MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED FEBRUARY 29, 2016.

FORM 51-102F1

Date and Subject of Report

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Certive Solutions Inc. ("Certive" or the "Company") for the nine months ended February 29, 2016. The MD&A should be read in conjunction with the audited annual financial statements of the Company as at May 31, 2015. The MD&A has been prepared effective April 27, 2016.

SCOPE OF ANALYSIS

The following is a discussion and analysis of the Company, which was incorporated on June 11, 2010, under the laws of the Province of British Columbia. The Company's head office is located at 1140-1185 West Georgia Street, Vancouver, B.C., V6E 4E6. The Company reports its financial results in U.S. dollars and under International Financial Reporting Standards.

Overview

During the nine months ended February 29, 2016 and the subsequent period up to and including the date of this MD&A, a number of significant and material events occurred, which are summarized in this overview and discussed in more detail elsewhere in the MD&A. All amounts expressed herein are in U.S. dollars.

Summary of Material Events

For the nine months ended February 29, 2016, the Company continued in a period of growth. The Company services the provider side of the U.S. healthcare industry, with specific emphasis on revenue cycle management for U.S. hospitals.

Material Events During The Three Months Ended February 29, 2016

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. A total of 6,166,667 units were issued for cash proceeds of US$1,850,000 and 6,840,643 units were issued through settlements with creditors for deemed proceeds of US$2,052,193. The Company also paid a finder's fee of 450,000 units to select individuals.

1. On December 11, 2015, Michael Marshall, CEO of e5 Solutions Inc. (USA), agreed to join the Advisory Council. Mr. Marshall is a seasoned revenue cycle management executive

and the Company's leading operational expert in driving performance and growing new business line categories. Mr. Marshall will initially work closely with management to assess how operations in current divisions can be improved and where new business opportunities prevail. The Company intends to work in a collaborative capacity with e5 Workflow Inc. to synergistically develop new revenue opportunities of mutual benefit to both enterprises.

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 (CDN$0.15) 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 incentive 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 CDN$0.25 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 (the "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, 60% of which will be paid in cash and 40% in stock.

5. On February 29, 2016, the Company announced a non-brokered, private placement of 916,667 units in its capital stock at a price of US$0.30 per unit and the closing thereof, effective February 29, 2016. Each unit consisted of one common share and one transferable common share purchase warrant. Proceeds from this private placement totalled US$275,000. The warrants are exercisable at US$0.35 per share for a two-year period expiring February 28, 2018. The private placement was subscribed for by members of the Company's Advisory Council.

<u>Material Events Subsequent to the Quarter Ended February 29, 2015</u>

2. The Company recorded gross operating revenues from its Titan, KCA, and Omega divisions for the month of March of US$497,080.

3. On March 29, 2016, the Company announced that effective March 9, 2016, the Company executed an advisory services agreement with Dawson James Securities Inc., ("Dawson James"), a leading investment banking and securities firm, to provide strategic advisory services. Dawson James' head office is located in Boca Raton, Florida with branch offices in Columbia, Maryland and New York, New York. Dawson James has agreed to assist the Company, by evaluating capital market options in support of strategic growth opportunities as well as broadening the Company's exposure to institutional and retail investors. The agreement also provides that Dawson James will complete a due diligence process in support of the PAL sponsorship on the OTCQX market, as well as to formulate a strategy to list on either NASDAQ or NYSE.

4. On April 13, 2016, the Company announced that it has appointed Michael Miller as Chief Internal Legal Counsel. With the Company entering a period of significant growth by way of acquisition and organic business development Mr. Miller will be responsible for overseeing all external counsel workflow and all internal corporate and commercial activities. Mr. Miller has nearly 40 years' experience in the legal profession serving as General Counsel to a major medical enterprise, an insurance company, a publicly-traded consumer electronics manufacturer, and a data analytics firm. He also served in senior management capacities for risk management firms and international insurance brokers and created environmental insurance programs for large investment banks. In addition, Mr. Miller has been retained by state insurance regulators to consult in insurance company receiverships. As a Court-appointed Receiver, he supervised the successful financial rehabilitation of a health insurance company for the Arizona Insurance Department. Mr. Miller received his Juris Doctor degree from William Mitchell College of Law and his Bachelor of Science degree with distinction from the University of Minnesota. He has been a member of the Minnesota Bar since 1977.

FOURTH QUARTER BUSINESS STRATEGY

As of the closing of the third quarter ending February 29, 2016, the Company's status is summarized as follows:

The Letter of Intent to acquire the two companies referred to above in Part 5 remains in good standing pending the preparation and execution of definitive purchase agreements. During March 2016, the Company and the vendor agreed to amend the transaction wherein the vendor agreed to subscribe for US$8,000,000 in convertible promissory notes on substantially similar terms as a proposed offering (the "Offering") to accredited investors. The net result is that the Company will pay US$12,000,000 in cash on closing, with a cash reserve of US$6,000,000 deposited into a trust account to secure US$8,000,000 in convertible promissory notes issued to the vendor, and will enter into five-year management contracts with the owner of the vendor and the vendor's general manager. The vendor's promissory notes convert on the same basis as the Offering promissory notes and bear interest at 5% per annum whereas the Offering promissory notes bear interest at 8% per annum.

In connection with the Offering, the Company has prepared and circulated a term sheet seeking to raise a total of up to US$23,000,000 from accredited investors on a Reg D offering memorandum basis. As at the quarter ended February 29, 2016, management was confident of its ability to complete the Offering on the following terms:

Proposed Financing Terms:

Total Financing:	US$20,000,000 plus 15% "greenshoe" option
Investment Structure:	Convertible, secured promissory notes (the "Notes") with a face value of $2,000,000 per note
Term of Notes:	4 years from closing date
Interest on Notes:	8% interest payable semi-annually
Security Interest:	Register UCC-1 charge over all assets of Certive
Number of Unitholders:	10

Conversion Price Per Unit:	US$0.40
Minimum Unit Per Subscription:	One Note at US$2,000,000 face value, convertible into units (the "Units") on a one for one basis.
Conversion Rate:	Each Unit Converting to 5,000,000 common shares (the "Shares") and 4,200,000 common share purchase warrants (the "Warrants") on the following terms: Warrants: Upon conversion of the Promissory Notes into Units of Shares and Warrants will be issued on the following basis: i) Warrant A - 2,000,000 warrants exercisable @ US$0.45 per share in the first 18 months; ii) Warrant B - 1,500,000 warrants exercisable @ US$0.60 per share between 18 months and 30 months; iii) Warrant C - 700,000 warrants exercisable @ US$0.70 per share between 30 months and 42 months. Exercise Term on Warrants: i) Warrant A - Eighteen Months From Closing Date ii) Warrant B - Thirty Months From Closing Date iii) Warrant C - Forty-two Months From Closing Date Forced Conversion: On the Occurrence of an S-1 Financing by Certive on or before May 31, 2017. On conversion, all converted shares shall be available for secondary sale concurrent with a public distribution
Total Financing	US$23,000,000

As at the date of this MD&A, management continues to be confident in the ability to secure the capital necessary to close the Offering.

<u>The use of proceeds for the Offering are summarized as follows;</u>

• To cover initial payment on closing	US$12,000,000
• To provide for reserve payments (see below)	US$ 6,000,000
• To provide for working capital	<u>US$ 5,000,000</u>
Total:	US$23,000,000

<u>Status Subsequent to Quarter End</u>

Subsequent to the closing of the third quarter, the Company finalized several strategic acquisition and business development transactions which are material to the future operations of the Company and on a pro-forma basis are expected to result in consolidated net positive cash flow for the Company, increasing its ability to reinvest additional capital in its operating divisions and provide

an opportunity to cross sell its services in and between all three business units. These strategic developments are summarized as follows;

a) Our agreement with Dawson James Inc. to provide corporate finance services is particularly material as the Company will, subsequent to closing the acquisitions referred to above, immediately apply for an upgraded listing to the OTCQX quotation system. This will enable Dawson James to introduce the Company to a vast retail network, thus exposing Certive to a wide U.S. based investor audience.

b) The Company has, as a result of its engagement with Dawson James, proceeded with the preparation of a Reg. D 506 offering memorandum, for which Dawson James will be the agent of record on the Offering and will continue in a corporate finance relationship, ensuring the Company's successful transition to either NASDAQ or NYSE within the following twelve months.

c) The Company will proceed with a 20F filing with the Securities and Exchange Commission upon the closing of the acquisition referred to in Part 5 above. The result will be that Certive will be a reporting company pursuant to U.S. securities regulations and will no longer avail itself of the exemption pursuant to Rule 12g of the Securities and Exchange Commission Act (1934).

d) The Company has successfully secured a contract with a major hospital system located in northeastern United States to provide clinical accuracy and chart review services. The initial agreement represents in excess of US$2,000,000 in revenue to Certive with no additional costs related to staffing or occupancy.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are reasonable, but any of which could prove to be inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements.

In this MD&A, the Company has specifically noted the forward looking nature of comments where applicable. Generally, readers should be aware that forward-looking statements included or incorporated by reference in this document include statements with respect to:

a) The Company's acquisition strategy, including the basis upon which the Company will evaluate acquisition criteria and the benefits associated with an acquisition.
b) The Company's ability to identify geographically dispersed non-competing acquisition targets that possess vital hospital customer relationships and unique categories of business and to successfully complete each acquisition, including the transactions contemplated in the Letter of Intent.
c) The identification of new lines of business within revenue cycle management for U.S. hospitals that are unique and provide value added benefit for hospital administrators.
d) The ability to cross-sell different services between and among the Company's customers resulting from selected acquisitions.
e) Expectations of both divisional profitability and comprehensive corporate profitability for each acquisition. The Company must continue to hold pricing in the absence of seeking offshore labor cost reductions to remain competitive and thus prevent a commoditization of its services.
f) Expectations regarding the ability to raise capital to fund increasing working capital requirements and achieve sustainable near and long term growth. Partially cash funded acquisitions may lead to substantial dilution if the majority of the acquisitions are stock based.
g) Inability to show immediate and continued outperformance of incumbents being replaced. The path to better economics in this industry is to price at a premium. In order to premium price however the Company must offer a greater value proposition to the customer than the prior incumbent.
h) The Company must be mindful of a downward move by upper market tier participants who recognize the opportunities in the tier 3 highly fragmented market space.
i) The Company must assess the relative risk associated with acquisition size, category of revenue integrity services provided and the need for working capital to support the growth of each acquisition.
j) The Company must be mindful and reactive to disruption in the U.S. healthcare markets and target, both acquisition opportunities and internal growth with a focus on this disruption to achieve maximum rates of return on internal cash.

