



Certive Solutions Inc.

Condensed Consolidated Interim Financial Statements

For the period ended November 30, 2015

(Expressed in U.S. Dollars)

CONSOLIDATED FINANCIAL STATEMENTS

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NO Auditor Review of the Condensed Consolidated Interim
Financial Statements

The accompanying unaudited condensed consolidated interim financial statements of Certive Solutions Inc. (“the Company”), for the six-month period ended November 30, 2015 have been prepared by management and have not been the subject of a review by the Company’s external independent auditors.

Certive Solutions Inc.

Vancouver, British Columbia
January 29, 2016

Certive Solutions Inc.

Consolidated condensed interim statement of financial position as at
(Unaudited - Expressed in U.S. Dollars)

	Notes	November 30, 2015	May 31, 2015
ASSETS			
Current			
Cash		\$ 264,963	\$ 852,809
Receivables	4	1,151,236	374,475
Prepayments		100,629	-
Loans receivable	5	80,571	24,000
		\$ 1,597,399	\$ 1,251,284
Capital assets	6	79,672	30,740
Customer list	7, 17	4,171,402	3,046,402
Software development	8, 17	224,508	167,581
		\$ 6,072,981	\$ 4,496,007
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9	\$ 937,233	\$ 853,100
Convertible debt	10	4,065,866	3,313,915
Short term loan	11	799,623	848,136
		\$ 5,802,722	\$ 5,015,151
SHAREHOLDERS' EQUITY			
Share capital	13	12,295,636	12,295,636
Reserve - Transactions costs		(144,689)	(144,689)
Equity portion of convertible debt	10	625,582	479,268
Other equity instruments	12	4,639,332	2,047,139
Contributed surplus		445,933	445,933
Deficit		(17,591,535)	(15,642,431)
		\$ 270,259	\$ (519,144)
Total equity and liabilities		\$ 6,072,981	\$ 4,496,007

ON BEHALF OF THE BOARD:

"Brian Cameron" Director
Brian Cameron

"Van Potter" Director
Van Potter

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

Certive Solutions Inc.

Consolidated condensed interim statement of loss and comprehensive loss for the period ended,
(Unaudited - Expressed in U.S. Dollars)

	Notes	3 months ended		6 months ended	
		November 30, 2015	November 30, 2014	November 30, 2015	November 30, 2014
REVENUE					
Billing support	\$	442,448	\$ 352,409	\$ 897,565	\$ 667,326
Claim audit and collections		470,121	317,956	1,127,733	704,679
Consulting revenue		159,748	167,507	314,660	369,152
Chargemaster revenue		839,131	.	981,951	-
Dashboard sales		22,639	-	25,239	-
TOTAL REVENUE		1,934,087	837,872	3,347,148	1,741,157
OPERATING EXPENSES					
Commission		17,755	17,008	27,839	35,137
Contractors and consultants fees		212,701	185,430	397,537	320,663
Direct Payroll and employees benefits		1,022,754	601,657	1,848,205	1,097,801
Travel to client sites		7,168	11,131	11,738	20,369
License Fees		2,492	-	3,262	10,923
TOTAL OPERATING EXPENSES		1,262,870	815,226	2,288,581	1,484,893
GROSS PROFIT		671,217	22,646	1,058,567	256,264
EXPENSES					
Sales and Marketing		65,546	-	133,360	-
Salaries and wages		73,961	-	145,174	-
Bank charges and interest expense		125,483	89,308	266,197	146,669
Consulting fees		655,408	30,000	738,878	50,000
Corporate finance		411,000	130,961	490,280	216,591
Depreciation expense		16,158	4,110	26,067	4,732
Management fees		249,000	127,100	362,000	189,400
Foreign exchange		(768)	5,781	(1,443)	29,408
General and administrative		136,834	57,456	240,112	103,136
Professional Fees		293,205	7,345	382,478	15,956
Rent		82,945	35,583	136,278	67,518
Transfer agent and filing fees		8,705	8,745	26,061	11,608
Travel and promotion		32,132	29,292	62,229	50,920
TOTAL EXPENSES		2,149,609	525,681	3,007,671	885,938
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$	(1,478,392)	\$ (503,035)	\$ (1,949,104)	\$ (629,674)
Basic and diluted loss per common share	14	\$ (0.04)	\$ (0.01)	\$ (0.05)	\$ (0.02)
Weighted average number of common shares outstanding		40,983,622	41,039,091	40,943,836	41,039,091

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

Certive Solutions Inc.

