



Certive Solutions Inc.

Condensed Consolidated Interim Financial Statements

For the period ended February 28, 2017

(Expressed in U.S. Dollars)

CONSOLIDATED FINANCIAL STATEMENTS

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NO Auditor Review of the Condensed Consolidated Interim
Financial Statements

The accompanying unaudited condensed consolidated interim financial statements of Certive Solutions Inc. (“the Company”), for the nine-month period ended February 28, 2017 have been prepared by management and have not been the subject of a review by the Company’s external independent auditors.

Certive Solutions Inc.

Vancouver, British Columbia
April 27, 2017

Certive Solutions Inc.

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

	Notes	February 28, 2017	May 31, 2016
ASSETS			
Current			
Cash		\$ 308,773	\$ 213,280
Receivables	4	1,208,422	1,057,189
Prepayments		1,550	2,281
Loans receivable	5	85,976	-
Total current assets		\$ 1,604,721	\$ 1,272,750
Non- Current assets			
Capital assets	6	15,787	47,355
Trade name	7,16	200,000	200,000
Goodwill	7,16	465,000	465,000
Customer list	7,16	3,526,402	3,526,402
Software development	8	389,820	367,992
Total Non-current assets		\$ 4,597,009	\$ 4,606,749
Total assets		\$ 6,201,730	\$ 5,879,499
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9	\$ 1,121,669	\$ 1,115,026
Convertible debt	10	1,407,708	4,051,370
Short term loan	11	878,254	573,442
Total current liabilities		\$ 3,407,631	\$ 5,739,838
SHAREHOLDERS' EQUITY			
Share capital	13	20,538,000	18,094,420
Reserve - Transactions costs	13	(585,689)	(529,689)
Reserve - Share options	13	2,380,482	1,948,098
Equity portion of convertible debt	10	348,334	621,878
Other equity instruments	12	3,378,032	937,139
Contributed surplus		445,933	445,933
Deficit		(23,710,993)	(21,378,118)
Total shareholders' equity		\$ 2,794,099	\$ 139,661
Total equity and liabilities		\$ 6,201,730	\$ 5,879,499

ON BEHALF OF THE BOARD:

"Brian Cameron" Director
Brian Cameron

"Van Potter" Director
Van Potter

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

Certive Solutions Inc.

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

	Notes	3 months ended		9 months ended	
		28-Feb 2017	29-Feb 2016	28-Feb 2017	29-Feb 2016
REVENUE					
Billing support		\$ 291,169	\$ 428,810	\$ 961,087	\$ 1,326,375
Claim audit and collections		589,411	304,557	1,885,892	1,432,290
Consulting revenue		58,530	97,095	202,790	411,755
Chargemaster revenue		302,630	310,209	1,039,782	1,292,160
Dashboard sales		18,080	7,740	60,377	32,979
TOTAL REVENUE		1,259,820	1,148,411	4,149,928	4,495,559
OPERATING EXPENSES					
Commission		-	-	-	-
Contractors and consultants fees		100,675	113,598	394,717	511,135
Direct Payroll and employees benefits		820,712	688,375	2,389,104	2,536,580
Travel to client sites		9,323	2,658	28,310	14,396
License Fees		1,031	2,928	4,712	6,190
TOTAL OPERATING EXPENSES		931,741	807,559	2,816,843	3,068,301
GROSS PROFIT		328,079	340,852	1,333,085	1,427,258
EXPENSES					
Sales and Marketing		(5,165)	136,386	49,535	269,746
Salaries and wages		246,811	441,569	692,204	586,743
Bank charges and interest expense		70,351	53,133	219,672	319,330
Commission		36,854	18,198	101,029	46,037
Consulting fees		59,250	50,000	186,250	348,878
Corporate finance		34,000	53,976	132,150	159,256
Depreciation expense		27,502	16,159	78,593	42,226
Management fees		121,000	101,000	410,000	463,000
Directors' fees		20,000	48,500	55,000	213,000
Advisory board fees		37,500	43,000	112,500	159,000
Foreign exchange		(20,759)	86,552	(22,786)	85,109
General and administrative		98,796	118,046	330,189	358,158
Investor relations		96,217	41,600	166,217	201,100
Professional Fees		88,234	46,605	275,775	429,083
Rent		103,949	84,072	279,736	220,350
Transfer agent and filing fees		5,249	6,687	23,209	32,748
Travel and promotion		50,116	50,124	144,303	112,353
TOTAL EXPENSES		1,069,905	1,395,607	3,233,576	4,046,117
Share options expense		-	-	432,384	-
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		\$ (741,826)	\$ (1,054,755)	\$ (2,332,875)	\$ (2,618,859)
Basic and diluted loss per common share	14	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.06)
Weighted average number of common shares outstanding		67,085,477	47,162,694	71,657,760	47,162,694