General History

<u>The following is a chronological description of the Company's history and the basis for its entrance into the revenue cycle management ("RCM") sector of the U.S. healthcare industry:</u>

- The Company changed its name to Certive Solutions Inc. in October 2013 to pursue sales and marketing opportunities as a business process management provider focused on revenue lifecycle management in the U.S. healthcare industry. The Company's Chairman, Mr. Shackleton, has been instrumental in bringing mission critical expertise to the Company.

- In late 2013 and largely due to a market assessment performed by management in the fall of 2013, the Company narrowed its strategic focus to the provider side of the U.S. healthcare industry and specifically to U.S. hospitals, who wrote off between 3% and 15%

of their total revenues to denied claims for a variety of reasons. In March 2014, the Company entered into a strategic relationship with Titan, a company with over twelve years of domain expertise supplying revenue cycle management services on an outsourced basis to U.S. hospitals. The Company's technology and capital formation expertise combined with Titan's knowledge of the many opportunities in revenue cycle management, led to a logical partnership. Ultimately this led to the Company's acquisition of the Titan assets in July 2014 and the integration of Titan's management team and staff into the Company's operations.

- The acquisition of Titan closed on July 3, 2014. Since June 1, 2014, the Company has operated Titan pursuant to a transition services agreement, which provided among other things, complete financial control of the enterprise until final closing of the transaction, which is expected to occur on or about June 30, 2016.

- With the acquisition of Titan, the Company provides its revenue cycle management services to 50 hospitals throughout the United States. Primary activities include zero balance collections, early out collections and billing support services. The Company supports several large revenue cycle providers internally as a result of the high level of expertise and credibility afforded by the Titan staff. The Company's lines of business are disclosed in greater detail below.

- The acquisition of Knowledge Capital Alliance Inc. (KCA) closed on August 31, 2014. From June 1, 2014 to that date, the Company operated KCA pursuant to a transition services agreement, which provided among other things complete financial control of the enterprises until close of the transaction. This has enabled the Company to report consolidated revenues from June 1, 2014 onward. KCA provides business process management solutions to public health departments at both the state and county level. KCA has developed an automated dashboard tool set and workflow technology that will be offered to over 2800 public health organizations throughout the United States. Moreover, the principals of KCA will immediately begin to support the Company's consultative efforts as it seeks out new lines of business within revenue cycle management of U.S. hospitals. At the date of this MD&A, KCA generates approximately US$600,000 in annual revenue.

- On July 15, 2015, the Company acquired Omega Technology Solutions LLC (Omega). With the acquisition of Omega, the Company adds a technology base and the ability to provide charge capture services on a retrospective and prospective basis and expands its customer footprint to approximately 100 hospitals. Omega has led the revenue cycle industry in charge capture audit and recovery services for hospitals since 1992. Omega has made a significant investment in revenue integrity analytics technology that is the foundation for its delivery of revenue services and cloud products that identify revenue opportunities and address compliance issues. Omega's solutions deliver real-time analysis and capture of unidentified charges not captured by the hospital, and prevention of charging and billing issues that reduce or delay reimbursement. Additional services offered include comprehensive claims analysis for coding integrity, and revenue leakage prevention. Omega has over 45 well developed, long term relationships with hospitals on the east coast

of the United States and has recovered over US$180,000,000 in aggregate since its incorporation 20 years ago. Omega has over 25 employees engaged in the revenue cycle process, and 47 hospitals currently under contract.

General Comments on the Company and its Current Business in Revenue Cycle Management for U.S. Hospitals

The Company provides revenue cycle services to U.S. hospitals. Certive identifies categories of opportunity within the traditional revenue cycle for hospitals and on an outsourced basis provides effective recovery of revenue on claims that are retrospectively assessed as underpaid or missed in the billing process. The goal is to optimize reimbursement, increase operational efficiency, and minimize the cost of compliance risk for Certive's customer.

Certive has acquired two companies with long-term customer relationships representing over 150 hospitals in the U.S. The Company has expanded its service offerings, increased the number of customers represented and more than doubled in size, both in revenue and in staffing levels since June 2014. An important objective associated with all acquisitions is the ability to secure valuable retrospective data and through actuarial and algorithmic analysis, provide risk analysis tools to hospital administrators that differentiate service offerings, thereby providing meaningful and useful tools for the maintenance and growth of hospital profitability.

The acquisition contemplated in the Letter of Intent will significantly increase Certive's penetration of the RCM market with additional highly valuable service offerings, particularly in the growing self-pay and collection sector of the industry.

Identifying new opportunities not easily identified by other participants in revenue cycle is a distinguishing characteristic of Certive. Leveraging trusted relationships that have matured over many years, with all of Certive's customers, is a key component of the long term strategy. Defining a positive future for the challenges facing U.S. healthcare and, in particular revenue recognition, will be predicated not only upon services to providers and payers alike, but also defining the new information landscapes that will emerge and providing technology toolsets that enable managers of large hospital systems to better predict financial outcomes for services rendered. Certive continues to approach its customers with this unique culture and identity.

Certive intends to selectively grow its access to new customers through acquisition of companies that provide services to hospitals that are much needed and relate to the increasing urgency to identify better overall outcomes on reimbursement. The footprint alone is merely a starting point. With a growing customer base, the Company can sell more services to its customer base and cross sell offerings between and among those customers and develop analytical tools to mitigate three primary risks associated with any provider business:

- Eligibility/Enrollment Risk
- Patient Services Risk
- Collection Risk

The opportunity is to use the Company's analytical capabilities to identify missing information links in the revenue cycle, disrupted by ICD 10, and to create new service and product offering uniquely tailored to the changes impacting healthcare delivery and payment.

Certive has targeted additional acquisitions for the upcoming 2016 calendar year. With the appropriate funding in place, Certive will be positioned to close on these acquisitions, all of which will bear the same financial metrics from a growth perspective.

The Company formed an acquisition committee to review and examine all acquisition targets for presentation to the Board of Directors and, if thought fit, to recommend for approval by the Board. The Company presently intends to make several acquisitions during the next 18 months.

Certive has assembled an Advisory Council, with members that cumulatively have credentials which are unrivaled in the U.S. healthcare market. Each Advisory Council member will be given a special project associated with Certive's strategic and tactical plans, together with time lines for completion.

The purpose of the Advisory Council is to provide direction, guidance and special project based support to management in the design and implementation of business strategies aimed at creating overall near and long-term enterprise value. The Advisory Council was formed specifically to assist management and the Board of Directors in determining the best strategies to effect growth in an ever changing U.S. healthcare market. Dr. Arthur Pelberg, an internal medicine specialist, served as the President and Chief Medical Officer of Schaller Anderson from 1999 to 2007 and brings to the Company rich clinical and senior level healthcare operations experience. Other domain expertise on the Advisory Council include Fred Hatfield, formerly CEO and COO of Aetna Medicaid and head of acquisition integration for Schaller Anderson; Tim Hyland, former CFO of Schaller Anderson; and Tom Marreel, formerly senior vice president of Schaller Anderson. Another member is Steve Schramm, the founder of Optumas, an actuarial analysis organization for large healthcare purchasers. Mr. Schramm's background brings to Certive the knowledge to design predictive analytics toolsets to provide its customers with meaningful information sourced from vast quantities of disparate data. Another member, Charlotte Jacobs is a senior Advisory Strategy Client Executive with Cerner, a leader in health information management. Ms. Jacobs brings to Certive a unique perspective on the dynamics of U.S. healthcare reform and its impact upon companies such as Certive. In addition, Jeffrey Benton is currently the managing director of Fairfield Advisors, a hedge fund specializing in market structure arbitrage and volatility strategies. Mr. Benton brings to the Advisory Council years of experience in the translation of business operating strategies to investment information and tools that will, in Certive's case, serve to better enable effective investor relations communications. Mr. Benton is a distinguished and highly regarded member of the U.S. investment community, having served on a number of New York Stock Exchange committees over the years. Mr. Benton is a former Governor of the New York Stock Exchange. Don Gilbert recently joined the Advisory Council and has extensive background in healthcare, particularly in the State of Texas where he served as Secretary of Health and Human Services under Governor George W. Bush. Michael Marshall, CEO of e5 Workflow Inc. joined the Advisory Council in December 2015 and provides to Certive, operational capabilities in revenue cycle management with hands on expertise in all aspects of this industry.

The Company's mission is to demonstrate through execution, operational excellence in identifying, billing and collecting missed charges through an audit and collection process that blends unique technologies and workflow tools together, thus providing usable billing related information and enhancing integrated collection results for customers.

Members of the Advisory Council have all invested in Certive and are committed to assisting in charting its course through growth by acquisition and organically. The Advisory Council will meet formally four times annually and informally on a regular basis.

The Board of Directors is comprised of a majority of independent directors, with industry expertise covering all areas, from governance to human resources.

Certive has identified several new lines of services that will be offered to all customers in its footprint over the following months. The Company has successfully integrated technologies developed by Omega into the Titan division with seamless accuracy and scalable new results. Certive's revenues are recurring in nature.

The Company's Business

The Company is a Scottsdale based, British Columbia domiciled, reporting issuer, publicly traded on the Canadian Securities Exchange (CSE: CBP). Effective September 16, 2014 the Company's shares began trading on the Frankfurt Exchange (FWB: 5CE) and on July 15, 2015, the Company's shares were quoted on the OTCQB Capital Markets in the United States under the trading symbol "CTVEF". The Company has two wholly owned subsidiaries; Advantive Information Management and Certive Technologies Arizona Inc., each operating as independent subsidiaries.

Effective June 1, 2014, the Company, through Certive Technologies Arizona Inc., began operating two divisions that are accounted for separately before consolidation; one that reports the operating results of Titan, and the other that reports the operating results of KCA. This was accomplished through transition services agreements that provided the Company with full operating control of both entities commencing on that date. On July 15, 2015, the Company completed the acquisition of Omega and accordingly, effective July 15, 2015, the Company commenced operating a third division on an identical basis as Titan and KCA. The transition services agreements remain in effect as at the date of the MD&A.

Description of the Business

Executive Summary - The Business

Certive provides claim audit and recovery services that support revenue cycle management in the central business offices of U.S. hospitals by targeting revenue categories where reimbursement recoveries can be secured through a combination of highly skilled clinical staff and proven workflow tools.