Consolidated condensed interim statement of cash flows for the period ended November 30,
(Unaudited - Expressed in U.S. Dollars)

	2015	2014
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	\$ (1,949,104)	\$ (629,674)
Adjustments for:		
Depreciation expense	26,067	4,732
Related parties	(56,571)	(1,871)
Changes in non-cash working capital:		
Receivables	(776,761)	(377,629)
Prepaid and other assets	(100,629)	(25,999)
Accounts payable and accrued liabilities	1,927,592	184,978
Net cash used in operating activities	(929,406)	(845,463)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Capital assets	-	(7,470)
Software technology development costs	(56,927)	(25,000)
Business acquisitions	(200,000)	(100,000)
Net cash used in investing activities	(256,927)	(132,470)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Convertible debt	197,000	-
Short term loan	(48,513)	996,741
Subscription payable	450,000	-
Common shares	-	-
Net cash used in financing activities	598,487	996,741
CHANGE IN CASH	(587,846)	18,808
OPENING CASH BALANCE	852,809	101,802
CASH, END OF PERIOD	\$ 264,963	\$ 120,610
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	-	-

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

Certive Solutions Inc.

Consolidated condensed interim statement of changes in equity for the period ended November 30,
(Unaudited - Expressed in U.S. Dollars)

	Number of shares	Share capital	Reserve transaction costs	Contributed surplus	(Note 12) Other equity instruments	Equity portion of convertible debt	Deficit	Total Equity
Balance as at May 31, 2014	41,039,091	\$ 12,515,371	\$ (144,689)	\$ 445,933	\$ -	\$ 83,886	\$ (13,327,753)	\$ (427,252)
Equity portion of convertible debt	-	-	-	-	-	301,577	-	301,577
Private placement - Adjustment	-	(400,000)	-	-	-	-	-	(400,000)
Loss and comprehensive loss	-	-	-	-	-	-	(629,674)	(629,674)
Balance as at November 30, 2014	41,039,091	\$ 12,115,371	\$ (144,689)	\$ 445,933	\$ -	\$ 385,463	\$ (13,957,427)	\$ (1,155,349)
Balance at at May 31, 2015	40,983,622	\$ 12,295,636	\$ (144,689)	\$ 445,933	\$ 2,047,139	\$ 479,268	\$ (15,642,431)	\$ (519,144)
Equity portion of convertible debt	-	-	-	-	-	146,314	-	146,314
Shares to be issued	-	-	-	-	2,592,193	-	-	2,592,193
Loss and comprehensive loss	-	-	-	-	-	-	(1,949,104)	(1,949,104)
Balance as at November 30, 2015	40,983,622	\$ 12,295,636	\$ (144,689)	\$ 445,933	\$ 4,639,332	\$ 625,582	\$ (17,591,535)	\$ 270,259

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

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015
(Unaudited - Expressed in U.S. Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Certive Solutions Inc. (“the Company”) was incorporated under the Laws of British Columbia and is traded on the Canadian Security Exchange (“CSE”). The Company provides revenue cycle management solutions to U.S. hospitals, delivered collaboratively, utilizing proprietary workflow document management and analytics management tailored to health care business processes. The Company is currently focused on the denied claim segment of revenue cycle management and provides solutions to enhance the efficiency and effectiveness of denied claims recovery in a revenue sharing relationship that improves hospitals’ net operating results.

The consolidated financial statements of the Company are presented in U.S. dollars, which is the functional currency of the Company, unless otherwise indicated.

The consolidated financial statements were prepared on a going concern basis, under the historical cost convention. The Company’s ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. The Company has minimal capital resources presently available to meet obligations which normally can be expected to be incurred by similar companies and has a working capital deficit of \$4,205,323 (May 31, 2015 - \$3,763,867), a loss for the period of \$1,949,104 (2014 - \$629,674) and a deficit of \$17,591,535 (May 31, 2015 - \$15,642,431).

Management of the Company does not expect that cash flows for the Company’s operations will be sufficient to cover all of its operating requirements, financial commitments and business development priorities during the next twelve months. Accordingly, the Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof for the next twelve months. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. If adequate funds are not available, the Company may be required to delay or reduce the scope of any or all of its operations.

2. BASIS OF PRESENTATION AND CHANGES TO THE ACCOUNTING POLICIES

Statement of compliance

The interim condensed consolidated financial statements for the period ended November 30, 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at May 31, 2015.

These consolidated condensed interim financial statements were authorized by the audit committee and board of directors of the Company on January 29, 2016.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015
(Unaudited - Expressed in U.S. Dollars)

2. BASIS OF PRESENTATION AND CHANGES TO THE ACCOUNTING POLICIES (cont'd...)

New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended May 31, 2015, except for the adoption of new standards and interpretations effective as of June 1, 2015. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2015, they do not have a material impact on the annual consolidated financial statements of the Company or the interim condensed consolidated financial statements of the Company.

The nature and the impact of each new standard or amendment is described below:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Company, since none of the entities within the Company has defined benefit plans with contributions from employees or third parties.