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

Certive Solutions Inc.

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

	28-Feb 2017	29-Feb 2016
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the year	\$ (2,332,875) \$	(2,618,859)
Adjustments for:		
Depreciation expense	25,701	42,226
Related parties	(85,976)	(216,505)
Changes in non-cash working capital:		
Receivables	(151,233)	(675,473)
Prepaid and other assets	731	(5,201)
Accounts payable and accrued liabilities	6,643	1,836,773
Net cash used in operating activities	<u>(2,104,625)</u>	<u>(1,637,039)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Capital assets	20,795	-
Software technology development costs	(36,756)	(56,928)
Business acquisitions	-	(200,000)
Net cash used in investing activities	<u>(15,961)</u>	<u>(256,928)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Convertible debt	512,794	(25,000)
Short term loan	611,083	(208,635)
Subscription payable	40,893	(2,967,193)
Common shares	1,051,309	4,838,784
Net cash used in financing activities	<u>2,216,079</u>	<u>1,637,956</u>
CHANGE IN CASH DURING THE YEAR	95,493	(256,011)
OPENING CASH BALANCE	213,280	852,809
CASH, END OF PERIOD	\$ 308,773 \$	596,798

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

Certive Solutions Inc.

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

	Number of shares	Share capital	Reserve Transaction costs	Reserve Share Options	Contributed surplus	(Note 12) Other equity instruments	Equity portion of convertible debt	Deficit	Total Equity
Balance at at May 31, 2015	40,983,622	\$ 12,295,636	\$ (144,689)	\$ -	\$ 445,933	\$ 2,047,139	\$ 479,268	\$ (15,642,431)	\$ (519,144)
Equity portion of convertible debt	-	-	-	-	-	-	146,314	-	146,314
Excercise of warrants	9,343,262	1,136,592	-	-	-	-	-	-	1,136,592
Private placement - Adjustment	13,841,926	4,087,192	(385,000)	-	-	(3,992,193)	-	-	(290,001)
Shares to be issued	-	-	-	-	-	3,167,193	-	-	3,167,193
Loss and comprehensive loss	-	-	-	-	-	-	-	(2,618,859)	(2,618,859)
Balance at at February 29, 2016	64,168,810	\$ 17,519,420	(529,689)	\$ -	\$ 445,933	\$ 1,222,139	\$ 625,582	\$ (18,261,290)	\$ 1,022,095
Balance at at May 31, 2016	67,085,477	\$ 18,094,420	\$ (529,689)	\$ 1,948,098	\$ 445,933	\$ 937,139	\$ 621,878	\$ (21,378,118)	\$ 139,661
Private placements	7,880,996	1,784,595	(56,000)	-	-	(50,000)	(318,687)	-	1,359,908
Share options	-	-	-	432,384	-	-	-	-	432,384
From convertible notes	-	-	-	-	-	2,490,893	-	-	2,490,893
Share options excercise	3,294,924	658,985	-	-	-	-	-	-	658,985
Equity portion of convertible debt	-	-	-	-	-	-	45,143	-	45,143
Loss and comprehensive loss	-	-	-	-	-	-	-	(2,332,875)	(2,332,875)
Balance as at February 28, 2017	78,261,397	\$ 20,538,000	\$ (585,689)	\$ 2,380,482	\$ 445,933	\$ 3,378,032	\$ 348,334	\$ (23,710,993)	\$ 2,794,099

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

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

The consolidated financial statements were prepared on a going concern basis, under the historical cost convention. The Company’s ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. The Company has minimal capital resources presently available to meet obligations which normally can be expected to be incurred by similar companies and has a working capital deficit of \$1,802,910 (May 31, 2016 - \$4,467,088), a loss for the period of \$2,332,576 (2016 - \$2,618,859) and a deficit of \$23,710,993 (May 31, 2016 - \$21,378,118).

