



(Formerly: Intelligent Content Enterprises Inc.)

**Management's Discussion and Analysis  
For the Three Months Ended  
November 30, 2017**

## OVERVIEW

Novicius Corp., (formerly: Intelligent Content Enterprises Inc.) was amalgamated under the Business Corporations Act (*Ontario*) on November 30, 2009 (“Novicius” or the “Company”). The Company filed articles of amendment effective May 26, 2017, and changed its name from Intelligent Content Enterprises Inc., to Novicius Corp., and consolidated its common shares on the basis of one (1) new share for every ten (10) old shares. Through the Company’s wholly owned Ontario subsidiary, DoubleTap Daily Inc., (formerly: Digital Widget Factory Inc.) the Company has developed an online content management and advertising platform that powers user and advertising engagement programs in real-time to desktop, mobile and portable devices (<http://doubletap.co>).

The Company’s registered office is located at 1 King Street West, Suite 1505, Toronto, Ontario, M5H 1A1. The Company’s common shares trade on the OTCQB under the symbol NVSIF and on the Canadian Securities Exchange under the symbol NVS.

Our Canadian public filings can be accessed and viewed via the System for Electronic Data Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://www.sedar.com). Readers can also access and view our Canadian public insider trading reports via the System for Electronic Disclosure by Insiders at [www.sedi.ca](http://www.sedi.ca). Our U.S. public filings are available at the public reference room of the U.S. Securities and Exchange Commission (“SEC”) located at 100 F Street, N.E., Room 1580, Washington, DC 20549 and at the website maintained by the SEC at [www.sec.gov](http://www.sec.gov).

The Company’s Unaudited Interim Condensed Consolidated Financial Statements for the three months ended November 30, 2017 and 2016, include the accounts of Novicius, the legal parent, together with its wholly-owned subsidiaries, Ice Studio Productions Inc., incorporated in the Province of Ontario on June 16, 2016 (“ICE Studio”) and DoubleTap Daily Inc. incorporated in the Province of Ontario on February 29, 2016 (“DoubleTap”). All Intercompany balances and transactions have been eliminated on consolidation.

The following Management’s Discussion and Analysis of Novicius should be read in conjunction with the Company’s Unaudited Interim Condensed Consolidated Financial Statements for the three months ended November 30, 2017 and notes thereto. This Management’s Discussion and Analysis is dated January 18, 2018, and has been approved by the Board of Directors of the Company.

The Company’s Unaudited Interim Condensed Consolidated Financial Statements for the three months ended November 30, 2017, were prepared using the same accounting policies and methods of computation as those described in our Consolidated Financial Statements for the year ended August 31, 2017. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending August 31, 2018 could result in restatement of the Unaudited Interim Condensed Consolidated Financial Statements. The Unaudited Interim Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements for the year ended August 31, 2017. All amounts herein are presented in Canadian dollars, unless otherwise noted.

The Unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). The Unaudited Interim Condensed 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 IFRIC.

## FORWARD LOOKING STATEMENTS

*This Management’s Discussion and Analysis contains certain forward-looking statements, including management’s assessment of future plans and operations, and capital expenditures and the timing thereof, that involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company’s control. Such risks and uncertainties include, without limitation, risks associated with ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada, the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new laws and regulations) and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. The Company’s actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that the Company will derive there from. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this Management Discussion and Analysis are made as at the date of this Management Discussion and Analysis and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*

## OVERALL PERFORMANCE

Net loss for the three months ended November 30, 2017, was \$127,578 compared to a net loss of \$618,247 for the three months ended November 30, 2016. During the three months ended November 30, 2017, the Company recorded \$Nil for research, content development and technology support costs compared to \$172,353 in in the same three month period in 2016. The reduction in research, content development and technology support costs during 2017 was mainly attributed to the correction of prior period errors related to the DWF Settlement Agreement. For the three months ended November 30, 2017, general and administrative costs decreased by \$110,629 to \$73,276 compared to general and administrative costs of \$183,905 for the same three month period in 2016. For the three months ended November 30, 2017, the company recorded \$Nil in anti-dilution fees versus \$104,727 for the three months ended November 30, 2016. On November 30, 2016, the Company completed a private placement for gross proceeds of \$50,000 and issued 7,692 units in the capital of the Company at a purchase price of \$6.50 per unit and accordingly this transaction gave effect to additional units to be issued pursuant to the anti-dilution provision of the August 31, 2016 private placement agreements. At November 30, 2016, the Company recorded the additional 16,363 units to be issued at the market price of \$6.40 per unit or \$104,727 as anti-dilution fees on the statement of operations. For the three months ended November 30, 2017, the Company recorded \$51,128 in stock based compensation versus stock based compensation of \$151,096 in 2016. During 2017, 35,000 common share purchase options exercisable at \$15.00 per share vested and \$51,128 was recorded as non-cash stock based compensation expense.