Annual Improvements 2010-2012 Cycle

These improvements are effective from 1 July 2014 and the Company has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same Company
- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied

The Company doesn't have any active share based payment plans at the end of the current period, and therefore this amendment has no impact on the Company's financial statements.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

2. BASIS OF PRESENTATION AND CHANGES TO THE ACCOUNTING POLICIES (cont'd...)

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). This is consistent with the Company's current accounting policy, and thus this amendment does not impact the Company's accounting policy.

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

An entity must disclose the judgments made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. The Company did not record any revaluation adjustments during the current interim period.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Company as it does not receive any management services from other entities.

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Company does not apply the portfolio exception in IFRS 13.

IAS 40 Investment Properties

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Company has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment does not impact the accounting policy of the Company.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

2. BASIS OF PRESENTATION AND CHANGES TO THE ACCOUNTING POLICIES (cont'd...)

Use of estimates and judgments

The preparation of the consolidated condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) Depreciation

The Company's management exercises its judgment in estimating the useful lives of the depreciable assets. The estimated useful lives reflect the management's estimate of the years the Company intends to derive future economic benefits from the use of these assets. The Company depreciates its capital assets in accordance with the accounting policies stated in Note 3.

ii) Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future years, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future years.

iii) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

2. BASIS OF PRESENTATION AND CHANGES TO THE ACCOUNTING POLICIES (cont'd...)

Determination of functional currency

The functional currency is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency for the Company is the U.S. dollars. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. Intra-company balances and transactions, and any unrealized income and expenses arising from intra-company transactions, are eliminated in preparing the consolidated financial statements.

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Advantive Information Systems Inc.	Vancouver, BC	100%	Information Technology
Certive Technologies Arizona Inc.	Scottsdale, Arizona	100%	Information Technology

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through 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 cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

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. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized through profit or loss.

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 directly in equity. 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 equity and recognized through profit or loss.

The Company has not classified any financial assets as held-to-maturity or available for sale.

All financial assets except for those 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 any objective evidence that a financial asset or a Company of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

The Company has classified its cash as fair value through profit or loss. The Company's receivables and due from related parties are classified as loans and receivables.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015
(Unaudited - Expressed in U.S. Dollars)

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Financial liabilities (cont'd...)

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

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

Other financial liabilities: This category includes short term loans, promissory notes, convertible debts, amounts due to related parties, and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

Financial risk management

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of receivables, due from related parties, accounts payable and accrued liabilities, convertible debt, due to related parties and short term loan.

The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair value of convertible debt is measured on the statement of financial position using level 2 of the fair value hierarchy.

The fair values of receivables, due from related parties, accounts payable and accrued liabilities, due to related parties, subscriptions payable and short term loan approximate their book values because of the short-term nature of these instruments.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments with the exception of the financial institutions which hold its cash. The Company manages this credit risk by ensuring that these financial assets are placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company's receivables consist primarily of harmonized sales tax due from the Canada Revenue Agency. The Company does not believe it has a material 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 fall due. The Company manages liquidity risk through the management of its capital structure as described in Note 4. There is a risk that the Company may not be able to meet its financial obligation when they are due. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

terms. As at November 30, 2015 the Company has no financial assets that are past due or impaired due to credit risk defaults.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the United States dollar as the Company's main center of operations is the United States. All of the Company's financial instruments are denominated in United States dollars. In management's opinion there is no significant foreign exchange risk to the Company.

Transaction Costs

Transaction costs attributable to the acquisition or issue of financial assets or financial liabilities, other than those classified as held-for-trading, are added to the initial fair value amount to match the costs with the related transactions. Purchases and sales of securities are accounted for on the settlement date basis.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

4. RECEIVABLES

	November 30, 2015	May 31, 2015
Amounts due from the Government of Canada pursuant to GST input tax credits	\$ 5,895	\$ 1,319
Trade receivables	642,838	373,156
Unbilled revenue	502,503	-
Total	\$ 1,151,236	\$ 374,475

- The average credit period on rendering of services is between 30 to 45 days. No interest is charged on outstanding trade receivables.
- All the Company's receivables are current and expected to be collected by the due date.
- In determining the recoverability of a trade receivable, management considers the history of collection from the client and any changes in credit quality of the receivable from the date the credit was initially granted.
- In the prior year, the Company wrote off receivable of \$20,000 that was previously provided for doubtful allowance, No further changes have been made to the allowance for doubtful debts in the current year.