The U.S. healthcare market is highly disruptive and currently accounts for in excess of 30% of the U.S. GNP. Challenges to the Affordable Care Act, a U.S. presidential election this fall, and

changing reimbursement models add fuel to this disruption. As provider solvency issues grow, increased government scrutiny will force new costs upon an already choking system. As increased copays and deductibles put more responsibility on the patient, the self-pay component of provider revenue continues to rise making providers concerned for their future. C-level hospital and physician group executives not only need better business process management tools to equip them for survival, but more importantly, a focused new solution for this specific need. The need for relevant information that defines operating risks is becoming increasingly more important. Access to information immediately prior to the delivery of service, derived from already existing data that quantifies patient financial risk, patient service risk and patient collection risk, will become the holy grail, as this disruption determines who will survive.

The delivery of healthcare is becoming consumer-centric. Certive's goal is to be strategic in its acquisition plans and organic growth-based business model, so as to enable Certive to take advantage of this change. If Certive can improve the financial performance of its U.S. hospital clients, Certive will be a leader in this industry. By targeting accretive acquisitions that expand Certive's customer reach with services that are needed for success and leverage its presence for organic growth, the Company will rise above its competitors. Using analytics and Certive's vast database of historical data, the Company will create unique relevant operating models for its customers to that address the fundamental risks associated with running any hospital. With that, the value of Certive will grow.

Certive seeks to acquire a major player in the self-pay sector of the revenue cycle, which combined, represent in excess of US$15,500,000 in annual revenues and US$3,200,000 in annual EBITDA. This acquisition places Certive squarely in the most lucrative and growing segment of revenue cycle management.

Certive is a nimble company, rich in domain expertise with a clear vision of the U.S. healthcare landscape. Market forces will naturally identify new and aggressive rainmakers, unchained and reactive, that improve the management of provider financial viability. Certive is positioned to be a leader with over 300 cumulative years of U.S. healthcare expertise on its Advisory Council, each member having engaged with the Company in special projects associated with the goal of delivering this comprehensive service offering to U.S. hospitals.

Currently, Certive's two divisions Titan and Omega, provide retrospective claim audits against payer contracts, identify underpayments, and rebill and collect revenues for hospital customers. Certive also specializes in recovering cash for hospitals by auditing charts and comparing them to the medical records to discover items and services performed but never billed to the insurance carriers. Certive's divisions have over 20 years of experience providing these services and with that, access to vast quantities of retrospective data from which to develop the analytical tools necessary to effectively manage risk.

The acquisition, scheduled for closing in June 2016, is a consortium of two companies with over 20 years of experience in the self-pay and collections sector of the revenue cycle. The acquisitions will be a driving force supporting workflow integration among all of Certive's business units that will place it at the center of the most rapidly growing sector of revenue cycle in U.S. healthcare. The acquisition target is highly scalable, which further enhances its long-term value to Certive.

Together, all three acquisitions will touch every major category in the revenue cycle with access to retrospective, mission critical data from which to extrapolate valuable risk mitigating information from which Certive intends to identify new categories of business to further enhance its offerings to U.S. healthcare providers.

Certive will cross-sell its services to each and every customer within the divisions and drive a minimum 20% compounded annual growth rate (CAGR) per year. Certive will develop information tools for its customers that integrate information across the risk continuum and through this become a much sought after service provider to an ever growing customer base as well as a company of significant interest to tier one and tier two service providers who may be ill-equipped to develop their own solutions in a timely manner.

The Certive Enabler - What Will Make Certive Win

A. Certive is particularly fortunate to have an Advisory Council with over 300 years' collective experience in the U.S. healthcare market. The Advisory Council will continue to grow in size. Every member has invested in Certive, each of whom has special projects for which they are compensated on a performance basis. Certive's ability to be observant and reactive to the ever changing and disruptive U.S. healthcare environment is founded on an expansion of the knowledge depth of this Advisory Council, identifying new participants that provide an "inside" track on changes within the sector. These changes will impact Certive's strategies and will affect its enterprise value. Certive will be a strategically positioned technology-enabled service provider to its current and expanding customer base as well as a strategic partner to large players in the industry who would seek nimble, well-run and leveraged relationships.

B. Competitive Landscape: There are three categories of competitors: a) In-sourcing by Certive's target hospital clientele; b) indirect competitors that offer technology solutions, and c) direct competitors that offer services.

    a. Hospital In-Sourcing: This is the status quo. Hospitals do not have the internal resources and efficiencies to do this alone and have long relied on vendor relationships to help manage through the complex reimbursement and revenue cycle process and this will not change. Increasing complexities, reduced reimbursement, focus on outcomes, rising costs of care, consolidation, and changes in the regulatory environment have resulted in increased financial pressure on the hospitals and the need for improved efficiency. All of this results in an increased market opportunity for vendors who can deliver.

    b. Indirect Technology Vendors:
        i. Several vendors such as MedAssets, Craneware, etc. provide technology solutions that attempt to solve the hospitals problems. Hospitals, however, are resistant to further reinvestment in more "systems" and need to have their problems solved, when in fact, these solutions actually contribute to the problem by often reducing claim value allowing greater leakage to

occur. Often, hospitals are frustrated with pure technology solutions as, in the absence of a strong service component, they fail to deliver on the promised value proposition.

ii. Large health information management (HIM) providers such as Cerner and Epic are technology suppliers to the industry that are seeking to add a viable service component to their revenue models. In the absence of acquisition strategies, they are unlikely to move fast enough to catch the changing landscape in the services model. They do however possess unique access to new customers and every implementation of the systems raises a large revenue leaking issue for the hospital that must be addressed. Certive on the other hand, is a service company with net free cash flow that can quickly adapt to change and identify risk management solutions that become useful "extenders" to the current services offering of these providers. Certive then becomes a very important piece of the puzzle to these competitors who are ill equipped to move quickly. Certive, therefore, treats these companies as a source of business, NOT direct competition.

c. Direct Service Competitors:

i. Tier 1 players such as Accenture provide comprehensive services to the industry with a "big" service model. They are limited in number. These companies often are engaged with the large hospital systems and are subject to the same "big" inflexibility of larger corporations, are costly, and do not address the core leakage issue leaving white spaces and large revenue leaking problems un-addressed.

ii. Tier 2 players are medium sized players owned by private equity that are built to sell and have no domain capacity other than what they bought and little capacity to strategically think quickly. There are a handful of these players. Private equity is attracted to this space, which validates to some extent the opportunity, but private equity firms need to deploy large sums of capital which often results in ineffective returns on cash invested. Some of these companies could become larger future acquisition targets for Certive.

iii. Tier 3 companies are smaller players that are part of the fragmented nature of this tier. They have customer access, and good principals, but are cash limited and have no long-term vision for how they fit into the market. That makes them perfect acquisition targets for Certive where it could acquire attractive clients and/or service niches, layer in its strategies, use the vast data it acquires to drive the development of better tools for long-term risk management and become a sought after enterprise.

C. Certive has acquired cash flow positive companies with superior customer relationships. Certive will use the free cash to invest in analytical tools that serve to mitigate operational and financial risk for U.S. hospitals. The Company will, with its current access to years of

data, be positioned to develop algorithms that support predictive business process management tools. Certive will layer this capacity into the current service offerings to improve service delivery, and the management of financial, patient service, and collection risks associated with hospital viability. This will be a staged solution delivery process addressing financial risk first as the data sources to provide tools are most readily available.

Business Definition

The Company is a technology enabled solutions provider in the Revenue Cycle Management (RCM) segment of the U.S. healthcare industry focused on claims audit and recovery for U.S. hospitals.

The Company is also engaged in the provision of business process management solutions to state and county health departments in the U.S. and in particular in Maricopa County, Arizona. Through the acquisition of KCA, the Company delivers these services.

Revenue cycle management refers to the creation of a valid bill to insurance companies and government agencies in an effort to collect payment for services provided. The payment of these services has at least once been denied to qualify as an RCM opportunity. Often, the payment for services has been denied for simple reasons such as a "miscoding" (using an inaccurate reimbursement code or labeling code for services at the time of being provided). With the coding changing on an annual basis, this has become a growing problem. Payment for services is regularly denied because payment requests have been made through incorrect channels or with an incorrect cadence implying a workflow issue that can be addressed. In total, these errors have created a *US-only* total available market (TAM) for recovery of *~$50 billion annually*. Industry statistics on U.S. RCM TAM growth tracks with current figures (RCM for Tier 3 space is 5% of total annual billings – which equate to ~$1 Trillion USD) and will grow secularly with overall health claims growth

Critical Success Factors to the Core Business

There are several key indicators for the Company's success in the claims audit and recovery sector of the U.S. RCM market segment as follows:

Connectivity and Credentialing: The U.S. hospital market is comprised of hospitals that are run by a closely associated group of CEO's and CFO's who know each other as a result of migrations from hospital to hospital as industry challenges demanded changes to C level executive positions. Insofar as they are the only point of contact for vendors in the RCM space, it is critical to be connected through association and more importantly to be highly regarded and credentialed in the provision of audit and recovery services. The Company's acquisition of the assets of Titan and Omega brings with it over twelve years of service to this market and a highly credentialed and well-recognized management and staff who have performed seamlessly for their hospital customers.

Technology: The Company intends to grow through acquisition of RCM companies providing services similar to that of Titan and Omega. It is essential that the Company utilizes internally

adaptable and compatible cloud workflow and analytical tools to address the many business opportunities in the RCM market. The acquisition of the Omega assets brings with it a suite of software tools utilized by Omega in the delivery of their business that are portable to Titan and other acquisition targets. These tools and others will enable scaling of the consolidated enterprise which is the key to growth and claims adjudication.

Domain Expertise: With the acquisition of Titan and Omega, the Company acquired over 70 years of combined U.S. healthcare expertise. The principals of Titan and Omega have worked on both the provider and payer side of the industry and have an intricate knowledge of technical, regulatory and clinical landscapes necessary to navigate the target opportunities. With the establishment of the Advisory Council, the Company further enhanced its domain expertise by securing the input and direct contributions of seven highly credentialed individuals with a collective 300 years of expertise in U.S. healthcare (see Advisory Council roles below). This is perhaps the most important component in the Company's assessment of critical success factors.

Lines of Business

Titan Division Lines of Business

The Company provides claims audit and recovery services through five principle lines of business:

Zero Balance: This line of business represents the auditing of claims to identify underpayments by comparing actual payments to contracted terms for specific procedures. Recovering the differences between the two is "zero balance". The Company enters into long term contracts with its hospital customers to collect these claims and earns it fees based upon a revenue sharing relationship with the hospital in accordance with the contractual terms between the two. Generally, the Company's proportionate revenue sharing contracts provide for a 30% payment on recovered amounts.