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

2. BASIS OF PRESENTATION AND CHANGES TO THE ACCOUNTING POLICIES

Statement of compliance

The interim condensed consolidated financial statements for the period ended November 30, 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at May 31, 2016.

These consolidated condensed interim financial statements were authorized by the audit committee and board of directors of the Company on May 1, 2017

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

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

Use of estimates and judgments

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

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

i) Depreciation

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

ii) Recovery of deferred tax assets

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

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

iii) Contingencies

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

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

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

Determination of functional currency

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

Basis of consolidation

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

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

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets

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

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

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized through profit or loss.

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

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

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a Company of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

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

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

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

Financial liabilities (cont'd...)

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

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

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

Financial risk management

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

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

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

Financial instrument risk exposure

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

Credit risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments with the exception of the financial institutions which hold its cash. The Company manages this credit risk by ensuring that these financial assets are placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company's receivables consist primarily of harmonized sales tax due from the Canada Revenue Agency. The Company does not believe it has a material exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as described in Note 4. There is a risk that the Company may not be able to meet its financial obligation when they are due. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at May 31, 2016 the Company has no financial assets that are past due or impaired due to credit risk defaults.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

Foreign exchange risk

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

Transaction Costs

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

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

4. RECEIVABLES

	February 28, 2017	May 31, 2016
Amounts due from the Government of Canada pursuant to GST input tax credits	\$ 456	\$ 1,140
Trade receivables	751,053	685,648
Allowance for doubtful account	-	(86,512)
Work in progress	456,913	456,913
Total	\$ 1,208,422	\$ 1,057,189

- The average credit period on rendering of services is between 30 to 45 days. No interest is charged on outstanding trade receivables.
- All the Company's receivables are current and expected to be collected by the due date, except for the amount that was provided for doubtful provision
- In determining the recoverability of a trade receivable, management considers the history of collection from the client and any changes in credit quality of the receivable from the date the credit was initially granted.
- In the previous year, the Company provided a provision for doubtful accounts for the total amount receivable from one of its customers, who is experiencing cash flow issues, and therefore the collectability of this receivable is considered doubtful. No further changes have been made to the allowance for doubtful debts in the current year.

5. LOANS RECEIVABLE

Carried at amortized cost	February 28, 2017	May 31, 2016
Loans to related parties	\$ 564,000	\$ 478,024
Allowance for doubtful debts - related parties	(478,024)	(478,024)
Loans to other entities	-	-
Total	\$ 85,976	\$ -

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

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

*(Unaudited - Expressed in U.S. Dollars)***6. CAPITAL ASSETS**

	Note	Furniture and equipment
Cost as at May 31, 2015		54,270
Assets acquired as part of business combinations	7	75,000
Additions during the year		-
Cost as at May 31, 2016		129,270
Assets acquired as part of business combinations	7	-
Additions during the period		-
Cost as at February 28, 2017		129,270
Accumulated depreciation as at May 31, 2015	-	23,530
Depreciation for the year		(58,385)
Accumulated depreciation as at May 31, 2016		(81,915)
Depreciation for the period		(31,568)
Accumulated depreciation as at February 28, 2017		(113,483)
Net book value as at May 31, 2016		47,355
Net book value as at February 28, 2017		15,787

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

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

7. CUSTOMER LIST, RELATIONSHIPS AND BUSINESS COMBINATIONS

Customer relationships, Trade name and Goodwill

As part of several business combination transactions during the previous year, the Company acquired the trade name, customer portfolio and relationships of the acquiree, this resulted in recognizing intangible assets with indefinite lives of \$1,145,000 in 2016 and \$3,046,402 in 2015 at the acquisition dates, representing the value of the customer lists acquired.