5. LOANS RECEIVABLE

	November 30, 2015	May 31, 2015
Carried at amortized cost		
Loans to related parties	\$ 446,258	\$ 365,687
Allowance for doubtful debts - related parties	(365,687)	(365,687)
Loans to other entities	-	24,000
Total	\$ 80,571	\$ 24,000

- All loans receivable are unsecured, non interest bearing loans with no specified repayment date.
- During the previous financial year, the Company recorded allowance for doubtful debts for the full amount receivable from one of its related parties (Company with common directors), which has a history of losses and growing deficit. The Company doesn't hold any collateral over this balance, Management of the related party are confident that they will be able to settle the amount outstanding in full in the future.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

6. CAPITAL ASSETS

	Note	Furniture and equipment
Balance as at May 31, 2015		\$ 30,740
Assets acquired as part of business combinations	7	75,000
Additions during the period		-
Depreciation		<u>(26,068)</u>
Balance as at November 30, 2015		<u>\$ 79,672</u>

The Capital assets of the company is made mainly of furniture and fixtures and depreciated using the straight line depreciation method over 2 years.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

7. CUSTOMER LIST, RELATIONSHIPS AND BUSINESS COMBINATIONS

Customer list and relationships

As part of several business combination transactions during the current period and previous year, the Company acquired the customer portfolio and relationships of the acquiree, this resulted in recognizing intangible assets of \$1,125,000 (2015: \$3,046,402) at the acquisition date, representing the value of the customer lists acquired.

In addition to the intangible assets acquired, furniture and fixtures at the value of \$75,000 (2015: \$38,106) (*Note 6*) was acquired and recognized in the Balance Sheet at the acquisition date.

Customer relationships are supported by service agreements that provide the basis only for economic benefit to accrue to the Company. These service agreements auto renew as a standard part of the relationship with each separately identifiable customer. In accordance with *IAS 38 para 16*, the service agreement establishes the means to place an economic benefit upon these long term customer relationships. The Company has many service agreements with multiple customers and therefore controls the economic benefit associated with this intangible asset.

Accordingly no amortization of the value associated with the customer relationships has been calculated in the current period. At each year end, the Company will test impairment of the customer relationships using standard measures for such impairment. The useful life of these relationships has historically been demonstrated as indefinite.

The intangible assets of the Company consist mainly of the customer relationships, access to customer's information and the supporting service agreements acquired during the following business combinations:

Balance as at May 31, 2015	3,046,402
Acquisition of Omega Technology Solutions LLC	\$ 1,125,000
	<hr/>
Balance as at November 30, 2015	4,171,402

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015
(Unaudited - Expressed in U.S. Dollars)

7. CUSTOMER LIST, RELATIONSHIPS AND BUSINESS COMBINATIONS (cont'd...)

Business Combination transactions

Acquisition of Omega Technology Solutions LLC.

On July 15, 2015, the Company closed the acquisition of the assets of Omega Technology Solutions LLC., (“Omega”) of Fort Lauderdale, Florida. The initial purchase price recorded for the purchased assets was one million two hundred thousand dollars (\$1,200,000) paid by Certive Technologies Arizona (“Certive USA”) as follows:

- Initial payment in the amount of two hundred thousand dollars (\$200,000), paid on August 31, 2015.
- Four hundred thousand dollars (\$400,000) subscription receipt for Omega in the private placement which shall entitle Omega to 1,333,334 Units comprised of 1,333,334 common shares of Certive and 1,333,334 warrants exercisable into 1,333,334 warrant shares.
- Convertible promissory note on the date of initial closing for six hundred thousand dollars (\$600,000). The convertible promissory note will be non-interest bearing and have a two-year term from the date of initial closing. In the event that Omega elects, in whole or in part, to take cash as the form of payment on the promissory note, Certive shall have 60 days from the date of notification of such election to make the requested payment. The note is convertible at \$0.50 per share.

In addition to this, and contingent on the results from operations, Certive USA will pay in the form of 1,300,000 preferred shares of Certive Solutions Inc. allotted but not issued until earned. Commencing on the date of initial closing and for a period of three years (the "Earn Out Period"), if at any time during the Earn Out Period Certive receives cumulatively \$1,000,000 in net income from the acquired assets or from any of Omega's current software offerings, the preferred shares shall be redeemable by Certive at a price of one dollar (\$1.00) per share for each dollar (\$1.00) earned from the Scheduled Contracts by Certive USA in excess of \$1,000,000. Any shares not otherwise redeemed after the Earn Out Period will be cancelled at that time.

The initial accounting for the acquisition of the business of Omega has only been provisionally determined at the end of the reporting period, at the date of finalization of these financial statements, the necessary market valuations and other calculations had not been finalized and they have therefore only provisionally determined based on director's best estimates.

Acquisition of Titan Health Management Solutions Inc.