Billing Support: The Company provides a front end service to hospitals and other third party providers, analyzing claims prior to submission for payment to commercial insurance companies. The provision of this service to the Company's customers is clear evidence of a trusted and highly credentialed reputation insofar as the hospital seeking this service is relying heavily on an outside third party to support the entire billing process. The Company generally charges a fee for this service based upon time at a rate of cost plus 40%. All overheads are absorbed into the cost calculation.

Early Out: Claims are typically queried by payers for a variety of reasons. As claims are returned for further information, a backlog of partially completed claim filings results, which if not resolved before the expiration of the contractual period between the hospital and the payer, will result in the claim being denied. "Early out" refers to the process of acting on claims in the work-in-process bundle before they reach contractual expiration. This service is typically provided on a revenue share basis similar to Zero Balance.

Clinical Review: As the name implies, this service involves a review and audit of claims that have been denied for clinical reasons. The Company earns its fees from this line of business on a revenue

share basis. Generally, this service is supported by nurse practitioners who are skilled in determining medical necessity etc.

Special Projects: Relying on extensive domain expertise in the industry, and supported by the Titan management team, the Company identifies niche market opportunities that are not generally offered by other service providers. Revenue generated from this line of business can be either on a revenue share basis or a fee for service on time basis.

Omega Division Lines of Business

Revenue Integrity Analytics: Analytical software tools are utilized by Omega, combined with investigative expertise to identify risks and opportunities in the revenue cycle. Revenue integrity analytics services are offered on a real time basis to analyze charging and billing issues that reduce or delay reimbursement. These services include claims analysis for coding integrity, audit and recovery of missing charges and analysis of revenue cycle for improved performance.

Revenue Recovery Services: This comprehensive clinical review of outpatient claims ensures that all documented items were billed, that all billed items were charged appropriately, and that all payments were in accordance with designated contracts

Missing Charge Software: OCExaminer software was developed based on nearly 20 years of experience in performing revenue recovery. Omega offers exclusive lost charge edits that are designed to quickly identify revenue enhancement opportunities

CDM Integrity Software: The charge master is the heart of the hospital´s revenue cycle. Omega´s ChargeMASTER application is designed to ensure that the hospitals charge master is complete and compliant. ChargeMASTER provides real-time validation, unlimited licensing, and iPhone™ simplicity, allowing hospital staff to quickly and easily maintain the clinical data management (CDM).

Contract Analysis Service: Hospitals are typically reimbursed in accordance with contract terms. Omega has developed proprietary technology that facilitates a quick analysis of claims information to ensure that payment is being made correctly.

Remote Coding: Increasingly, HIM directors are turning to outside resources to keep accounts moving. Omega has a large staff of certified coders to provide outsourced remote coding.

Technology and Scale

Management's assessment of the RCM market is that many of the service providers supporting third party outsourcing of denied claims, lack the ability to scale and therefore grow. Scale can be introduced with software solutions and workflow tools that streamline and integrate the vast amounts of data created on individual claims, and automate the audit process. The Company has engaged e5 Workflow Solutions Inc. to develop specific work flow tools for application in Titan's operation. As a result of the acquisition of Omega's assets, the Company acquired a select suite of software products used internally by Omega in the delivery of its services to hospitals. The

Company has successfully integrated many of these software tools into the Titan business unit resulting in more scalable operations and the ability to offer additional services to its customers.

A brief description of the software products is set forth below:

i) C*harge*MASTER: ChargeMASTER is a comprehensive resource for hospital chargemaster and management information system (MIS) staff. Since it is a web-based application, *ChargeMASTER* is available to analyze the CDM any time. The system can instantly pinpoint items that need to be updated for regulatory compliance and identify new or revised codes that will increase reimbursement yields.

ChargeMASTER contains 3 modules:

- Coding Alerts: invalid/incorrect Healthcare Common Procedure Coding (HCPC)/Current Procedural Terminology(CPT)/Revenue Codes, Fraud and Abuse Alerts
- Pricing Analysis: uniform pricing issues and charges that are below Outpatient Prospective Payment System (OPPS) payment rates
- CDM Modeling: Companion Code models, CPT department models

In addition, *ChargeMASTER* provides *information* to assist the user in identifying possible *solutions*.

A *ChargeMASTER* report completes the following functions and is used internally by Omega to provide the following revenue integrity services to its customers: Shows how/where to immediately bring the CDM into regulatory compliance, identifies coding errors that would cause claims to be rejected, identifies linked (companion) codes that are missing from the CDM, identifies charges that are below OPPS rates, and shows how to correct errors so they do not recur.

ii) OC Examiner Charge Capture Software: OCExaminer delivers unique charge capture software designed to help hospitals optimize its revenues. Omega's 20 years of experience in performing hands-on lost charge recovery engagements has resulted in the development of an unmatched revenue capture software. OCExaminer is designed to analyze claims to ensure that any potentially missing charges are identified prior to submitting the bill.

There are five core components of OCExaminer's LCR (Lost Charge Recovery) edits:

- Interventional Radiology
- Drug Administration
- Carve Outs
- Omega's Proprietary LCR Edits
- User-defined Edits

OCExaminer typically identifies between an 8% and 15% potential error rate on previously scrubbed claims.

It also helps ensure compliance by automatically checking for:

- Medicare and Medicaid coding issues
- RAC alerts
- NCDs and LCDs

iii) One Point: ***OnePoint*** is a comprehensive resource for hospital and MIS staff since it is a web-based application.

OnePoint contains 6 modules;

- ChargeMASTER
- OCExaminer
- Patient Eligibility Determination
- Claims Management
- Remittance Advices
- Work Flow for both ChargeMaster and OCExaminer

Revenue Integrity In Healthcare

Healthcare providers have long relied on conventional revenue cycle management practices to drive and ensure financial performance, yet most are not collecting all the revenue to which they are entitled. This disparity – the gap between the amount of revenue that providers are entitled to and the amount of reimbursement eventually received – is called revenue leakage, and it's a significant problem. Vast amounts of reimbursement are lost daily due to inaccurate pricing, charging, and coding of services and supplies related to patient care. Most healthcare organizations realize they're missing revenue, but are unable to detect the source or extent of the leakage.

In today's healthcare environment, optimal financial performance requires more than cost reduction strategies, random audits, and denial management. Recent studies suggest that 92 percent of hospitals lose money on outpatient services – the fastest growing segment of hospital billable services – and having to redo medical necessity denials costs some hospitals more dollars than they ultimately receive in collections. This adds up to lost revenue contributing to the negative margins experienced by nearly one-third of hospitals. Moreover, today's financial and labor market forces are dictating that healthcare providers do more with fewer resources. At the same time, they must deliver the outstanding quality care their communities deserve, while abiding by the government stipulations designed to protect and regulate the industry.

Drivers of Revenue Integrity:

Those who focus only on decreasing costs lose out to those who focus on optimizing revenue. According to a recent Thomson Reuters report, the most profitable hospitals derive more of their advantage from enhancing revenues than from controlling costs and, spending more for supplies, drugs, and other direct expenses than their less profitable counterparts. Also, they pay higher salaries and benefits, but have more productive employees, offsetting higher compensation levels. At best, reducing costs represents a small fraction of full revenue potential. A comprehensive revenue integrity program is needed.

Historically, healthcare organizations had to focus primarily on whether reimbursements were accurate. Even now, some are still struggling to get accurate claims out the door with little time or resources for meeting new challenges. Mounting concerns about rising costs, compliance requirements, and reduced reimbursement are further complicated by the increased number of auditing entities. For example, The Patient Protection and Affordable Care Act has created an additional Recovery Audit Contractor (RAC) program for Medicaid with the goal of identifying and recouping over- and under-payments in that program. Hospitals must be prepared to receive inquiries – from multiple audit entities from federal, state, and commercial programs – that will increase their operating costs and burdens.

Charge Capture:

One of the most common sources of revenue leakage is related to improperly captured or incorrectly billed charges for procedures and supplies. Hospitals may know they're losing revenue, but fail to realize the extent to which incorrect charging and coding contribute to the problem. Further, most hospitals lack the ability to see into their charge capture business processes and data in a way that empowers them to identify the specific sources of revenue leakage – where their actions are out of alignment with industry best practices – and then to stop the leakage at its source. The greatest charge capture risks exist in high-volume, large revenue-producing departments, and in areas with complex coding requirements such as cardiology, radiology, and pharmacy.

Pharmacy is a prime example, where the root of the problem lies in the gap between the pharmacy spend data and the chargemaster data. Possibly the greatest potential for leakage occurs when reimbursable medications are missing or miscoded in the chargemaster. A single erroneous code can cause every transaction entered against that code to be wrong, resulting in potentially millions in lost revenue. A single coding error can be caused by something as simple as a typo in a dispensing cabinet. There is no way to detect such a typo without comparing the pharmacy spend data to the chargemaster data and looking for specific products being purchased but not successfully billed.

According to an April 2009 HFMA survey, nearly 50 percent of participants believe that using automated tools to recognize patterns of error and to measure performance is the best approach to improving charge capture.

Denials and Repayment:

The practice of finding and fixing issues on the back end of the revenue cycle (downstream) results in excessive reworking of claims to fix the same errors repeatedly, as well as a greater volume of denials and delayed payments. In addition to lost revenue, efforts to resolve these issues represent a significant drain on workflow and financial resources. Repayment of revenue captured incorrectly leads to substantial loss. If an organization is not consistently and completely compensated over time, serious financial liability ensues.

Moving forward with a more systematic means of identifying and addressing errors is often met with resistance. A sensible solution requires a fundamental shift from quantifying returns on investment (ROI) based on errors found downstream, to a process that ensures industry best

practices are followed from early in the revenue cycle all the way through to the measurement of real-time transaction accuracy. Making a successful transition depends on a high level of commitment to consistency, evaluation, and accountability, and a proactive plan for achieving these best practices.

Market Opportunity/ Revenue Cycle Management (RCM)

Industry Structure: The RCM industry is comprised of the following three tiers that deliver services to U.S. hospitals;

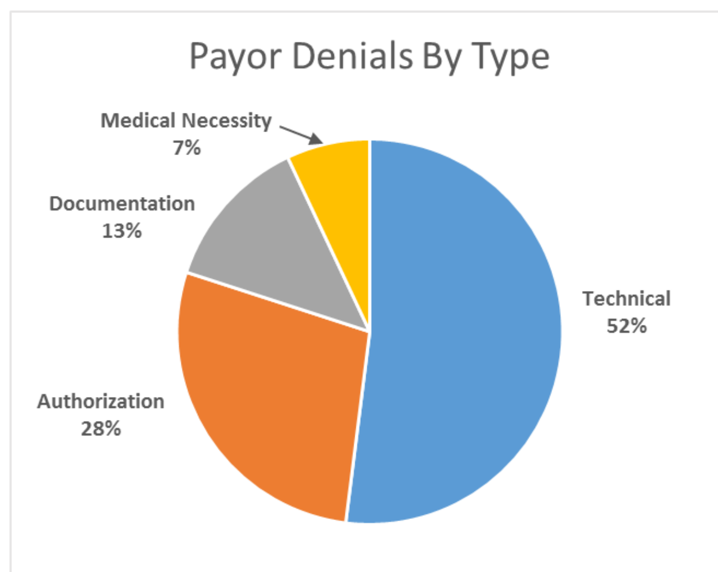
Tier One is the domain of large consultancies with multi-disciplinary practices. Their targets are large enterprise deployments.