During 2016, the Company granted 60,000 common share purchase options exercisable at \$13.00 per share and recorded non-cash stock based compensation expense of \$44,416; 70,000 common share purchase options exercisable at \$15.00 per share and of the 35,000 vested, the Company recorded non-cash stock based compensation expense of \$50,897; 50,000 common share purchase options exercisable at \$6.40 per share and the Company recorded non-cash stock based compensation expense of \$40,978; and 20,000 common share purchase options exercisable at \$13.00 per share and the Company recorded non-cash stock based compensation expense of \$14,805.

Subsequent to November 30, 2017, the Company received a non interest bearing due on demand loan of US \$20,000.

The Company anticipates further expenditures to be made on future opportunities evaluated by the Company. Any expenditure which exceeds available cash will be required to be funded by additional share capital or debt issued by the Company, or by other means. The Company's long-term profitability will depend upon its ability to successfully implement its business plan. The Company's past primary source of liquidity and capital resources has been proceeds from the issuance of share capital, shareholders' loans and cash flow from oil and gas operations.

## RISK AND UNCERTAINTIES

There have been no material changes during the three months ended November 30, 2017, to the risks and uncertainties as identified in the Company's Management Discussion and Analysis and the Annual Report on Form 20F for the year ended August 31, 2017.

The following table illustrates the contractual maturities of financial liabilities:

### November 30, 2017

|                           | Payments Due by Period \$ |                  |           |           |               |
|---------------------------|---------------------------|------------------|-----------|-----------|---------------|
|                           | Total                     | Less than 1 year | 1-3 years | 4-5 years | After 5 years |
| Trade and others payables | 578,649                   | 578,649          | -         | -         | -             |
| Shareholder loans         | 35,000                    | 35,000           | -         | -         | -             |
| <b>Total</b>              | <b>613,649</b>            | <b>613,649</b>   | <b>-</b>  | <b>-</b>  | <b>-</b>      |

### August 31, 2017

|                           | Payments Due by Period \$ |                  |           |           |               |
|---------------------------|---------------------------|------------------|-----------|-----------|---------------|
|                           | Total                     | Less than 1 year | 1-3 years | 4-5 years | After 5 years |
| Trade and others payables | 529,823                   | 529,823          | -         | -         | -             |
| <b>Total</b>              | <b>529,823</b>            | <b>529,823</b>   | <b>-</b>  | <b>-</b>  | <b>-</b>      |

## Capital Management

The Company's objectives when managing capital are to ensure the Company will have sufficient financial capacity, liquidity and flexibility to fund its operations, growth and ongoing development opportunities. The Company's capital requirements currently exceed its operational cash flow. As such, the Company is dependent upon future financings in order to maintain liquidity and will be required to issue equity or issue debt.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions, availability of capital and the risk characteristics of any underlying assets in order to meet current and upcoming obligations.

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 and favourable market conditions to sustain future development of the business. As at November 30, 2017 and August 31, 2017, the Company considered its capital structure to be comprised of shareholders' deficiency.

## RESULTS OF OPERATIONS

### Hosting, Advertising and Technology Services

For the three months ended November 30, 2017, the Company incurred hosting and technology costs of \$1,604 compared to \$4,192 for the same three month period in 2016. The decrease in hosting and technology costs experienced during 2017 was mainly attributed to the correction of prior period errors related to the DWF Settlement Agreement.

### Research, Content Development and Technology Support

For the three months ended November 30, 2017, the Company incurred research, content development and technology support costs of \$Nil versus \$172,353 in the prior comparable period in 2016. The reduction in research, content development and technology support costs during 2017 was mainly attributed to the correction of prior period errors related to the DWF Settlement Agreement.

### General and Administrative Expenses

|                              | For the Three Months Ended |                  |
|------------------------------|----------------------------|------------------|
|                              | November 30,               |                  |
|                              | 2017                       | 2016             |
| Professional fees            | \$8,630                    | \$45,578         |
| Head office costs            | 25,500                     | 25,500           |
| Management fees              | 15,000                     | 15,000           |
| Transfer and registrar costs | 4,942                      | 7,783            |
| Shareholders information     | 18,312                     | 28,343           |
| Office and general costs     | 692                        | 6,117            |
| Directors fees               | 200                        | 4,800            |
| Rent                         | -                          | 19,912           |
| Travel                       | -                          | 872              |
| Consulting fees              | -                          | 30,000           |
| <b>Total</b>                 | <b>\$73,276</b>            | <b>\$183,905</b> |

General and administrative expenses for the three months ended November 30, 2017, were \$110,629 lower at \$76,276 compared to \$183,905 for the three months ended November 30, 2016. The decrease in expenses during 2017, was primarily attributed to a decrease in professional fees of \$36,948 to \$8,630 compared to \$45,578 for the same three month period in 2016, a decrease in consulting fees of \$30,000 to \$Nil compared to \$30,000 in 2016, and a decrease of \$19,912 to \$Nil in rent compared to rent of \$19,912 for the three months ended November 30, 2016. For the three month period ended November 30, 2017 the Company recorded a decrease of \$10,031 to \$18,312 in shareholders information costs versus \$28,343 in the comparable three month period in 2016.