On July 3, 2014, the Company closed the purchase of the business of Titan Health Management Solutions Inc. (“Titan”) of Tucson Arizona. The assets acquired include all of the computer hardware and software necessary to conduct the business, the contracts that Titan Health has with its hospital customers, the brand and logos of Titan, and all of the intellectual properties used by Titan Health to conduct its business.

The purchase price for the purchased assets was two million seven hundred and eleven U.S. dollars (\$2,711,000 USD).

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015
(Unaudited - Expressed in U.S. Dollars)

7. CUSTOMER LIST, RELATIONSHIPS AND BUSINESS COMBINATIONS (cont'd...)

Acquisition of Titan Health Management Solutions Inc. (Cont'd...)

- The Company paid Titan Health one hundred thousand U.S. dollars (\$100,000 USD) in cash on July 3, 2014. The Company will pay to Titan Health two hundred and eight thousand U.S. dollars (\$208,000 USD) in cash on or before December 31, 2015.
- In addition, the Company has signed a convertible promissory note, in original principal amount of one million eight hundred thousand U.S. dollars (\$1,800,000 USD), which Convertible Note shall provide for payment, plus accrued and unpaid interest, to be paid on or before December 31, 2015, if not otherwise converted into shares of the Company.
- The Company will issue to Titan Health a total of 1,000,000 common shares of Company in partial payment of the purchase price
- The Company will also issue to Titan Health a total of 1,250,000 preferred shares of Company at the closing in partial payment of the Purchase Price which are convertible on a 1 for 1 basis into common shares of the Company on the following basis; Upon Titan Health generating cumulative aggregate gross revenues in the amount of \$4,200,000 in incremental revenue commencing July 1, 2014 and continuing until such cumulative gross revenues have been attained.

Acquisition of Knowledge Capital Alliance Inc.

On August 31, 2014 the Company, acquired 100% of the assets of Knowledge Capital Alliance (“KCA”) of Phoenix, Arizona. The assets acquired include all of the computer hardware and software necessary to conduct the business, the contracts that KCA has with its customers, the brand and logos of KCA, and all of the intellectual property used by KCA to conduct its business.

The purchase price for the assets was five hundred and seventy nine thousand three hundred U.S. dollars, (US\$579,300), and will be paid by as follows:

- The Company will pay to KCA seventy two thousand U.S. dollars (US\$72,000, in two equal tranches of US\$36,000, one payment due on or before May 31, 2015, subject to the satisfactory transfer of all scheduled contracts, and the other due on or before January 1, 2016. The Company has revised the payment schedule to US\$5,000.00 per month until the balance is paid in full.
- The Company will issue to KCA a total of 900,000 common shares of its capital stock at a deemed price of CA\$0.30 per share. Upon issuance, the Closing Shares shall be validly authorized and issued, fully paid, and non-assessable.
- The Company shall assume the KCA obligation to a promissory note with Tom Keller (“Keller”) in the amount of US\$256,200 on the condition that the note is retired from the KCA cash flow.

The Company entered into transition services agreements with both Titan Health and KCA effective June 1, 2014 and accordingly all of the financial affairs of both companies will be consolidated with that of the Company’s effective June 1, 2014 insofar as the Company had complete financial control of both enterprises as of that date.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

7. CUSTOMER LIST, RELATIONSHIPS AND BUSINESS COMBINATIONS (cont'd...)

On September 22, 2015, the Company completed a valuation of the purchase price for the Titan assets. The valuation concluded that the total value of the assets acquired was \$2,568,653, comprised of \$38,106 in furniture, fixtures and equipment and \$2,530,547 represented by the value of customer relationships. Accordingly the value recorded on the Company's books and records has been adjusted from \$2,711,000 to \$2,568,653.

On September 24, 2015, the Company completed a valuation of the purchase price for the KCA assets. The valuation concluded that the total value of the assets acquired was \$515,855, comprised wholly of customer relationships. Accordingly the value recorded on the Company's books and records has been adjusted from \$579,300 to \$515,855.

8. SOFTWARE DEVELOPMENT

The Company has capitalized at total of \$224,508 in costs related to the ongoing development of workflow technologies that support its revenue cycle management services business.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	November 30, 2015	May 31, 2015
Falling due within the next twelve months		
Accounts payable	\$ 397,625	\$ 369,776
Accrued liabilities	539,608	483,324
Total	\$ 937,233	\$ 853,100

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

10. CONVERTIBLE DEBT

During the period ended November 30, 2015 the Company issued the following convertible notes:

Convertible promissory note on the July 15, 2015 for six hundred thousand dollars (\$600,000) to a related party. The convertible promissory note is non-interest bearing loan and has a two-year term. In the event that lender elects, in whole or in part, to take cash as the form of payment on the promissory note, the Company shall have 60 days from the date of notification of such election to make the requested payment. The note is convertible at \$.50 per share.