Tier Two is comprised of vendors who generate between $100 million and $600 million in annual revenue. There are less than 5 competitors in this tier and they are typically targets of private equity aggregators.

Tier Three is comprised of many smaller vendors who generate between $2 million and $10 million in annual revenues. This segment is highly fragmented and largely undercapitalized. Companies in this tier, however, have great connectivity with their customers and are generally more resilient in supporting their customer's needs. This segment represents the acquisition target market for the Company.

The total addressable market (TAM) for RCM in the U.S. hospital market approaches US$1 trillion today. Recovered revenue on denied claims represents approximately 5% of the industry value or US$50 billion annually. While outsourcing claims recovery is in its infancy, logic would suggest that the industry must seek specialized outsourcing solutions simply, to survive and control cash in a largely cash-starved environment. Changing regulations at both federal and state levels, the introduction of ICD 10, and other factors affecting data workflow will demand both experienced and trusted outsourcing solutions combined with cloud based workflow that enables rapid scale. Since a significant percentage of the RCM hospital market is serviced by Tier Three providers, and since most lack the technology to scale and the capital resources to implement, acquisition opportunities abound.

The differentiating advantage will be technology and the Company recognizes the importance of implementing internal solutions to support the services offered to its customers. Systems, information and recovery process integration are the keys to maximizing recovery of denied claims. A marginal loss in gross dollars associated with denied claims generally has a significant impact on net operating profits. The following graph demonstrates the categories of denials by type.



Market Opportunity

U.S. hospitals write off between 3% and 15% of their annual revenue to denied claims as a result of coding errors, lack of pre-approvals, lapsed coverage or category allocation. Furthermore, over 50% of these denied claims are abandoned with no intervention whatsoever.

The state of U.S. healthcare is trending towards increasing complexity and with that comes the need for trusted service providers that can support existing operations without disrupting them and provide a much needed result; more efficient claims collections processes. Decreasing reimbursements, increasing regulatory complexities, a deteriorating payer mix, increased patient financial responsibility, significant compliance hurdles and a new consumer driven system are all adding to the very real opportunity for strategically well positioned, aggressive and trusted providers.

The Company intends to be highly opportunistic and strategic in its approach to this opportunity by leveraging its skilled industry knowledge and developing a clear and concise approach to acquisition opportunities, evaluated based largely on the connectivity of customer contracts to the acquisition target, the ability to maximize recurring revenues by extending contract terms and expanding service offerings to the targets existing offering and demonstrating CAGR of at least 30% annually.

The complexities associated with healthcare reform in the U.S. has placed increasing economic and compliance pressures upon a system already burdened with significant difficulties in reimbursement to providers, and in particular hospitals, by government and commercial payers. Approximately 15% of every healthcare dollar goes to claims processing, payments, billing, revenue cycle management, and bad debt according to a recent McKinsey report. In a $3.7 trillion healthcare market, this equates to in excess of $550 billion in lost revenue. Of this total, the estimated value of Certive’s near-term addressable market is approximately $5 billion.

The adoption of ICD 10, the latest revision of the International Statistical Classification of Diseases and Related Health Problems (ICD), is expected to add to this complexity as it became the industry standard in October 2015. The Centers for Medicare & Medicaid Services projects that in the early stages of ICD 10 implementation, healthcare claim denial rates will increase between 100% and 200%, and that payment delays, will grow by 20% to 40%, significantly growing the current market opportunity. It is believed that nearly 40% of all hospitals are considering end-to-end outsourcing for business process functions to improve efficiency, creating a significant, and largely untapped, market opportunity which Certive is uniquely poised to exploit.

Growth Strategy

Certive is focused on becoming a significant and dominant competitor in the US$50B claim audit and recovery segment of revenue cycle for U.S. hospitals. Business development with hospitals is almost exclusively built upon relationships with hospital CFO's. In the absence of acquiring the relationships it would be virtually impossible for any new entrant to this segment to even secure a first meeting with a hospital CFO.

Certive's growth strategy is to acquire customers through relationships and via acquisition of select Tier 3 companies and to invest in technology and business development, enabling scale, improving value for clients, and improving margins. Billing, auditing, and collection of claims are steps in a complicated process involving large quantities of claims and data. Skilled labor will always be part of the operational component of these services, but operational efficiency is a critical success factor to drive improved margins, scalability for growth, and the delivery of a differential value proposition for competitiveness. Analytical capabilities are also increasing in importance.

The Company is currently developing workflow tools that will improve the capacity to recover denied claims, with the simplest of process improvements and, in particular, in data capture. Certive will be driving implementation of these tools by mid-2015, with an expected 30% incremental increase in productivity. The Company intends to become a major player in this space. The growth strategy is therefore to utilize an asset acquisition process to gain customer access (i.e. hospitals) immediately with little or no marketing dollar investment

Since the Company made the Titan purchase twenty months ago the employee base has grown from 15 to 60 employees. The Company has introduced and is providing a new service referred to as "Billing Support" to many of its hospital customers, a service with a recurring revenue model. The Company has contracted with a former turn around CFO of major hospital systems in the U.S. that is guiding Certive to shape a company that provides a full service in the revenue cycle continuum assisted by technology that operates from the generation of the bill to the collection of it.

The Company's growth strategies are being refined as the Advisory Council and management address the strategic and tactical processes to obtain incremental cumulative growth. Customer acquisition is being facilitated through the acquisition of Tier 3 companies that provide revenue cycle management services to hospitals. Evaluation of the Company's acquisition targets is critical to ensuring that the customer acquisitions resulting therefrom have long term value. The Company refers to the growing base of customers acquired through the purchase of revenue cycle vendors

as part of its plan to enlarge its “footprint”. The Advisory Council will assist management in targeting additional service offerings that can thereby be sold into that footprint. Furthermore, the Company’s value should be enhanced as its footprint increases. The growth strategy is therefore impacted by the speed with which revenue cycle service vendor acquisitions can be accomplished, thus leading to a larger footprint. Having a clear understanding of hospital customer needs will then provide the capacity for incremental revenues and cross selling between and among these customers.

Role of the Advisory Council

The Company’s Advisory Council is comprised of seven highly credentialed individuals who collectively have years of domain expertise in U.S. healthcare. The curriculum vitae of each member of the Advisory Council have been clearly articulated in this MD&A and in prior disclosures. Of particular importance, however, is the fact that each member of the Advisory Council has now, and will continue to have, an ongoing, active role in shaping the future of the Company.

By way of explanation, Certive has with the appointment of Dr. Art Pelberg, access to a seasoned medical director with clinical experience and a wealth of experience in operating a highly successful “plan centric” healthcare enterprise. Charlotte Jacobs will serve to assess the viability of Certive’s acquisition targets in terms of technology prowess and the value of its hospital footprint to major participants in the U.S. healthcare industry. Jeffery Benton, with a lifetime career of excellence in the public markets and as a former Governor of the New York Stock Exchange, will be invaluable in shaping Certive’s messaging to the investment community. Don Gilbert, the distinguished Secretary of Health and Human Services for the State of Texas under Governor George W. Bush, will assist Certive nationally in reaching deep into relationships necessary to drive significant internal growth. Tom Marreel, will work as an integral part of Certive’s management to shape, direct and implement sales and marketing strategies for the consolidated enterprise. With cross selling opportunities abounding, Mr. Marreel will be a key to ensuring that Certive realizes the benefit from the acquired footprint. Fred Hatfield and Tim Hyland, both accomplished deal making, restructuring CFO’s will be implicitly necessary to drive efficiencies at the corporate level and ensure that Certive’s acquisition strategies are sound and meet the tests set for multipliers on enterprise value. Steve Schramm, an accomplished actuarial, who owns a very successful plan based analytics firm, will provide the ultimate elixir to ensure that disparate data becomes valuable and marketable information to healthcare executives in revenue cycle. Jack Chapman serves on the Advisory Council bringing years of experience as a hospital CFO and currently owns and operates as an independent consulting business advising large hospital systems on operating performance improvements. Scott Ivers also serves on the Advisory Board, representing one of the Company’s larger investors.

This talent pool has been assembled with the vision of enabling Certive to become a well- rounded, diversified force in U.S. healthcare and to be predictive rather than reactive to an ever changing landscape in a highly opportunistic yet disruptive environment.

RESULTS OF OPERATIONS – Nine Months Ended February 29, 2016: Certive Solutions Inc.

Results of operations are reported on a comparative basis with the fiscal period ended February 28, 2015.

The Company generated US$4,495,559 in gross revenue for the nine months ended February 29, 2016, comparative with US$2,720,216 for the nine months ended February 28, 2015, an increase of US$1,775,343 or 65% over the comparative nine-month period.

For the nine months ended February 29, 2016, the Company recorded gross revenues of US$4,495,559, of which Billing Support Services accounted for US$1,326,375, Claim Audit and Collections accounted for US$1,432,290 and Consulting Services accounted for US$411,755, with Chargemaster sales totaling US$1,292,160 and Dashboard sales totaling US$32,979.

There are several factors that will continue to impact gross revenues for the Company as follows:

a) Capacity to secure new customer relationships: As noted elsewhere in this MD&A, the Company's principal source of revenue growth is through acquiring and cross-selling services within its collective network of customers. Generally, as more acquisitions are completed there will be a corresponding increase in both gross revenues and operating margins. Despite a general increasing trend in revenues, there may be variations in quarterly revenues due to the timing of revenue recognition and the overall size of the collection accounts assigned to the Company from time to time by its customers.

b) The Billing Support revenue model is time and charges based and therefore very predictable. Claim Audit and Collections services are however based upon a revenue sharing model, generally 25%-40% of what is collected by the Company for its customers. This is not as predictable insofar as the quality of the accounts provided by the Company's customers will vary as to size and status making it difficult to identify, in advance, the estimated predictable recovery.

c) As an integral part of the reported gross revenues for the Company as at February 29, 2016, an amount totaling $502,503 was recorded as revenue representing work in process accounts. This is inconsistent with prior reporting periods and relates only to the Omega division. The rationale for including work in process as revenues for Omega is that the amount represents accounts for which Omega has billed the payer and for which it has a bona fide contractual agreement to receive a pro-rata share of the amount otherwise collectable by Omega's customer. Omega could technically secure payment of its portion of the recovery directly from the payer. The incremental increase in the work in progress for the current reporting period is immaterial and, therefore, the Company did not book any significant work in progress and accordingly this resulted in an approximate diminishment in gross revenues totaling $500,000.