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

Goodwill and trade names are inherently intangible assets with undeterminable lives; therefore, they are classified as intangibles with indefinite live for the purpose of the annual impairment test.

Accordingly, no amortization of the value associated with these assets has been calculated in the current year. At each year end, the Company tests impairment of its intangible assets with indefinite lives using standard measures for such impairment.

The intangible assets with indefinite lives of the Company consist mainly of the customer relationships, access to customer's information, supporting service agreements, trade names and Good will acquired during the following business combinations:

	Customer Relationships	Trade Name	Goodwill
Balance as at May 31, 2016	\$ 3,526,402	\$ 200,000	\$ 465,000
Acquisitions or disposals during the period	-	-	-
Balance as at February 28, 2017	\$ 3,526,402	\$ 200,000	\$ 465,000

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017
(Unaudited - Expressed in U.S. Dollars)

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

Business Combination transactions

Acquisition of Omega Technology Solutions LLC.

On July 15, 2015, the Company closed the acquisition of the assets of Omega Technology Solutions LLC., ("Omega") of Fort Lauderdale, Florida. The initial purchase price recorded for the purchased assets was one million four hundred thousand dollars (\$1,440,000) paid by Certive Technologies Arizona ("Certive USA") as follows:

- Initial payment in the amount of two hundred thousand dollars (\$200,000), paid on August 31, 2015.
- Four hundred thousand dollars (\$400,000) subscription receipt for Omega in the private placement which shall entitle Omega to 1,333,334 Units comprised of 1,333,334 common shares of Certive and 1,333,334 warrants exercisable into 1,333,334 warrant shares.
- Convertible promissory note on the date of initial closing for six hundred thousand dollars (\$600,000). The convertible promissory note will be non-interest bearing and have a two-year term from the date of initial closing. In the event that Omega elects, in whole or in part, to take cash as the form of payment on the promissory note, Certive shall have 60 days from the date of notification of such election to make the requested payment. The note is convertible at \$0.50 per share. Subsequent to May 31, 2016, Omega agreed to convert the \$600,000 obligation into shares of Certive at a price of \$.30 per share (*see Note 20 below*).
- In addition to this, and contingent on the results from operations, Certive USA will pay in the form of 1,300,000 preferred shares of Certive Solutions Inc. allotted but not issued until earned. Commencing on the date of initial closing and for a period of three years (the "Earn Out Period"), if at any time during the Earn Out Period Certive receives cumulatively \$1,000,000 in gross revenue from the acquired assets or from any of Omega's current software offerings, the preferred shares shall be redeemable by Certive at a price of one dollar (\$1.00) per share for each dollar (\$1.00) earned from the Scheduled Contracts by Certive USA in excess of \$1,000,000. Any shares not otherwise redeemed after the Earn Out Period will be cancelled at that time. At year end, the Earn Out Shares have been deemed to be earned out, and the fair value of preferred shares was assessed to be \$240,000.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

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

Acquisition of Omega Technology Solutions LLC (Cont'd...)

On September 28, 2015, the Company completed a valuation of the purchase price for the Omega assets. The valuation concluded that the total fair value of the assets acquired was as follows:

Operating asset category	Note	\$
Working capital		50,000
Fixed assets	6	75,000
Software	8	170,000
Trade name		200,000
Customer relationships		480,000
Goodwill		465,000
Total		1,440,000

Acquisition of Titan Health Management Solutions Inc.

