not discounted.

Revenue is recognized when persuasive evidence exists (usually in the form of an executed sales agreement) that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale. For sales of products in Israel, transfer usually occurs when the product is received at the customer's warehouse, but for some international shipments transfer occurs upon loading the goods onto the relevant carrier.

(h) Financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly; and
Level 3 Inputs that are not based on observable market data.

The measurement of the Company's financial instruments is disclosed in Note 9 to these financial statements. Any financial instrument that is valued using level 2 or 3 inputs will involve estimation uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

Financial assets

The Company classifies its financial assets into one of the following categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial assets acquired principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized profit or loss.

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

Financial liabilities (continued)

Other financial liabilities - This category consists of liabilities carried at amortized cost using the effective interest method.

(j) Financing income and expenses

In the statements of cash flows, interest received is presented as part of cash flows from investing activities. Interest paid is presented as part of cash flows from financing activities.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either financing income or financing expenses depending on whether foreign currency movements are in a net gain or net loss position.

(k) Earnings (loss) per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted loss per share is calculated by dividing the loss by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted loss per share is the same as basic loss per share, as the effect of outstanding share options and warrants on loss per share would be anti-dilutive.

(l) Share-based payments

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from share-based payment reserve to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Share-based payments (continued)

In situations where equity instruments are issued to non-employees and some or all of the services received by the entity as consideration cannot be specifically identified, they are all measured at the fair value of the share-based payment, otherwise, share-based payments is measured at the fair value of the services received.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

(m) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) New accounting pronouncements

The following new standards, interpretations and amendments have been issued but are not yet effective and therefore have not been applied when preparing these financial statements

IFRS 15 Revenues from contracts with customers

In May 2014, the IASB released IFRS 15, Revenue from Contracts with Customers, which establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods and services. IFRS 15 also requires more comprehensive disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

IFRS 15 supersedes IAS 11, Construction Contracts, IAS 18, Revenue, and a number of revenue-related interpretations (IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue - Barter Transactions Involving Advertising Service). IFRS 15 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company has not yet assessed the impact of the adoption of this standard on its consolidated financial statements and does not plan to early adopt the new requirement.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments (IFRS 9). IFRS 9 supersedes IAS 39, IFRIC 9 and earlier versions of IFRS 9 and is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. This standard provides guidance on the classification and measurement of financial liabilities and the presentation of gains and losses on financial liabilities designated at fair value through profit and loss. When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the credit risk of the instrument must be recognized in other comprehensive income. The Company has not yet begun the process of assessing the impact that the new standard will have on its financial statements and does not plan to early adopt the new requirement.

4. REVERSE TAKEOVER

On July 24, 2015, the Company completed a Transaction whereby the Company's wholly owned subsidiary amalgamated, through a three cornered amalgamation, with Siyata Mobile (Canada) Inc. ("Siyata Canada"). Pursuant to the transaction, Siyata Canada, incorporated Siyata Mobile Israel Ltd ("Siyata Israel"), a wholly owned subsidiary incorporated in Israel. Together, Siyata Canada and Siyata Israel acquired certain telecom assets and operations of Israel-based cellular technology company, Accel Telecom Ltd. ("Accel") and its Canadian subsidiary, Truckfone Inc.

The Company acquired the Acquired Assets (Note 1) by the issuance of 33,333,333 common shares to Accel. As a result of the Transaction, the shareholders of Accel acquired control of the Company. The Transaction is considered a purchase of Teslin's net assets by the shareholders of Accel and is accounted for as a reverse takeover.

The Transaction is accounted for in accordance with guidance provided in IFRS 2, "Share-Based Payments" and IFRS 3 "Business Combinations." As the Transaction did not qualify as a business according to the definition in IFRS 3, this Transaction does not constitute a business combination; rather it is treated as an issuance of shares by Accel for the net assets of Teslin and the Company's listing status.