For the nine months ended February 29, 2016, the aggregate direct payroll costs totaled US$2,536,580 or 56% of consolidated revenues for the period. This is a significant reduction in direct labor costs from an excess of 64% in the previous quarter. The reduction in direct labor costs is due to the reclassification of 3 management employees from direct payroll (operating expense) to salaries and wages (general operating expenses). This cost represents 81.4% of the total operating costs for the nine months. This is significant as it clearly defines the extent to which

labor plays a continuing and important role in driving revenues to the Company within the Titan division. It should be noted that with the acquisition contemplated herein, the Company will achieve significant reductions in direct labor costs, now estimated at 25% simply by applying the work flow tools and excess capacity in the target to its current operations.

The Company completed the acquisition of the Omega assets on July 15, 2015. Revenue generated for the quarter ended February 29, 2016 was US$310,209. For the nine months ended February 29, 2016, Omega recorded gross revenues of $1,292,160. Certive has, subsequent to the quarter end, secured additional contractual relationships with a significant hospital system located in the northeastern U.S., that represents in excess of $21,000,000 in gross revenues over a five-year period or approximately $5,000,000 annually in gross revenue.

Titan recorded US$2,758,665 in revenues for the nine months ended February 29, 2016 as compared to US$2,186,190 for the comparative nine months ended February 28, 2015 an increase of US$572,475 or 26% comparatively.

Consulting revenues generated by KCA for the nine months ended February 29, 2016 were US$444,734 as compared to US$534,026 for the nine months ended February 28, 2015 a decrease of US$89,292 or 17% occasioned by reduced consulting services provided to Maricopa County during the reporting period. This decrease is primarily due to state and county budgeting issues. Several programs were shelved in the current budget cycle but may be renewed when new budgets are tabled.

It is important to note that the Omega business unit is not as dependent upon labor to scale compared to Titan. Many of the business lines in Omega are facilitated with proprietary software technologies. During the quarter, the Company has furthered implementation of Omega's technologies into the Titan division and this initiative, combined with shifting the Titan labor pool, will provide a variable approach to staffing in the Titan division and thus reduce costs associated with staffing. Moreover, Titan has embarked upon an active outbound client facing initiative, the objective of which is to secure more lucrative groups of claims to audit leading to larger overall recoveries for the client and hence greater revenue share for Titan.

Consulting fees and contractor expenses are directly related to the KCA business unit and to the consulting income generated by KCA. As a practical matter, KCA hires contractors to perform the work on the contracts it has secured with counties. KCA has only one employee, that being Fred Erickson, founder of KCA. All other work is performed by contractors.

Consolidated gross operating margins for the nine months ended February 29, 2016 were US$1,381,221 or 30.7% of revenues, as compared to US$378,770 for the nine months ended February 28, 2015, or 13.9% gross margin. The increase in the margins is mainly due to the reclassification in direct aggregate payroll costs as explained above.

General overhead expenses for the nine months ended February 29, 2016 totaled US$4,000,080 as compared to US$1,760,467for the nine months ended February 28, 2015, an increase of US$2,239,613 or 127% over the comparative nine months.

The following were the most significant changes:

Sales and Marketing: The Company incurred US$269,746 of sales & marketing costs during the nine months ended February 29, 2016 as compared to no costs for the nine months ended February 28 2015. This was largely due to the initial investment in growth and the apparent need to invest significantly in marketing and sales initiatives in 2015. In the preceding comparative nine months, the Company did not engage in any direct selling activities largely due to the acquisition of Titan, which had a book of customers with recurring renewable contracts.

Salaries and Wages: Salaries and wages increased to US$586,743 from nil last year as 3 management employees from Titan and Omega were considered general expenses and not direct operating expenses.

Interest and Bank Charges: Interest and bank charges for the nine months ended February 29, 2016 totaled $319,330 as compared to US$325,690 for the nine months ended February 28, 2015 a decrease of US$6,360.

Consulting Fees: Consulting fees of US$921,978 was paid in the first nine months as compared to $331,286 for the first nine months ended 2015. The increase is related to contracts with additional third party providers, who have assisted the Company in several key areas including business development, tactical operational improvement and market functions.

Corporate Finance Fees: The corporate finance fees decreased by 44% from $283,930 to $159,000. Corporate Finance fees are not correlated with underlying business and are a function of fund raising and the fees negotiated on each financing. Fees over the last nine months were lower as a result.

Management Fees: Management fees of US$463,000 were paid to the Company's CEO, CFO and other C level executives during the first nine months ended February 29, 2016 as compared to US$282,400 in fiscal 2015, an increase of US$180,600. This increase was due to performance related incentives paid to management.

General and Administrative Costs: General administrative expenses increased from US$157,166 to US$358,158 for the nine months ended February 29, 2016, an increase of US$200,992 over the comparative nine months, wholly attributed to the general costs associated with operating the Titan, Omega, and KCA divisions during the year. All of the General and Administrative costs associated with Titan, Omega and KCA are recorded in this category.

Professional Fees: Professional fees paid for the nine months ended February 29, 2016 were US$429,083 as compared to US$137,283for the comparative prior year nine months. Increase in legal fees relates in part to due diligence being carried out on acquisition targets, advanced work done to prepare for the Reg D filings, and the Private Placement Memorandum.

Rent: Rent and occupancy costs for the nine months ended February 29, 2016 totaled US$220,350 as compared to US$105,995for 2015. Rent includes occupancy costs for the Company's head office and its operations in Tucson which employ 60 full time employees and its Ft. Lauderdale operations which employ 30 full time employees.

Travel and Promotion: Travel and promotion costs for the nine months ended February 29, 2016 were US$112,353compared to US$80,743 for the comparative nine months ended February 28, 2015. The additional travel costs are associated with the increased level of activity in the company and due diligence carried out on new acquisition targets.

The comprehensive loss for the nine months ended February 29, 2016 was US$2,618,859 as compared to US$1,381,697 for the nine months ended February 28, 2015, impacted by increased overhead expenditures netted against a greater dollar value gross profit.

The comprehensive loss for the three months ended February 29, 2016 was US$1,054,755 as compared to US$752,023for the three months ended February 28, 2015, impacted by increased overhead expenditures netted against a greater dollar value gross profit.

Operating margins on a consolidated basis decreased from 34.7% for the quarter ended November 30, 2015 to 28.1% for the quarter ended February 29, 2016. This was due to the fact we changed the way that Omega revenue was recorded last quarter. See Factors that influence gross revenue section (c).

The fully diluted loss per share outstanding as at February 20, 2016 was US$0.02 per share calculated on the basis of 47,162,694 consolidated weighted average common shares outstanding.

FINANCIAL POSITION

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).

The financial position as at February 29, 2016, is reported on a comparative basis with the Company's fiscal year ended May 31, 2015.

As at February 29, 2016, the Company had a working capital deficiency of $3,437,329. Based upon the conversion of debt obligations the adjusted working capital position is $2,862,329. The following schedule sets out the reconciliation of such conversions.

Convertible Debt	Debt Conversion	Adjusted Convertible Debt
$3,806,670	$575,000	$3,231,670

Short Term Loans	Debt Conversion	Adjusted Short Term Loans
$639,501	$0	$639,501

Current assets consisted of cash in the amount of US$596,798 and accounts receivable of US$1,049,948.

Current liabilities totaled US$5,329,781. Of this total, US$4,446,171 is represented by various categories of convertible promissory notes and other related convertible obligations of the

Company. Assuming that all convertible debt is indeed converted into shares of the Company, the adjusted total amount of current liabilities is $1,287,760 and the adjusted working capital is US$604,692as at February 29, 2016.

SELECTED ANNUAL INFORMATION

The following financial data, which has been prepared in accordance with International Financial Reporting Standards (IFRS), is derived from the Company's financial statements. These sums are being reported in U.S. dollars and did not change as a result of the adoption of policies concerning Financial Instruments.

		Year ended	
	May 31, 2015	May 31, 2014	May 31, 2013
Total Revenue	$3,862,837	$--	$--
Interest income	$--	$--	$--
Expenses	$6,177,515	$2,130,905	$9,368,440
Net loss	($2,314,678)	($2,130,905)	($9,368,440)
Total assets	$4,496,007	$414,719	$50,343
Total long-term liabilities	$	$--	$--
Net loss per share (basic and diluted)	($.06)	($.08)	($.37)

For the year ended May 31, 2013, the Company wrote off US$4,222,190 in goodwill that was deemed impaired at that date. The Company incurred a further US$981,165 in total expensed for the period. For the year ended May 31, 2014, the Company incurred operating and other costs totaling US$2,130,905. The difference between fiscal 2013 and 2014 is largely attributable to the write off of goodwill. Prior to June 1, 2014, the Company did not have operations and accordingly commenced segmenting its Consolidated Statements of Comprehensive Loss for the quartered ended November 30, 2014.

SELECTED QUARTERLY INFORMATION

The following table summarized the results of operations for the four most recent quarters.

	Three months ended			
	February 29, 2016	November 30, 2015	August 31, 2015	May 31, 2015
Total Revenue	$1,148,411	$1,934,087	$1,413,061	$1,142,621
Interest income	$ --	$ --	$ --	$ --

Expenses	$2,203,167	$3,412,479	$1,883,773	$2,075,602
Net loss	($1,054,756)	($1,478,392)	($ 470,712)	($ 932,981)
Net loss per share and diluted loss per share	($.02)	($.01)	($.02)	($.02)

	Three months ended			
	February 28, 2015	November 30, 2014	August 31, 2014	May 31, 2014
Total Revenue	$ 979,059	$ 837,872	$ 903,285	$ --
Interest income	$ --	$ --	$ --	$ --
Expenses	$1,731,082	$ 1,340,907	$1,029,924	$ 864,554
Net loss	($ 752,023)	($ 503,035)	($ 126,639)	($864,554)
Net loss per share and diluted loss per share	($.01)	($.01)	($.00)	($.08)

Summary of Quarterly Results

From the quarter ended February 28, 2013 to the quarter ended May 31, 2014, the Company was a development stage enterprise and had no income. For these periods, expenses varied due to expenditures on business development. For the year ended May 31, 2013, the Company wrote off investments in certain assets which significantly impacted the total expenses for the year and for the quarter as well as reported net losses.