Convertible promissory note on June 15, 2015 for one hundred and ninety two thousand dollars (\$192,000) to a non-related party. The convertible promissory note is non-interest bearing loan and matures on June 30, 2016

On initial recognition, the fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at the time by the market to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the conversion option. The difference is attributed to the equity component of the compound financial instrument.

Therefore, we have derecognized the liability component of \$146,314 and recognized this as equity in accordance with IAS 32. The market rate for similar debts was determined to be 15%.

The initial recognition of the liability component of convertible debt is as follows:

	November 30, 2015
Convertible debt issued during the period	\$ 797,000
Transaction costs	-
Equity portion of convertible debt	<u>(146,314)</u>
Present value of the liability component of convertible debt	<u>\$ 650,686</u>

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015
(Unaudited - Expressed in U.S. Dollars)

10. CONVERTIBLE DEBT (cont'd...)

The equity component of convertible debt is recognized as follows:

Balance as at May 31, 2014	\$	83,886
Equity portion of convertible debt		<u>395,382</u>
Balance as at May 31, 2015	\$	479,268
Addition of convertible debt - equity portion	\$	<u>146,314</u>
Balance as at November 30, 2015	\$	<u>625,582</u>

A reconciliation of the liability component of convertible debt is as follows:

Balance as at May 31, 2014	\$	330,022
Addition of convertible debt - liability component	\$	2,794,618
Unwinding of discount		<u>189,275</u>
Balance as at May 31, 2015	\$	3,313,915
Addition of convertible debt - liability component		650,686
Unwinding of discount		<u>101,265</u>
Balance as at November 30, 2015	\$	<u>4,065,866</u>

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

11. LOANS PAYABLE

The loans are made of the following:

		November 30, 2015	May 31, 2015
Loans from related parties	(i)	\$ 484,903	\$ 522,416
Loans from other entities	(ii)	314,720	325,720
		<u>\$ 799,623</u>	<u>\$ 848,136</u>
Current		\$ 799,623	\$ 848,136

(i) Loans from related parties

Loan of the amount of \$208,000 non interest bearing loan payable to Titan Health Management Solution Inc. on or before December 31, 2014. The Company has not yet made this payment and by mutual agreement the time to make the payment has been extended to December 31, 2015. The loan is unsecured

Several non interest bearing loans with total amount of \$276,903 payable to several related parties. The loans have no terms of repayment and unsecured.

(ii) Loans from other entities

The loans from other entities have no terms of repayment, are bearing interest at rate of 10% and are unsecured. The loan holders and the Company are currently in negotiations to extinguish the debt for shares or financial assets.

12. SUBSCRIPTIONS PAYABLE

At period end the Company had total amount of \$3,228,193 (2015: \$1,400,000) from several unrelated parties as an advanced payment for shares to be issued in private placement.

In addition the Company entered into several contractual agreements totaling \$1,411,139 (2015: \$647,139) with several related parties to deliver shares in private placements as settlement for assets purchased.

Please refer to subsequent events note for details on shares issued pursuant to private placement subsequent to period end.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

13. SHARE CAPITAL

a) Common stock

Authorized

Unlimited common shares without par value

Unlimited Class A Preferred shares without par value, dividend at 12% of profits or surplus, redeemable at any time

Unlimited Class B Preferred shares without par value, dividend at 13% of profits or surplus, redeemable at any time.

Issued and outstanding

During the period ended November 30, 2015 the Company had no share transactions

During the year ended May 31, 2015, the Company had the following shares transactions:

- On July 31, 2014 the Company issued 200,000 shares with value of \$27,900 for services as part of private placement at \$0.14 (CAD 0.15) per share to unrelated parties.
- On November 11, 2014 the Company issued 1,077,864 shares with value of \$152,465 for settlement of debts as part of warrant exercise transaction at \$0.14 (CAD 0.15) per share to unrelated parties.
- On November 11, 2014, the Company cancelled 1,333,333 shares with a value of \$400,000, the shares were originally issued as part of private placement

b) Share purchase warrants

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price
Balance as at May 31, 2013	2,556,069	\$ 0.54
Granted	14,149,032	0.15
Expired/cancelled	(2,556,069)	0.54
Balance as at May 31, 2014	14,149,032	\$ 0.15
Granted	-	-
Exercised	-	0.15
Balance as at May 31, 2015 and November 30, 2015	14,149,032	\$ 0.15

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

14. BASIC AND DILUTED EARNING (LOSS) PER SHARE

The calculation of basic earnings (loss) per share for the period ended November 30, 2015 was based on the net loss attributable to common shareholders of \$1,949,104 (2014 – \$629,674) and the weighted average number of common shares outstanding of 40,983,622 (2014 – 41,039,091) respectively.