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

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

- The Company paid Titan Health one hundred thousand U.S. dollars (\$100,000 USD) in cash on July 3, 2014. The Company will pay to Titan Health two hundred and eight thousand U.S. dollars (\$208,000 USD) in cash on or before December 31, 2015.
- In addition, the Company has signed a convertible promissory note, in original principal amount of one million eight hundred thousand U.S. dollars (\$1,800,000 USD), which Convertible Note shall provide for payment, plus accrued and unpaid interest, to be paid on or before December 31, 2015, if not otherwise converted into shares of the Company. Subsequent to May 31, 2016, Titan agreed to convert the \$1,800,000 obligation into shares of the Company at a price of \$.30 per share (see Note 20 below).
- The Company will issue to Titan Health a total of 1,000,000 common shares of Company in partial payment of the purchase price

The Company will also issue to Titan Health a total of 1,250,000 preferred shares of Company at the closing in partial payment of the Purchase Price which are convertible on a 1 for 1 basis into common shares of the Company on the following basis; Upon Titan Health generating cumulative aggregate gross revenues in the amount of \$4,200,000 in incremental revenue commencing July 1, 2014 and continuing until such cumulative gross revenues have been attained.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017
(Unaudited - Expressed in U.S. Dollars)

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

Acquisition of Knowledge Capital Alliance Inc.

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

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

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

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

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

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

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017
(Unaudited - Expressed in U.S. Dollars)

8. SOFTWARE DEVELOPMENT

	Note	
Balance as at May 31, 2016		\$ 367,992
Software acquired as part of business combinations	7	-
Additions during the period		68,853
Amortization		<u>(47,025)</u>
Balance as at February 28, 2017		<u>\$ 389,820</u>

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Falling due within the next twelve months	February 28, 2017	May 31, 2016
Accounts payable	\$ 624,660	\$ 361,952
Accrued liabilities	<u>497,009</u>	<u>753,074</u>
Total	<u>\$ 1,121,669</u>	<u>\$ 1,115,026</u>

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

10. CONVERTIBLE DEBT

During the period ended February 28, 2017 the Company didn't issue any convertible debts, and settled the following debts:

- The Company entered into a binding agreement with two of its related parties to convert the convertible debts owed to them with total face value of \$2,400,000 into shares, as a result of this agreement, debt portion was transferred from convertible debts to equity.
- On November 30, 2016, the company converted several converted debts with total face value of \$930,000 into shares; as a result, the liability and equity portion of these debts were transferred to share capital of the company.
- On February 28, 2017, the company settled several converted a debt with total face value of \$100,000 into shares; as a result, the liability portion of this debts were transferred to share capital of the company. The debt didn't have equity portion due to its short term.

The initial recognition of the liability component is as follows:

	February 28, 2017
Convertible debt issued during the year	\$ 530,880
Transaction costs	-
Equity portion of convertible debt	<u>(45,143)</u>
<u>Present value of the liability component of convertible debt</u>	<u>\$ 485,737</u>

The equity component of convertible debt is recognized as follows:

Balance as at May 31, 2015	\$ 479,268
Addition of convertible debt - equity portion	146,314
Equity portion of loans converted	<u>(3,704)</u>
Balance as at May 31, 2016	\$ 621,878
Addition of convertible debt - equity portion	45,143
Equity portion of loans converted	<u>(318,687)</u>
<u>Balance as at February 28, 2017</u>	<u>\$ 348,334</u>

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

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

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

Balance as at May 31, 2015	\$	3,313,915
Addition of convertible debt - liability component		553,686
Liability portion of debts converted or settled		(167,000)
Unwinding of discount		250,769
		<hr/>
Balance as at May 31, 2016	\$	3,951,370
Addition of convertible debt - liability component		485,737
Liability portion of debts converted or settled		(3,093,443)
Unwinding of discount		64,044
		<hr/>
Balance as at February 28, 2017	\$	1,407,708

11. LOANS PAYABLE

The loans are made of the following:

	February 28, 2017	May 31, 2016
Loans from related parties	\$ 320,847	\$ 307,722
Loans from other entities	557,407	265,720
	<hr/>	<hr/>
	\$ 878,254	\$ 573,442

All loans payable have no terms of repayment, are either non-interest bearing or bears interest at 10% per annum, and are unsecured. The loan holders and the Company are currently in negotiations to extinguish the debt for shares or financial assets.

On February 28, 2017, The Company settled a total of \$300,000 of short term debts to common shares.