For the quarter ended August 31, 2014, the Company completed its first acquisition and recorded revenues of US$903,924 with expenses including additional payroll of US$1,029,924. The resulting loss of US$126,639 was anticipated given the fact that several new categories of operating costs were incurred. For the quarter ended November 30, 2014 the Company recorded revenues of US$837,872 with expenses of US$1,340,907. The loss US$503,035 was the result of increased labor costs and expenditures on technology workflow development plus increased general administration costs. For the quarter ended February 28, 2015, revenues were US$979,059, up US$141,187 over the previous quarter or 17%. The Company recorded expenses in the quarter totaling US$1,731,082, an increase of US$390,175 over the preceding quarter. The recorded loss increased by $248,988 largely due to increased hires in November 2014 for new business anticipated in March 2015. The Company estimates a 90-day training period for all new

employees. For the quarter ended May 31, 2015, gross revenues were US$1,142,632, up US$163,562 from the preceding quarter or 27%. Total expenses were US$2,075,602 resulting in a comprehensive loss of US$932,981. For the quarter ended August 31, 2015, gross revenues were US$1,413,061, up US$270,440 from the preceding quarter or 24%. Total expenses were US$1,883,773 resulting in a comprehensive loss of US$470,712.

For the quarter ended November 30, 2015, the Company recorded revenues of US$1,934,087. The Company recorded operating expenses of US$1,262,870 for the quarter ended November 30, 2015, representing a 34.7% operating margin. Overhead expenses totaled US$2,149,609 for the three months. Comprehensive loss for the three months ended November 30, 2015 was US$1,478,392.

For the quarter ended February 29, 2016, the Company recorded gross revenues of $1,148,411. This is a reduction in quarterly earnings from the previous quarter of $785,676 (previous quarter revenue of $1,934,087). In the preceding quarter, the Company recorded $500,000 in revenues related to billings outstanding at the quarter end for which Certive had completed the work and for which there were contracts for payment in place. In the current quarter the incremental billings were immaterial and not recorded thus contributing significantly to the reduced revenue. In addition, December is traditionally a very slow month for billings in the Titan division. Traditionally revenues are lower by 20% and that was in fact experienced in the current quarter ended February 29, 2016. March revenues totaled $497,000 up by approximately $115,000 over the preceding month of February. Anticipated gross revenues for the 4th quarter should be in the historical quarterly range of $1,500,000 for the final three months of fiscal 2016.

Operating margins for the quarter were 28% of gross revenues compared to 30% for the nine months ended February 28, 2015. Total gross margin for the quarter was $322,653 on revenue of $1,148,411. Direct payroll costs represented 60% of revenues for the quarter.

General operating expenses totaled $1,377,409 for the quarter or $459,136 per month. A significant contributor to the operating expenses was the salaries paid to key divisional operating managers totaling $441,569. As the Company begins to consolidate its overhead costs, all management at the operational level will be reported in this category as it more appropriately represents Certive management of the consolidated enterprise.

Sales and marketing costs increased to $136,386 from $65,546, this represents an increase from the preceding quarter by $70,840 representing a significant investment in growing customers in Certive’s various markets. Management initiated some cost reductions in respect of consulting fees, management fees and professional fees during the quarter. This signifies the variability in overheads which is essential to effectively manage revenue swings that are very common in this industry. Certive will continue to manage its overhead costs on a variable basis so as to remain as resilient as possible within fluctuating periods of revenue.

Comparatively, on revenues of $1,934,087 in the preceding quarter, Certive recorded a comprehensive loss of $1,478,392 whereas in the current quarter, the Company recorded revenues of $1,148,411 and a comprehensive loss of only $1,054,755, a clear demonstration of cost containment.

LIQUIDITY

a) As at the date of this MD&A, the Company has sufficient working capital to cover its operating overhead costs for a period of 3 months. Each of the Titan and KCA divisions generate revenues for their divisions in excess of breakeven volumes and therefore no additional capital is currently required to support their operations save and except for allocated expansion resources.
b) Other than as set forth herein, there are no expected fluctuations in the Company's liquidity, taking into account demands, commitments, events or uncertainties.
c) The Company does not currently have any liquidity risks associated with financial instruments.
d) The Company does not currently expect to have a working capital deficiency after it has converted the currently outstanding convertible notes as noted above.
e) There are no balance sheet conditions or income or cash flow items that may affect the Company's liquidity.
f) The Company has two subsidiaries at the date of this MD&A.
g) There are currently no defaults or arrears by the Company on dividend payments, lease payments, interest or principal payment on debt, debt covenants; redemption or retraction or sinking fund payments.

CAPITAL RESOURCES

There are no known trends or expected fluctuations in the Company's capital resources, including expected changes in the mix and relative cost of such resources.

OFF BALANCE SHEET ARRANGEMENTS

As at April 29, 2016, the Company had no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company does not have any other proposed transactions to discuss at this time, other than as is disclosed in Subsequent Events.

TRANSACTIONS WITH RELATED PARTIES

a) As of February 29, 2016, the Company had advanced US$86,682 to Canadian Data Preserve, Inc., a company with common directors. The common directors are Brian Cameron, Van Potter, and Jack Saltich. The advances are secured with a promissory note bearing interest at 8% per annum. The advance has not been repaid at the date of this MD&A. During the current financial year, the Company has recorded allowance for doubtful debts for the amount of the receivable recorded at that date. Subsequent to the year end, Canadian Data Preserve Inc. has advised the Company that it intends to complete an acquisition and fund a new business venture. The amount allowed for at year end may therefore be recoverable and the Company has continued to fund Canadian Data Preserve Inc.

b) After the completion of the Plan of Arrangement Agreement, the Company paid and accrued consulting fees of US$15,000 plus taxes to Tulox for services provided in spinning off Tulox's interest in the Licensing Agreement to a separate entity. As of May 31, 2013, the Company still owed Tulox US$1,800 with respect to this service.

c) As of November 30, 2014, the Company owed US$20 to Tulox with respect to funds advanced in order to cover monthly bank charges. The loan is non-interest bearing and has no fixed term of repayment.

d) During the nine months ending February 29, 2016, the Company paid management, consulting, and director's fees and salaries to key management personals totaling US$1,060,250.

Michael Bartlett	$ 58,000
Brian Cameron	$ 231,500
Van Potter	$ 231,500
Ann Fierro	$ 135,000
Fred Erickson	$ 114,200
Thomas Hoehner	$ 149,550
Todd Hisey	$ 140,500
Total	$1,060,250

e) As at February 29, 2016, the Company loans receivable of $240,505 from related parties as follows:

   i. Due from Canadian Data Preserve Inc. US$86,682
   ii. Due from Titan US$124,822
   iii. Due from Omega US$24,000
   iv. Due from Van Potter US$5,000

f) As of February 29, 2016, the Company had Loans and Convertible Loans due to related parties as follows:

   i. Convertible Note due to Titan Health Management Solutions Inc. US$1,800,000
   ii. Convertible Note due to Omega Technology Solutions Inc. US$600,000
   iii. Loan due to Van Potter - US$20,000
   iv. Loans payable of $355,595 to the following related parties

i.	Omega Technologies	$65,313
ii.	Knowledge Capital Alliance	$79,396
iii.	Titan Health Management	$206,386
iv.	Other	$4,500

OUTSTANDING SHARE DATA

Authorized: unlimited common shares without par value
unlimited preferred shares without par value

Issued and Outstanding:

	Number of Shares		Amount
Common share issued on incorporation	1	$	1
Cancellation of incorporator share	(1)		(1)
Issuance of shares in pursuant of Plan of Arrangement	6,038,667		15,000
Issued in respect of the acquisition of AIN	8,958,000		179,160
Issued for cash	1,940,000		97,000
Exercise of options	1,000,000		50,000
Balance as at February 28 2012	17,936,667	$	341,160
Consolidation 7:1 as at April 27, 2012	2,562,381	$	341,160
Issued in respect of AIM acquisition	9,735,143	$	3,407,300
Issued in respect of VVT acquisition	13,275,000	$	4,646,425
Issued in respect of private placement	2,550,830	$	1,075,396
Subscription Receivable		$	(20,000)
Balance as at May 31, 2012	28,133,354	$	9,450,281
Issued as Bonus on Debentures	184,000	$	108,820
Balance as at May 31, 2013	28,317,354	$	9,559,101
Common shares issued for:			
Cash - $015	2,666,667	$	400,000
2:1 Share Consolidation	(15,490,700)		
Private Placement - $.10	24,114,810	$	2,411,481
Treasury Order - $.1	1,430,960	$	144,689
Balance at August 31, 2014	41,039,091	$	12,515,271
Private placement - $.14	1,277,864	$	180,365
Private placement – Adjustment	(1,333,333)		(400,000)
Balance at February 28, 2015	40,983,622	$	12,295,636
Private placement - $.30	13,457,310	$	4,037,193
Private placement - $.11	6,976,922	$	882,500
Private placement - $.15	78,750	$	8,567
Private placement - $.15	1,169,231	$	145,756
Private placement – Adjustment	(384,615)	$	(50,000)
Private placement - $.15	1,887,590	$	199,769
Private placement - $.15	2,000,000	$	300,000
Private placement - $.15	916,667	$	275,000
Balance as at April 27, 2016	67,085,477	$	18,064,421

Stock Options:

The following stock options were granted as at December 29, 2015:

Van Potter	508,708
Brian Cameron	508,709
Jack Saltich	500,000
Mike Bartlett	500,000
John Shackleton	500,000
MaryAnn Miller	300,000
Fred Hatfield	200,000
Arthur Pelberg	200,000
Tim Hyland	200,000
The Marreel Family Trust	800,000
Steve Schramm	200,000
Charlotte Jacobs	600,000
Jeffrey Benton	200,000
Don Gilbert	200,000
Scott Ivers	200,000
Jack Chapman	200,000
Johnathan More	550,000
Mouane Sengsavang	150,000
Robert Kang	150,000
Ian Moddison	250,000
Peggy Turner	130,000
Dale Fitzhenry	500,000
Total	7,547,417

The following options were in existence prior to the above grant.

Van Potter	2,250,000
Brian Cameron	2,250,000
Ian Moddison	250,000

Warrants:

As at April 29, 2016 there were 13,457,310 warrants outstanding, exercisable until December 1, 2017 an average price of US$0.35 per share. On December 29, 2015 warrant holders exercised an aggregate of 6,976,922 outstanding common share purchase warrants of the Issuer at a price of US$0.11 per share (CDN$0.15) for total gross proceeds of US$767,461 of the issuer.