### Loss on Foreign Exchange

For the three months ended November 30, 2017, the Company recorded a loss on foreign exchange of \$1,570 compared to a loss of \$1,974 for the same three month period in 2016.

These foreign exchange gains and losses are attributed to the translation of monetary assets and liabilities not denominated in the functional currency of the Company.

### Stock Based Compensation

For the three months ended November 30, 2017, the Company recorded stock based compensation of \$58,158 compared to \$136,291 for the same three month period in 2016. During the three months ended in 2017, 35,000 common share purchase options exercisable at \$15.00 per share vested and \$51,128 was recorded as non-cash stock based compensation expense.

During the three months ended November 30, 2016, the Company recorded the following:

On September 9, 2016, the Company granted 70,000 common share purchase options to directors. These options are exercisable at \$13.00 per share and expire on September 8, 2021. The Company recorded non-cash stock based compensation expense of \$44,416.

On September 9, 2016, the Company granted to the President 70,000 common share purchase options exercisable at \$15.00 per share until September 8, 2021. Of these options, 35,000 vested on September 8, 2017 and 35,000 vest on September 8, 2018. The Company recorded non-cash stock based compensation expense of \$50,897.

On November 1, 2016, the Company granted 50,000 common share purchase options to the former Chief Financial Officer. These options were exercisable at \$6.40 per share and expired on April 25, 2017. The Company recorded non-cash stock based compensation expense of \$40,978.

#### **Stock Based Compensation - Non Employees**

For the three months ended November 30, 2017, the Company recorded stock based compensation for non-employees of \$Nil compared to \$14,805 for the same three month period in 2016.

On September 9, 2016, the Company granted 20,000 common share purchase options to a consultant of the Company exercisable at \$13.00 per share until September 8, 2021. The Company recorded non-cash stock based compensation expense of \$14,805.

#### **Anti-Dilution Fees**

For the three months ended November 30, 2017, the Company recorded anti-dilution fees of \$Nil compared to \$104,727 for the same three month period in 2016.

On August 31, 2016, the Company completed private placements for gross proceeds of \$260,000 and issued 23,636 units in the capital of the Company at a purchase price of \$11.00 per unit. The subscription agreements contained an anti-dilution provision such that if within 18 months of August 31, 2016, the Company issues additional common shares for a consideration per share or with an exercise or conversion price per share, less than \$11.00 (the "Adjusted Price") the holder shall be entitled to receive from the Company (for no additional consideration) additional units in an amount such that, when added to the number of units acquired byholder under this agreement will equal the number of units that the holder would otherwise be entitled to receive had this transaction occurred at the Adjusted Price. On November 30, 2016, the Company completed private placements for gross proceeds of \$50,000 and issued 7,692 units in the capital of the Company at a purchase price of \$6.50 per unit and accordingly this transaction gave effect to additional units to be issued pursuant to the Adjusted Price. At November 30, 2016, the Company recorded an additional 16,363 units to be issued at the market price of \$6.40 per unit or \$104,727 as a derivative liability on the statement of financial position and as anti-dilution fees on the statement of operations.

#### **Net Loss from Operations and Other Comprehensive Loss**

Net loss from operations and other comprehensive loss for the three months ended November 30, 2017, was \$127,578, compared to a net loss of \$618,247 for the three months ended November 30, 2016.

During the three months ended November 30, 2017, the Company recorded \$Nil for research, content development and technology support costs compared to \$172,353 in in the same three month period in 2016. The reduction in research, content development and technology support costs during 2017 was mainly attributed to the correction of prior period errors related to the DWF Settlement Agreement. For the for the three months ended November 30, 2017, general and administrative costs decreased by \$110,629 to \$73,276 compared to general and administrative costs of \$183,905 for the same three month period in 2016. For the three months ended November 30, 2017 the company recorded \$Nil in anti-dilution fees versus \$104,727 for the three months ended November 30, 2016. On November 30, 2016, the Company completed a private placement for gross proceeds of \$50,000 and issued 7,692 units in the capital of the Company at a purchase price of \$6.50 per unit and accordingly this transaction gave effect to additional units to be issued pursuant to the anti-dilution provision of the August 31, 2016 private placement agreements. At November 30, 2016, the Company recorded the additional 16,363 units to be issued at the market price of \$6.40 per unit or \$104,727 as anti-dilution fees on the statement of operations. For the three months ended November 30, 2017, the Company recorded \$51,128 in stock based compensation versus total stock based compensation of \$151,096 in 2016.