The Company does not have any instruments that would give rise to a dilution effect.

15. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	November 30, 2015	May 31, 2015
Loss for the Period	\$ (1,949,104)	\$ (2,314,678)
Statutory tax rate	25%	25%
Expected income tax (recovery)	(487,276)	(578,670)
Change in statutory rates	-	-
Temporary differences	-	-
Net change in valuation allowance	487,276	578,670
Total income tax expense (recovery)	\$ -	\$ -

The significant components of the Company's deferred tax assets are as follows:

	November 30, 2015	May 31, 2015
Deferred tax assets (liabilities)		
Non-capital losses available for future period	\$ 6,398,052	\$ 4,448,948
Unrecognized deferred tax assets	(6,398,052)	(4,448,948)
Net deferred tax assets	\$ -	\$ -

The deferred tax assets have not been recognized in these consolidated financial statements as it is not probable that they will be realized.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

15. INCOME TAXES (cont'd...)

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	November 30, 2015	May 31, 2015	Expiry Date Range
Temporary differences			
Non-capital losses available for future period	\$ 6,398,052	\$ 4,448,948	2030-2035

Tax attributes are subject to review, and potential adjustment by tax authorities.

16. RELATED PARTY TRANSACTIONS

Balances and transactions between the Parent Company and its consolidated subsidiaries, which are related parties of the Parent, have been eliminated on consolidation and are not disclosed in this note.

The Company's related parties consist of its Directors, Key Management Personals ("KMPs") and companies owned in whole or in part by KMPs and directors as follows:

Name	Position and nature of relationship
Canadian Data Preserve, Inc.	Company with Common Directors
Advantive Information Management, Inc	Subsidiary
Certive Technologies Arizona Inc.	Subsidiary
Brian Cameron	Director
Van Potter	Director
Michael Bartlett	Director
Jack Saltich	Director
John Shackleton	Director
Mary Ann Miller	Director
Thomas Hoehner	Key Management Personnel
Todd Hisey	Key Management Personnel
Fredrick Erickson	Key Management Personnel
Ann Fierro	Key Management Personnel
Omega Technology Solutions, LLC	Company controlled by key management personals
Titan Health Management Solutions Inc.	Company controlled by key management personals
Knowledge Capital Alliance Inc.	Company controlled by key management personals

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

*(Unaudited - Expressed in U.S. Dollars)***16. RELATED PARTY TRANSACTIONS (cont'd...)**

The amounts due (to) or from the related parties are as follows:

	Nature of related party relationship	Note	November 30, 2015	May 31, 2015
Loans receivable	Company controlled by common directors	5	\$ 422,258	365,687
Loans receivable	Company controlled by Key management persons	5	\$ 24,000	-
Convertible loans - face value	Company controlled by Key management persons	9	(2,400,000)	(1,800,000)
Loans payable	Directors	10	(20,000)	(20,000)
Loans payable	Companies controlled by Key management persons	10	(464,903)	(502,416)
Equity instruments - shares settled	Companies controlled by Key management persons	11	(2,053,100)	(844,100)
Total			(4,491,745)	(2,800,829)

Please refer to the respective financial statements notes for details on these amounts

The Company incurred the following fees and expenses in the normal course of operations in connection with companies owned by key management and directors. Expenses have been measured at the exchange amount which is determined based on actual cost. There is no other remuneration of directors or other members of key management personnel during the period ended November 30, 2015 and 2014.

	2015	2014
Consulting fees	\$ 42,000	\$ -
Management fees	362,000	189,400
Salaries to key management persons	332,640	301,492
Total	\$ 736,640	\$ 490,892

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

17. IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE LIVES

Intangibles with indefinite useful life acquired through business combinations are allocated to Advantive Information Management (AIM), Titan Health Management (Titan), Knowledge Capital Alliance (KCA) and Omega Technology Solutions (“Omega”) Cash Generating Units (“CGUs”), which are also operating and reportable segments, for impairment testing.

Carrying amount of intangibles allocated to each of the CGUs:

	Advantive Information Management (AIM)		Titan Health Management (Titan)		Knowledge Capital Alliance (KCA)		Omega Technology Solutions (Omega)		Total	
	Nov 30 2015	May-31 2015	Nov 30 2015	May-31 2015	Nov 30 2015	May-31 2015	Nov 30 2015	May-31 2015	Nov 30 2015	May-31 2015
Goodwill	-	-	-	-	-	-	-	-	-	-
Customer list	-	-	2,530,547	2,530,547	515,822	515,822	1,125,000	-	4,171,369	3,046,369
Software development (WIP)	-	-	-	-	167,581	167,581	56,927	-	224,508	167,581

The Company is required to test, on an annual basis, whether goodwill and intangible assets with indefinite life has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

The Company performed its annual impairment test in May 2015 and 2014. The Company considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. As at May 31, 2015 and 2014, the market capitalization of the Company was below the book value of its equity, indicating a potential impairment of goodwill and impairment of the assets of the operating segment.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

17. IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE LIVES (cont'd...)

Advantive Information Management (AIM) CGU

As a result of the loss of the software license with Auresoft, recurring losses and the growing deficit in the AIM CGU, management has determined the recoverable amount of this CGU to be nil as at May 31, 2015 and 2014. Impairment loss of \$4,222,190 was recorded during the year ended May 31, 2013.