On December 29, 2015 6,976,922 warrants were exercised for $882,500.

CONTINGENCIES

Except for the commitments mentioned in Liquidity subsection (b), there are no other contingencies outstanding as of date of this discussion.

SUBSEQUENT EVENTS

Subsequent to the Company's quarter-end, February 29, 2016, the following material subsequent events are reported:

On March 29, 2016, the Company executed an advisory services agreement with Dawson James Securities Inc., ("Dawson James"), a leading investment banking and securities firm, to provide strategic advisory services. Dawson James' head office is located in Boca Raton, Florida with branch offices in Columbia, Maryland and New York, New York. Dawson James is to assist the Company, by evaluating capital market options in support of strategic growth opportunities as well as broadening the Company's exposure to institutional and retail investors.

On April 13, 2016 the Company appointed Michael Miller as Chief Internal Legal Counsel.

CONTROLS AND PROCEDURES

The Chief Financial Officer is responsible for establishing and maintaining effective disclosure controls and procedures for the Company as defined in National Instrument 52-109 *Certification of Disclosure in Annual and Interim Filings.* Management has concluded that as of October 28, 2011, discussion of disclosure controls and procedures is preemptive; however, once operations begin, such controls will be effective enough to provide reasonable assurance that material information relating to the Company would be known, particularly during the period in which reports are being prepared.

Disclosure controls and procedures

The Chief Financial Officer is responsible for establishing and maintaining effective disclosure controls and procedures for the Company as defined in National Instrument 52-109 *Certification of Disclosure in Annual and Interim Filings.* Management has concluded that as of October 28, 2011, discussion of disclosure controls and procedures is preemptive; however, once operations begin, such controls will be effective enough to provide reasonable assurance that material information relating to the Company would be known, particularly during the period in which reports are being prepared.

Internal control over financial reporting

The Chief Financial Officer is responsible for establishing and maintaining effective internal control over financial reporting as defined in National Instrument 52-109. Because of its inherent limitations, internal control over financial reporting may have material weaknesses and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has concluded that internal control over financial reporting will be effective. The design and operation of internal control over financial reporting will provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable generally accepted accounting principles.

Internal control over financial reporting will include those policies and procedures that establish the following: maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and dispositions of assets; reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable generally accepted accounting principles; receipts and expenditures are only being made in accordance with authorizations of management and the Board of Directors; and reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets.

Management will design internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

Segregation of duties

Currently duties have not been segregated due to the small number of individuals involved in this start-up. This lack of segregation of duties has not resulted in any material misstatement to the financial statements.

As the Company incurs future growth, management plans to expand the number of individuals involved in the accounting and finance functions. At the present time, the Chief Executive Officer and Chief Financial Officer oversee all material transactions and related accounting records. In addition, the Audit Committee of the Company review on a quarterly basis the interim financial statements and key risks and will query management about significant transactions.

Complex and non-routine transactions

The Company may be required to record complex and non-routine transactions. These sometimes will be extremely technical in nature and require an in-depth understanding of Canadian GAAP. Finance staff will consult with their third party expert advisors as needed in connection with the recording and reporting of complex and non-routine transactions. In addition, an annual audit will be completed and presented to the Audit Committee for its review and approval.

These consolidated financial statements, including comparatives have been prepared in accordance with International Accounting Standards ("IAS") 1, "Presentation of Consolidated financial statements" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value as explained in the accounting policies set out in Note 3. In addition, these consolidated financial statements have been prepared using the accrual

basis of accounting, except for cash flow information. The comparative figures presented in these consolidated financial statements are in accordance with IFRS.

These consolidated financial statements were authorized by the audit committee and board of directors of the Company on April 27, 2016.

Comparative periods

Prior period comparative figures have been amended to conform to the current period's presentation. Previously, the Company's due from and due to related parties were reported separately on the statement financial position. They are now reported as a net figure under due from related party.

Use of estimates and judgments

The preparation of the consolidated 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 financial statement. 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 periods 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 Group will generate taxable earnings in future periods, 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

periods.

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.

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. dollar. 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*.

SIGNIFICANT ACCOUNTING POLICIES

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 Management Inc.	Vancouver, BC	100%	Information Technology
Certive Technologies Arizona Inc.	Scottsdale, Arizona	100%	Information Technology

Foreign exchange

Transactions in currencies other than the U.S. dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are recognized through profit or loss.

Cash

Cash includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and subject to an insignificant risk of change value.

License

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. At the end of each reporting period, the License is reviewed to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. See Note 7 for details.

Financial instruments

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 group 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.

Financial liabilities

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 promissory notes, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost. The Company's accounts payables and other liabilities, due to related parties, short term loans and convertible debt are classified as other financial liabilities.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related

parties.

Future accounting pronouncements

A number of new standards, amendments to standards and interpretations are not yet effective as at February 28, 2015, and have not been applied in preparing this consolidated financial statement. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

Accounting standards issued and effective for years beginning January 1, 2013.

Consolidated financial statements

IFRS 10 *Consolidated Financial Statements* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard:

i) requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements.

ii) defines the principle of control, and establishes control as the basis for consolidation

iii) sets out how to apply the principle of control to identify whether an investor controls and investee and therefore must consolidate the investee

iv) sets out the accounting requirements for the preparation of consolidated financial statements. IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation-Special Purpose Entities.

Joint Ventures

IFRS 11 *Joint Arrangements* establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement.

Disclosure of involvement with other entities

IFRS 12 *Disclosure of Involvement with Other Entities* requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effect of those interests on its financial position, financial performance and cash flows.

Separate financial statements

IAS 27 *Separate Financial Statements* has the objective of setting standards to be applied in

accounting for investments in subsidiaries, joint ventures, and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements.
Investment in associates and joint ventures

IAS 28 *Investments in Associates and Joint Ventures* prescribes the accounting for investment in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture).

Interest-bearing loans and other borrowings

Interest-bearing loans and other borrowings are recognized initially at fair value less related transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of borrowings on an effective interest basis.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

Revenue recognition

Contract revenue is recognized when goods are shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

RISK FACTORS

Strategic and operational risks
Strategic and operational risks are risks that arise if the Company fails to develop sufficiently develop its strategic plans. These strategic opportunities or threats arise from a range of factors which might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is subject to normal industry credit risks. The Company's other receivable balance may consist of amounts outstanding on Harmonized Sales Tax Credits from Canada Revenue Agency. Therefore, the Company believes that there is minimal exposure to credit risk.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 29, 2016, the Company had a cash and cash equivalent balance of $1,892,452 and current liabilities of $5,329,781 of which $4,042,021 will be settled for stock.

Interest risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than U.S. dollar. Cash and accrued liabilities are denominated in Canadian currency. Therefore, the Company's exposure to currency risk is minimal.

RISKS AND UNCERTAINTIES

Risk Factors

In evaluating an investment in the Company's shares, in addition to the other information contained or incorporated by reference herein, investors should consider the following risk factors. These risk factors are not **a** definitive list of all risk factors associated with the Company and its business.

General and Industry Risks

The Company's business objectives in the next 12 months are to establish, by the end of 2014, (i) an expanded profitable operating business that can be sustained on an ongoing basis, (ii) a strong market position that will permit the company to rapidly and profitably expand the market for its products, and (iii) significant competitive advantages that will permit the company to sustain its market shares and profit margins.

Securities and Dilution

The purpose of the concurrent financing is to raise funds to carry out the Company's business objectives with the ultimate objective of establishing a human resources company providing unique Web-based solutions to the small and medium-sized business enterprises. The only source of future funds presently available to the Company is through the sale of equity capital or the assumption of debt. There is no assurance that such sources of financing will be available on acceptable terms, if at all. If the Company seeks additional equity financing, the issuance of additional shares will dilute the interests of their current shareholders. Failure to obtain such additional financings could result in delay or indefinite postponement of the Company's strategic goals.

Competition

The computer software backup/recovery industry is intensely competitive in all of its phases, and the Company will compete with many companies possessing greater financial resources and technical facilities than the Company.

Conflicts of Interest

Certain of the Company's proposed directors and senior officers are directors or hold positions in other public companies. If any disputes arise between these organizations and the Company, or if certain of these organizations undertake transactions with the Company's competitors, there exists the possibility for such persons to be in a position of conflict. Any decision or recommendation made by these persons involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other organizations. In addition, as applicable, such directors and officers will abstain from voting on any matter in which they have a conflict of interest.

No History of Earnings or Dividends

As a newly formed company, the Company has no history of earnings, and there is no assurance that the Company will generate earnings, operate profitably or provide a return on investment in the future. The Company has no plans to pay dividends for the foreseeable future.

Potential Profitability Depends Upon Factors Beyond the Control of the Company

The potential profitability of the Company is dependent upon many factors beyond the Company's control. Profitability also depends on the costs of operations, including costs of labor, equipment, electricity, regulatory compliance or other production inputs. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, events that cause worldwide economic uncertainty may make raising of funds for development difficult. These changes and events may materially affect the financial performance of the Company.

Dependency on a Small Number of Management Personnel

The Company is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the Company and its business operations.

Failure to perform contracts

Contracts for the Company's services may include penalties and/or incentives related to performance, which could materially affect operating results. Management provides for any anticipated penalties against contract value.

Project performance

Any inability of the Company to execute customer projects in accordance with requirements, including adherence to timetables, could have a material adverse effect on the Company's business, operations and prospects.

Intangible asset impairment

The Company has recognized the value of its contracts and customer list as an intangible asset. The Company assesses these assets periodically to evaluate if value recognized as an asset has become impaired. If the Company were to determine that the applicable expected future cash flows do not support the intangible asset book values, impairment would need to be recognized that could have an adverse impact on the financial results of the Company.

Future capital requirements

The Company's future capital requirements will depend on many factors, including inorganic growth initiatives, securing new contracts, the rate of expansion and the status of competitive products. Depending on these factors, the Company may require additional financing which may or may not be available on acceptable terms. If additional funds are raised by issuing equity securities, dilution to the existing shareholders may result. If adequate funds are not available, the Company may not be able to achieve its growth objectives and operational targets, which could have a material adverse effect on the Company's business.

Officers and Directors

Van Potter	CEO & Director
Brian Cameron	CFO & Director
John Shackleton	Executive Chairman of the Board and Director
Michael Bartlett	Vice Chairman and Director
Jack Saltich	Director
MaryAnn Miller	Director

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