#### **Loss per Share, Basic and Diluted**

Loss per share, basic and diluted for the three months ended November 30, 2017 was \$0.024 compared to a loss per share, basic and diluted of \$0.233 for the same three month period in 2016.

#### **SUMMARY OF QUARTERLY RESULTS**

The following tables reflect the summary of quarterly results for the periods set out.

| <b>For the quarter ending</b>     | <b>2017<br/>November 30</b> | <b>2017<br/>August 31</b> | <b>2017<br/>May 31</b> | <b>2017<br/>February 28</b> |
|-----------------------------------|-----------------------------|---------------------------|------------------------|-----------------------------|
| Net loss for the period           | \$(127,578)                 | \$(1,199,755)             | \$(198,521)            | \$(81,215)                  |
| Loss per share, basic and diluted | \$(0.024)                   | \$(0.447)                 | \$(0.075)              | \$(0.030)                   |

For the three months ended November 30, 2017, the Company recorded stock based compensation expense of \$51,128. During the quarter ended August 31, 2017, the Company recorded stock based compensation expense of \$1,698,901, a gain on de-recognition of financial liabilities of \$893,990 and anti-dilution fees of \$178,650. During ended May 31, 2017, the Company incurred general and administrative expenditures of \$119,830. During the quarter ended February 28, 2017, the Company recorded research, content development and technology support costs of \$63,641.

| <b>For the quarter ending</b>     | <b>2016<br/>November 30</b> | <b>2016<br/>August 31</b> | <b>2016<br/>May 31</b> | <b>2016<br/>February 29</b> |
|-----------------------------------|-----------------------------|---------------------------|------------------------|-----------------------------|
| Net loss for the period           | \$(618,247)                 | \$(153,579)               | \$(855,102)            | \$(525,664)                 |
| Loss per share, basic and diluted | \$(0.233)                   | \$(0.060)                 | \$(0.330)              | \$(0.220)                   |

During the quarter ended November 30, 2016, the Company recorded anti-dilution fees of \$104,727. During the quarter ended August 31, 2016, the Company reversed a previously recorded gain on de-recognition financial liabilities for prior obligations of Dyami Energy in the amount of \$893,990. During the quarter ended May 31, 2016, the Company recorded stock based compensation expense of \$615,924. For the three months ended February 29, 2016, the Company recorded a gain on settlement of debt in the amount of \$483,431.

## **CAPITAL EXPENDITURES**

For the three months ended November 30, 2017, the Company did not incur any capital expenditures. On May 25, 2016, the Company entered into a Term Sheet to license to acquire all the technology, production and client operations owned and operated by New York based Catch Star Studios LLC ("Catch Star Studios"). On October 12, 2016, the Company advanced US\$65,000 (\$81,483 at August 31, 2017) to Catch Star and entered into a Secured Promissory Note and General Security Agreement with Catch Star (the "Secured Note"). The Secured Note is due on demand and is secured by all of the assets of Catch Star. Subsequently, Catch Star and the Company could not reach a definitive agreement to memorialize the terms and conditions of the Term Sheet and abandoned the prospective transaction. On February 1, 2017, the Company issued a letter of demand for the repayment in full of the Secured Note from Catch Star. At August 31, 2017, the Company determined that the Secured Note was uncollectible and recorded an impairment of the full amount.

The Company expects that capital expenditures will increase in future reporting periods as the Company seeks further opportunities and ventures of merit.

## **FINANCING ACTIVITIES**

For the three months ended November 30, 2017, the Company received shareholder loans from its Chief Financial Officer totaling \$35,000.

## **LIQUIDITY AND CAPITAL RESOURCES**

Cash as of November 30, 2017, was \$3,147 (August 31, 2017: \$1,040). During the three months ended November 30, 2017, the Company received shareholder loans totaling \$35,000.

For the three months ended November 30, 2017, the primary use of funds was related to general and administrative expenditures. The Company's working capital deficiency at November 30, 2017 was \$564,226 (August 31, 2017: \$487,776).

Our current assets of \$49,423 as at November 30, 2017, (\$42,047 as of August 31, 2017) include the following items: cash \$3,147 (\$1,040 as of August 31, 2017), and other receivables \$46,276 (\$41,007 as of August 31, 2017).

Our current liabilities of \$613,649 as of November 30, 2017 (\$529,823 as of August 31, 2017) include the following items: trade and other payables \$578,649 (\$529,823 as of August 31, 2017); and shareholder loans of \$35,000 (\$Nil as of August 31, 2017).

At November 30, 2017, the Company had outstanding 208,211 common share purchase warrants and 155,000 common share purchase options. If any of these warrants or options are exercised, it would generate additional capital for us.