The recoverable amount has been determined based on a value in use calculation using cash flow projections from financial budgets covering a three-year. The projected cash flows have been updated to reflect the impact of the loss of the software license with Auresoft. The pre-tax discount rate applied to cash flow projections is 15 % (2014: 15%) and cash flows beyond the three-year are extrapolated using a 3.0% to 5% growth rate that is the same as the long-term average growth rate for the same industry. It was concluded that the fair value less costs of disposal did not exceed the value in use. As a result of this analysis, management has recognized an impairment charge of \$4,222,190 in the year ended May 31, 2014 against goodwill with a carrying amount \$4,222,190 as at May 31, 2013.

The Company recorded the AIM acquisition as goodwill insofar as the Auresoft software license, when originally issued to the Company was deemed to have an indefinite life with no quantified expiration. The only condition of the license was that the Company was required to pay a portion the revenues generated from the use of the license to Auresoft. When the license was terminated, its value was determined to be impaired and according it was written off.

Titan Health Management (Titan), Knowledge Capital Alliance (KCA) and Omega Technology Solution (Omega) CGUs

Intangibles with indefinite lives allocated to Titan and KCA CGUs was recognized as a result of business acquisitions during the previous year and as a result of these acquisitions the Company recorded total revenue from Titan's operations of \$3,129,710 and total revenue of \$733,127 from KCA's operations

Management performs the impairment test for these CGU units by comparing carrying amount of the assets with its recoverable amount, in determining the recoverable of the assets, Management relies on the valuation metrics published by the Scott – Macon Healthcare Quarterly Reviews.

The report shows that the average sale price for similar businesses is 1.8 * revenue. By applying this rate to Titan and KCA, the fair value for each division would be \$5.6 million for Titan and \$1.3 for KCA, less estimated cost of sales between \$100,000 and \$500,000, the results would be higher recoverable amount than the current carrying value, therefore management has concluded that the assets of these CGUs are not impaired at year end.

Omega CGU was added during the current period and its assets will be tested for impairment as part of the Company's annual impairment test in May 2016.

Please refer to Note 7 for details on the business combinations transactions.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended November 30, 2015

(Unaudited - Expressed in U.S. Dollars)

18. SUBSEQUENT EVENTS

1. On December 1, 2015, the Company announced the closing of a private placement of 13,007,310 units at a price of US \$0.30 per unit for deemed gross proceeds of US \$3,902,193. Each unit consisted of one common share and one common share purchase warrant exercisable at a price of US \$0.35 per share for a period of two years from the closing date. 6,166,667 units were sold for cash (US \$1,850,000) and 6,840,643 units represented settlements with creditors (US \$2,052,193).
A further 450,000 units were issued to various finders in connection with the private placement.
2. On December 29, 2015, warrant holders exercised an aggregate of 6,976,922 outstanding common share purchase warrants of the Company at a price of US \$0.11 per share (\$.15CDN) for total gross proceeds of US \$767,461 to the Company.
3. On December 31, 2015, the Company granted an aggregate of 7,547,417 stock options to various directors, officers, senior employees and consultants of the Company. The options are exercisable until December 31, 2020 at a price of \$0.25 CDN per share.
4. On January 19, 2016, the Company announced that on January 15, 2016, pursuant to acquisition committee approval, the Company entered into a non-binding letter of intent to acquire 100% of the issued and outstanding common shares of two companies engaged in revenue cycle management for hospital systems. Upon closing of the acquisitions, both companies will become wholly owned subsidiaries of Certive. The agreed combined purchase price is US\$20,000,000, 90% of which will be paid in cash and 10% in stock. The stock will be valued at the lower of the closing price of Certive common shares on the Canadian Securities Exchange on the last business day prior to the closing date, or US\$0.50 per share. A number of common share purchase warrants will form part of the stock consideration, exercisable at the lower of (i) US\$0.05 above the closing price of Certive common shares on the Canadian Securities Exchange on the last business day prior to the closing date or (ii) US\$0.55 per share. A total of up to 17,000,000 common shares and 4,000,000 common share purchase warrants may be issued in partial payment of the purchase.