Consideration consists of the following:

Issuance of 11,607,761 common shares	$ 1,861,778
Transaction costs	639,908
Total consideration	$ 2,501,686

The value of the common shares issued is $1,861,778 and is based on the fair value of the number of share that the Accel would have had to issue shareholders of Teslin to give the shareholders of Teslin the same percentage equity interest in the combined entity, that results from the Transaction. The total purchase price of $2,501,686 is allocated as follows:

(Expressed in Canadian dollars)

4. REVERSE TAKEOVER (continued)

Cash	$ 38,874
Accounts receivable	12,762
Prepaid expenses and deposit	55,650
Accounts payable	(145,802)
Net liabilities acquired	$ (38,516)
Listing expense	2,540,202
	$ 2,501,686

5. TRADE AND OTHER RECEIVABLES

	September 30, 2015	December 31, 2014
Trade receivables	$ 1,218,902	$ 730,000
Checks receivable	-	123,000
Other receivables	203,906	401,000
Total	**$ 1,422,808**	**$ 1,254,000**

6. INTANGIBLE ASSETS

	Development costs
Cost	
Balance at January 1, 2014	$ 2,284,000
Additions	297,000
Translation adjustment	190,000
Balance at December 31, 2014	2,771,000
Additions	43,454
Translation adjustment	339,488
Balance at September 30, 2015	$ 3,153,942

(Expressed in Canadian dollars)

6. INTANGIBLE ASSETS (continued)

Accumulated Depreciation		
Balance at January 1, 2014	$	232,000
Depreciation		126,000
Balance at December 31, 2014		358,000
Additions		70,662
Balance at September 30, 2015	$	428,662
Net Book Value		
Balance at December 31, 2014	$	2,413,000
Balance at September 30, 2015	**$**	**2,725,280**

7. SHARE CAPITAL

(a) Authorized Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

(b) Common share transactions

As at September 30, 2015 there were 59,591,187 issued and outstanding common shares. During the period ended September 30, 2015, the Company had the following transactions:

i) On July 24, 2015, the Company consolidated its share capital on a 2.2 old shares for 1 new basis. All share figures have been restated to retroactively reflect this consolidation.

ii) Issued 33,333,333 common shares in connection with the Transaction (Note 4).

iii) In connection with the Transaction, the Company completed a private placement for total proceeds of $4,178,490 through the issuance of 13,928,300 subscription receipts. Immediately prior to closing of the Transaction, the subscription receipts automatically converted to 13,928,300 common shares and 6,964,151 share purchase warrants, each warrant exercisable at $0.60 for a period of two years. A total of 717,849 common shares and 208,925 share purchase warrants exercisable at $0.60 for a period of two years were issued and the agents in the private placement received agents' options entitling them to acquire 1,192,829 shares of the Company at an exercise price of $0.30, for a period of two years. The finder's warrants and agents warrants were valued at $113,404. The Company also incurred cash share issue costs of $268,823 on the private placement.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

(b) Common share transactions (continued)

iv) Issued 2,731,123 common shares in connection with an exercise of warrants.

v) Issued 100 common shares in connection with the incorporation of a BC subsidiary.

(c) Stock options

The Company has a shareholder approved "rolling" stock option plan (the "Plan") in compliance with TSX-V policies. Under the Plan the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of granting. The exercise price of each stock option shall not be less than the market price of the Company's stock at the date of grant, less a discount of up to 25%. Options can have a maximum term of ten years and typically terminate 90 days following the termination of the optionee's employment or engagement, except in the case of retirement or death. Vesting of options is at the discretion of the Board of Directors at the time the options are granted.

	Number of options	Weighted average exercise price
Outstanding options, December 30, 2013 and 2014	-	$ -
Granted	5,475,000	$ 0.31
Outstanding options, September 30, 2015	5,475,000	$ 0.31
Exercisable options, September 30, 2015	-	$ -

At September 30, 2015, stock options outstanding and exercisable are as follows:

Grant Date	Number of Options outstanding	Number of Options exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
July 24, 2015	750,000	-	$0.30	July 23, 2020	4.82
July 24, 2015	150,000	-	$0.60	July 23, 2020	4.82
July 28, 2015	250,000	-	$0.30	July 28, 2020	4.83
August 10, 2015	425,000	-	$0.30	August 7, 2020	4.86
September 30, 2015	3,900,000	-	$0.30	July 23, 2020	4.82

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

(c) Stock options (continued)

During the nine months ended September 30, 2015, the Company granted 5,475,000 stock options with a weighted average fair value of $0.06. The Company recorded a share based payments expense during the nine months ended September 30, 2015 of $134,772 relating to stock options. The following weighted average assumptions have been used for the Black – Scholes valuation for the stock options granted:

	September 30, 2015
Risk free interest rate	1.00%
Expected life of options	5 years
Annualized volatility	146%
Dividend rate	0.00%

(d) Agents Options

	Number of options	**Weighted average exercise price**
Outstanding agent options, December 31, 2013 and 2014	-	$ -
Granted	1,192,829	$ 0.30
Outstanding agent options, September 30, 2015	1,192,829	$ 0.30