Management of the Company recognizes that cash flow from operations is not sufficient to meet its working capital requirements or fund additional opportunities or ventures of merit. The Company has liquidity risk which necessitates the Company to obtain debt financing or raise additional equity. There is no assurance the Company will be able to obtain the necessary financing in a timely manner.

The Company's past primary source of liquidity and capital resources has been proceeds from the issuance of share capital, loans and shareholders' loans. If the Company issued additional common shares from treasury it would cause the current shareholders of the Company dilution.

## **Outlook and Capital Requirements**

The Company anticipates further expenditures to expand its current business plan. Amounts expended on future opportunities and ventures of merit is dependent on the nature of the opportunities evaluated by the Company. Any expenditure which exceeds available cash will be required to be funded by additional share capital or debt issued by the Company, or by other means. The Company's long-term profitability will depend upon its ability to successfully implement its business plan.

## DERIVATIVE LIABILITIES

As at November 30, 2017, the Company had no derivative liabilities (August 31, 2017: \$Nil).

### a) Anti-Dilution Fees

On August 31, 2016, the Company completed private placements for gross proceeds of \$260,000 and issued 23,636 units in the capital of the Company at a purchase price of \$11.00 per unit. The subscription agreements contained an anti-dilution provision such that if within 18 months of August 31, 2016, the Company issues additional common shares for a consideration per share or with an exercise or conversion price per share, less than \$11.00 (the "Adjusted Price") the Holder shall be entitled to receive from the Company (for no additional consideration) additional units in an amount such that, when added to the number of units acquired by Holder under this agreement will equal the number of units that the Holder would otherwise be entitled to receive had this transaction occurred at the Adjusted Price. On November 30, 2016, the Company completed a private placement for gross proceeds of \$50,000 and issued 7,692 units in the capital of the Company at a purchase price of \$6.50 per unit and accordingly this transaction gave effect to additional units to be issued pursuant to the Adjusted Price. At November 30, 2016, the Company recorded the additional 16,363 units to be issued at the market price of \$6.40 per unit or \$104,727 as a derivative liability on the statement of financial position and as anti-dilution fees on the statement of operations.

### b) Warrants

As at November 30, 2016, the Company had 175,000 derivative warrants outstanding with a fair value of \$Nil. The following table sets out the changes in derivative warrant liabilities during the respective periods.

|   | Number of Warrants | Fair Value Assigned \$ | Average Exercise Price \$ |
|---|--------------------|------------------------|---------------------------|
| As at August 31, 2016 and November 30, 2016 | 175,000            | -                      | 15.00                     |
| Warrants expired (Note a)                   | (175,000)          | -                      | 15.00                     |
| As at August 31, 2017 and November 30, 2017 | -                  | -                      | 15.00                     |

a) On June 22, 2016, the Company entered into a consulting agreement and issued 175,000 common share purchase warrants exercisable at \$15.00 with a cashless exercise option, vesting on October 1, 2016, January 1, 2017, April 1, 2017 and July 1, 2017 and expiring June 21, 2021. At August 31, 2016, the Company determined that it would not continue with the agreement and it was suspended and on January 15, 2017 the agreement was mutually terminated with no warrants exercised. The following table sets out the number of derivative warrants outstanding as at August 31, 2016:

| Number of Warrants | Exercise Price (\$) | Expiry Date      | Weighted Average Remaining Life (Years) | Fair Value (\$) |
|--------------------|---------------------|------------------|---|-----------------|
| 175,000            | 15.00               | January 15, 2017 | 0.13                                    | -               |

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

## SEGMENTED INFORMATION

The accounting policies used for the reportable segments are the same as the Company's accounting policies. For the purposes of monitoring segment performance and allocating resources between segments, the Company's executive officers monitor the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments. The Company's reportable and geographical segment is located in Canada.

## RELATED PARTY TRANSACTIONS AND BALANCES

The following transactions with individuals related to the Company arose in the normal course of business have been accounted for at the amount agreed to by the related parties.

### Compensation of Key Management Personnel

The remuneration of directors and other members of key management personnel during the periods set out were as follows:

|   | Three Months Ended November 30 |                  |
|---|--------------------------------|------------------|
|   | 2017                           | 2016             |
| Short term employee benefits (1) (2)          | \$15,000                       | \$15,000         |
| Director/Officer stock based compensation (3) | 51,128                         | 136,291          |
|   | <b>\$66,128</b>                | <b>\$151,291</b> |

The following balances owing to the President and Chief Financial Officer of the Company are included in trade and other payables and are unsecured, non-interest bearing and due on demand:

|                                      | <b>November 30, 2017</b> | August 31, 2017  |
|--------------------------------------|--------------------------|------------------|
| Short term employee benefits (1) (2) | \$116,500                | \$101,500        |
|                                      | <b>\$116,500</b>         | <b>\$101,500</b> |

- (1) The Company accrues management fees to the Chief Financial Officer of the Company at a rate of \$5,000 per month.
- (2) On September 9, 2016, the Company entered into an employment agreement with the President of the Company under which the Company agreed to pay to the President, a base salary of \$90,000 and grant one hundred thousand (100,000) common share purchase options. Effective May 21, 2017, the Company and the President agreed to amend the terms of the employment agreement, by reducing the President's base salary to \$10.00 annually, allowing the President to contract his services to Torinit contemporaneous with his continued employment with the Company and providing a top up provision of up to \$1,500 in a month from the Company if the gross compensation earned by the President from Torinit during June, July and August of 2017 (the "Period"), reduces the overall compensation earned by the President below \$7,500 in any such month during the Period.
- (3) On September 9, 2016 and November 1, 2016, the Company granted options to purchase 130,000 and 50,000 common shares to officers and directors.

On September 1, 2016, the Company entered into an agreement for a period of 12 months with Torinit Technologies Inc., ("Torinit") to provide dedicated resource augmentation to DoubleTap in an effort to optimize user experience while navigating through the <http://DoubleTap.co> website and drive traffic growth by engaging users across all demographics (the "Torinit Services"). As consideration for the Torinit Services, the Company agreed to compensate Torinit the sum of \$8,000 per month based on 320 hours per month for a 12 month period. Dikshant Batra, a director of the Company, is also the President, a director and major shareholder of Torinit. As at November 30, 2017 and August 31, 2017, included in trade and other payables is \$23,961 due to Torinit.

As at November 30, 2017, the amount of directors' fees included in trade and other payables was \$10,600 (August 31, 2017: \$10,200).

As at November 30, 2017, the Company had shareholder loans payable to Core Energy Enterprises Inc. ("Core") in the aggregate amount of \$35,000 (August 31, 2017: \$Nil). The Chief Financial Officer of the Company is a major shareholder, officer and a director of Core.

## **SIGNIFICANT ACCOUNTING POLICIES**

The Unaudited Interim Condensed Consolidated Financial Statements were prepared using the same accounting policies and methods as those described in our Consolidated Financial Statements for the year ended August 31, 2017.

## **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Company's management made assumptions, estimates and judgments in the preparation of the Unaudited Condensed Interim Consolidated Financial Statements. Actual results may differ from those estimates, and those differences may be material. There have been no material changes in the three months ended November 30, 2017 to the critical accounting estimates and judgments.

## **RECENT ISSUED ACCOUNTING PRONOUNCEMENTS**

The following standards, amendments and interpretations, which may be relevant to the Company have been introduced or revised by the IASB:

(i) In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, and IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The Company intends to adopt IFRS 15 effective September 1, 2018, and is currently assessing the impact of this new standard on the Consolidated Financial Statements.

(ii) In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39, Financial Instruments – Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Company does not intend to adopt the new standard prior to its effective date and has not yet determined the impact of this new standard on the Consolidated Financial Statements.

(iii) On January 13, 2016, the IASB issued IFRS 16 Leases ("IFRS 16") which will replace IAS 17, Leases. IFRS 16 will bring leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases.



Lessor accounting however, remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. The Company is assessing the impact of this new standard on the Consolidated Financial Statements.

(iv) Amendments to IFRS 2 - Classification and measurement of Share-based payment transactions ("IFRS 2"):

On June 20, 2016, the IASB issued amendments to IFRS 2, clarifying how to account for certain types of share-based payment transactions. The amendments apply for annual periods beginning on or after January 1, 2018. As a practical simplification, the amendments can be applied prospectively, retrospectively, or early application is permitted if information is available without the use of hindsight. The amendments provide requirements on the accounting for:

- The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- Share-based payment transactions with a net settlement feature for withholding tax obligations; and
- A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The Company intends to adopt the amendments to IFRS 2 in its Consolidated Financial Statements for the annual period beginning on September 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

IFRIC 22 – Foreign currency transactions and advance consideration: IFRIC was issued in December 2016 to provide guidance on accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The new interpretation is effective for annual periods beginning on or after January 1, 2018. The Company is currently assessing the interpretation on its consolidated financial statements.

## SHARE CAPITAL AND RESERVES

The Company filed articles of amendment effective May 26, 2017, and changed its name from Intelligent Content Enterprises Inc., to Novicius Corp., and consolidated its common shares on the basis of one (1) new share for every ten (10) old shares. The consolidated financial statements have been adjusted to reflect the consolidation accordingly.