At September 30, 2015, agent options outstanding and exercisable are as follows:

Grant Date	**Number of Options outstanding and exercisable**	**Exercise Price**	**Expiry date**	**Remaining contractual life (years)**
July 24, 2015	1,192,829	$0.30	July 23, 2017	1.82

The fair value of the agent options was estimated using the Black-Scholes pricing model assuming a risk-free interest rate of 1.00%, a dividend yield of 0%, an expected volatility of 146% and an expected life of two years. The total fair value of the agent options was $76,479.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

(e) Share Purchase Warrants

The following share purchase warrant transactions occurred during the period ended September 30, 2015:

	Number of warrants	Weighted average exercise price
Outstanding share purchase warrants, December 31, 2013 and 2014	-	$ -
Share purchase warrants of Teslin	2,727,273	0.132
Granted	7,173,076	0.60
Exercised	(2,731,123)	0.132
Outstanding share purchase warrants, September 30, 2015	7,169,226	$ 0.60

Included in warrants issued during the period ended September 30, 2015 was 208,925 finders' warrants. The fair value of the finder warrants' was estimated using the Black-Scholes pricing model assuming a risk-free interest rate of 1.00%, a dividend yield of 0%, an expected volatility of 146% and an expected life of two years. The total fair value of the finders' options was $36,925.

At September 30, 2015, share purchase warrants outstanding and exercisable are as follows:

Grant Date	Number of warrants outstanding and exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
July 24, 2015	7,169,226	$0.60	July 23, 2017	1.82

8. CAPITAL MANAGEMENT

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

The Company defines capital as consisting of shareholder's equity. The Company's objectives when managing capital are to support the creation of shareholder value, as well as to ensure that the Company is able to meet its financial obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at September 30, 2015, the Company is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the nine months ended September 30, 2015.

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

9. FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values.

The fair value of the Company's trade and other receivables, accounts payable and accrued liabilities, and due to related party approximate carrying value, which is the amount recorded on the consolidated statement of financial position. The Company's other financial instrument, cash, under the fair value hierarchy is based on level one quoted prices in active markets for identical assets or liabilities.

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

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company places its cash with institutions of high credit worthiness. Management has assessed there to be a low level of credit risk associated with its cash balances.

9. FINANCIAL INSTRUMENTS (continued)

At September 30, 2015, the Company's receivables balance consists of amounts outstanding on Input Tax Credits from relevant government agencies. Therefore, the Company believes that there is minimal exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At September 30, 2015, the Company has a cash balance of $1,980,511 to settle current liabilities of $3,496,084. The Company is currently subject to significant liquidity risks and remains dependant on the financial support of its debtors and shareholders.

Market risk

a) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at September 30, 2015 the Company has certain financial instruments denominated in US Dollars and in the Israeli New Shekel. Consequently, a 1% change in the Canadian/US dollar exchange rate would have a $31,000 impact to the Company's comprehensive loss.

b) Interest Rate Risk

Interest risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in interest rates. The Company has interest bearing debt, however interest rates are fixed. The Company's sensitively to interest rates is currently immaterial.

c) Price Risk

The Company is exposed to price risk with respect to equity prices. 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. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

10. RELATED PARTY TRANSACTIONS

Key Personnel Compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the nine months ended September 30, 2015 consists of share-based payments totalling $134,772.

Other related party transactions are as follows:

		(in thousands)			
Type of Service	**Nature of Relationship**	**For the three months ended September 30,**		**For the nine months ended September 30,**	
		2015	2014	**2015**	2014
Cost of sales	Accel (common directors)	$ 1	$ 1	$ 19	$ 7
General and administrative expense	Accel (common directors)	$ 22	$ 100	$ 296	$ 257
General and administrative expense	Chairman of the Board of Directors	$ 20	$ -	$ 20	$ -
General and administrative expense	CEO and Director	$ 49	$ -	$ 49	$ -
Selling and marketing expenses	VP Technology	$ 27	$ -	$ 27	$ -
Interest and financing costs	Accel (common directors)	$ 17	$ 67	$ 174	$ 176

As at September 30, 2015, $3,096,500 was due to Accel pursuant to the purchase of inventory and advances to suppliers.

11. SEGMENTED INFORMATION

The Company is domiciled in Israel and it operates and produces its income primarily in Europe, Australia and Canada. All of the non-current assets are located in Israel.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers and is as follows:

External Revenues	**Nine months ended September 30, 2015 (in thousands)**
Israel	$6,503
Europe	476
Australia	130
Other countries	109
Total	$7,218