### a) Share Capital

#### **Authorized:**

Unlimited number of common shares at no par value  
Unlimited number of preferred shares issuable in series

#### **Common Shares Issued:**

The following table sets out the changes in common shares during the respective periods:

|   | Number           | Amount \$         |
|---|------------------|-------------------|
| Balance August 31, 2016   | 2,650,627        | 23,220,683        |
| Common shares issued as private placement (Note b (a))                  | 7,692            | 30,233            |
| Common shares issued as settlement of shareholder advances (Note b (b)) | 1,187,672        | 213,781           |
| Common shares issued as anti-dilution provision (Note b (c))            | 1,420,809        | 184,705           |
| Common shares issued as anti-dilution provision (Note b (d))            | 16,364           | 2,127             |
| <b>Balance August 31, 2017 and November 30, 2017</b>                    | <b>5,283,164</b> | <b>23,651,529</b> |

#### **Preferred Shares Issued:**

As at November 30, 2017 and August 31, 2017, there were no preferred shares issued.

### b) Share Purchase Warrants

The following table sets out the changes in warrants during the respective periods:

| Warrants  | Number<br>of Warrants | Weighted<br>Average Price |
|---|-----------------------|---------------------------|
| Outstanding, August 31, 2016                          | 722,572               | \$8.60                    |
| Warrants issued (Note (a))                            | 7,692                 | -                         |
| Warrants issued (Note (d))                            | 16,364                | -                         |
| Warrants expired (Note (e))                           | (538,417)             | -                         |
| <b>Balance, August 31, 2016 and November 30, 2017</b> | <b>208,211</b>        | <b>\$5.27</b>             |

(a) On November 30, 2016, the Company completed private placements for gross proceeds of \$50,000 and issued 7,692 units in the capital of the Company at a purchase price of \$6.50 per unit. Each unit is comprised of one (1) common share and one (1) common share purchase warrant. Each full warrant entitles the holder to purchase one (1) common share at an exercise price of \$10.00 until November 30, 2019. The fair value of the units (\$50,000) was allocated to common shares \$30,233 and the amount allocated to warrants component using a Binomial Lattice model was \$19,767.

(b) Effective August 31, 2017, the Company settled shareholder advances of \$213,781 and issued 1,187,672 common shares in the capital of the Company at a price of \$0.18 per share.

(c) Pursuant to the August 31, 2017, settlement of shareholder advances of \$213,781 (Note b), effective August 31, 2017, the Company issued 1,420,809 common shares in the capital of the Company pursuant to the anti-dilution provision of the August 31, 2016, private placement agreements. The fair value of \$184,705 was calculated on the previous day's closing price of the Company's common shares and allocated to common shares and anti-dilution fees in the consolidated statement of operations.

(d) Pursuant to the November 30, 2016, private placement of \$50,000 (Note a), effective August 31, 2017, the Company issued 16,364 Units in the capital of the Company pursuant to the anti-dilution provision of the August 31, 2016, private placement agreements. Each unit is comprised of one (1) common share and one (1) common share purchase warrant. Each full warrant entitles the holder to purchase one (1) common share at an exercise price of \$10.00 until November 30, 2019. The fair value of the units of \$2,127 was allocated to common shares and anti-dilution fees in the consolidated statement of operations. No value was allocated to warrants based on the Binomial Lattice model.

(e) On August 31, 2017, 538,417 common share purchase warrants exercisable at \$10.00 expired. The amount allocated to warrants based on the Binomial Lattice model was \$2,195,738 with a corresponding increase to contributed surplus.

The following table summarizes the outstanding warrants as at November 30, 2017 and August 31, 2017, respectively:

| Number of Warrants | Exercise Price | Expiry Date       | Weighted Average Remaining Life (Years) | Warrant Value (\$) |
|--------------------|----------------|-------------------|---|--------------------|
| 160,519            | \$3.50         | March 1, 2019     | 1.25                                    | 603,370            |
| 23,636             | \$12.50        | August 31, 2019   | 1.75                                    | 126,729            |
| 24,056             | \$10.00        | November 30, 2019 | 2.00                                    | 19,767             |
| <b>208,211</b>     |                |                   | <b>1.39</b>                             | <b>749,866</b>     |

  

| Number of Warrants | Exercise Price | Expiry Date       | Weighted Average Remaining Life (Years) | Warrant Value (\$) |
|--------------------|----------------|-------------------|---|--------------------|
| 160,519            | \$3.50         | March 1, 2019     | 1.50                                    | 603,370            |
| 23,636             | \$12.50        | August 31, 2019   | 2.00                                    | 126,729            |
| 24,056             | \$10.00        | November 30, 2019 | 2.25                                    | 19,767             |
| <b>208,211</b>     |                |                   | <b>1.64</b>                             | <b>749,866</b>     |

#### c) Weighted Average Shares Outstanding

The following table summarizes the weighted average shares outstanding:

|  | November 30,     |           |
|--|------------------|-----------|
|  | 2017             | 2016      |
| Weighted Average Shares Outstanding, basic and diluted | <b>5,283,164</b> | 2,650,181 |

As at November 30, 2017, there were 155,000 stock options and 208,211 common share purchase warrants that could be exercised, however they are anti-dilutive. The effects of any potential dilutive instruments on loss per share are anti-dilutive and therefore have been excluded from the calculation of diluted loss per share.

#### d) Share Purchase Options

The Company has a stock option plan to provide incentives for directors, officers, employees and consultants of the Company. The maximum number of shares, which may be set aside for issuance under the stock option plan, is 20% of the issued and outstanding common shares of the Company on a rolling basis.

The following table is a summary of the status of the Company's stock options and changes during the period:

|   | Number of Options | Weighted Average Exercise Price \$ |
|---|-------------------|------------------------------------|
| Balance, August 31, 2016                              | 38,300            | 22.80                              |
| Granted   | 200,000           | 12.05                              |
| Expired   | (83,300)          | (13.63)                            |
| <b>Balance, August 31, 2017 and November 30, 2017</b> | <b>155,000</b>    | <b>13.87</b>                       |

The following table is a summary of the Company's stock options outstanding and exercisable as at November 30, 2017 and August 31, 2017, respectively:

| Options Outstanding |                   |   |                   | Options Exercisable |                                    |
|---------------------|-------------------|---|-------------------|---------------------|------------------------------------|
| Exercise Price      | Number of Options | Weighted Average Remaining Life (Years) | Expiry Date       | Number of Options   | Weighted Average Exercise Price \$ |
| \$12.00             | 5,000             | 1.95                                    | November 11, 2019 | 5,000               | 0.39                               |
| \$15.00             | 70,000            | 3.78                                    | September 8, 2021 | 35,000              | 6.77                               |
| \$13.00             | 80,000            | 3.78                                    | September 8, 2021 | 80,000              | 6.71                               |
|                     | <b>155,000</b>    | <b>3.72</b>                             |                   | <b>85,000</b>       | <b>13.87</b>                       |

| Options Outstanding |                   |   |                   | Options Exercisable |                                    |
|---------------------|-------------------|---|-------------------|---------------------|------------------------------------|
| Exercise Price      | Number of Options | Weighted Average Remaining Life (Years) | Expiry Date       | Number of Options   | Weighted Average Exercise Price \$ |
| \$12.00             | 5,000             | 2.20                                    | November 11, 2019 | 5,000               | 0.39                               |
| \$15.00             | 70,000            | 4.02                                    | September 8, 2021 | 35,000              | 6.77                               |
| \$13.00             | 80,000            | 4.02                                    | September 8, 2021 | 80,000              | 6.71                               |
|                     | <b>155,000</b>    | <b>3.95</b>                             |                   | <b>85,000</b>       | <b>13.87</b>                       |

e) **Stock Based Compensation**

**Employees**

On September 9, 2016, the Company granted 30,000 immediately vesting common share purchase options to shares to a director and 30,000 common share purchase options vesting February 6, 2017 to the President. These options are exercisable at \$13.00 per share and expire on September 8, 2021. The Company recorded non-cash stock based compensation expense of \$44,416.

On September 9, 2016, the Company granted to the President 70,000 common share purchase options exercisable at \$15.00 per share and expiring on September 8, 2021. Of these options 35,000 vested on September 8, 2017 and 35,000 vest on September 8, 2018. At November 30, 2017, Company recorded non-cash stock based compensation expense of \$51,128 (November 30, 2016: \$50,897).

On November 1, 2016, the Company granted 50,000 common share purchase options vesting March 30, 2017 to the former Chief Financial Officer. These options are exercisable at \$6.40 per share and expire on April 25, 2017. The Company recorded non-cash stock based compensation expense of \$40,978.

**Non Employees**

On September 9, 2016, the Company granted 20,000 immediately vesting common share purchase options to a consultant of the Company. These options are exercisable at \$13.00 per share and expire on September 8, 2021. The Company recorded non-cash stock based compensation expense of \$14,805.

The fair value of the stock options granted were estimated on the date of the grant using the Black Scholes option pricing model with the following assumptions and inputs:

|  | November 1, 2016 | September 9, 2016 |
|--|------------------|-------------------|
| Weighted average fair value per option   | \$5.90           | \$11.70           |
| Weighted average risk free interest rate | 0.68%            | 0.59%             |
| Forfeiture rate                          | 0%               | 0%                |
| Weighted average expected volatility     | 156.70%          | 152.32%           |
| Expected life (years)                    | 5                | 5                 |
| Dividend yield                           | Nil              | Nil               |
| Stock price on the date of grant         | \$6.40           | \$12.90           |

**SUBSEQUENT EVENTS**

Subsequent to November 30, 2017, the Company received a non interest bearing due on demand loan of US \$20,000.