12. SUBSCRIPTIONS PAYABLE

During the period the Company entered into binding agreement with two of its major related parties to settle the convertible debts totaling \$2,400,000 plus \$90,893 accrued interest owed to them in shares, as a result the amounts were classified to other equity instruments.

In addition, in the previous years, the Company has entered into several contractual agreements with several related parties to deliver shares in private placements totaling \$887,139 as settlement for businesses acquired.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

13. SHARE CAPITAL

a) Common stock

Authorized

Unlimited common shares without par value

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

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

Issued and outstanding

During the period ended February 28, 2017 the Company had the following share transactions

- On January 13, 2017 the Company issued 2,031,354 common share with a total value of \$406,271 to two of its Directors as share options exercise at a price of \$0.2 per share (CA\$0.25). The Directors immediately transferred the shares to debt holder to pay off total debts with face value of \$400,000 and \$6,271 of accrued interest.
- On September 12, 2016 the Company issued 2,101,523 units with value of \$630,456, as part of private placement at a price of \$0.3 per unit, each unit comprise of a common share and a share purchase warrant exercisable at \$0.35 and expiring at September 12, 2018.
- On November 30, 2016 the Company issued 509,443 units with value of \$152,833, as part of private placement at a price of \$0.3 per unit, each unit comprise of a common share and a half share purchase warrant exercisable at \$0.6 and expiring at November 30, 2018.
- On November 30, 2016 the Company issued 5,270,030 units with value of \$1,001,306, as part of private placement at a price of \$0.19 per unit, each unit comprise of a common share and a half share purchase warrant exercisable at \$0.5 and expiring at November 30, 2018.
- On September 12, 2016, the Directors of the Company exercised 1,263,570 share options at CA\$0.25 (US\$0.2) per share option.

During the year ended May 31, 2016 the Company had the following share transactions:

- On December 1, 2015, the Company issued 13,457,310 shares with value of \$4,037,193 for settlement of debts as part of private placement at \$0.30 per share to several unrelated parties, of which 1,283,334 shares with deemed value of \$385,000 was issued as finder's fees.
- On December 29, 2015, the Company issued 6,976,922 shares with deemed value of \$822,500, as part of warrants exercise at a price of \$0.13.
- On December 23, 2015, the Company issued 78,750 shares with deemed value of \$8,567, as part of warrants exercise at a price of \$0.11.
- On January 28, 2016, the Company issued 769,231 shares with value of \$100,000 for settlement of debts as part of private placement at \$0.12 per share to several unrelated parties.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

- On January 28, 2016, the Company issued 400,000 shares with deemed value of \$45,756, as part of warrants exercise at a price of \$0.12.
- On January 28, 2016, the Company cancelled 384,615 shares with deemed value of \$50,000, the shares were originally issued as part of private placement
- On February 19, 2016, the Company issued 1,887,590 shares with deemed value of \$199,769, as part of warrants exercise at a price of \$0.11.
- On March 11, 2016, the Company issued 2,000,000 shares with deemed value of \$300,000, as part of private placement at a price of \$0.15.
- On March 14, 2016, the Company issued 916,000 shares with deemed value of \$275,000, as part of private placement at a price of \$0.30.
- On July 31, 2014 the Company issued 200,000 shares with value of \$27,900 for services as part of private placement at \$0.14 (CAD 0.15) per share to unrelated parties.
- On November 11, 2014 the Company issued 1,077,864 shares with value of \$152,465 for settlement of debts as part of warrant exercise transaction at \$0.14 (CAD 0.15) per share to unrelated parties.
- On November 11, 2014, the Company cancelled 1,333,333 shares with a value of \$400,000; the shares were originally issued as part of private placement.

b) Share purchase warrants

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price
Balance as at May 31, 2014	14,149,032	\$ 0.15
Granted	-	-
Exercised	(1,077,864)	0.15
Balance as at May 31, 2015	13,071,168	\$ 0.17
Granted	1,333,333	0.35
Exercised	(9,343,262)	0.12
Balance as at May 31, 2016 and February 28, 2017	5,061,239	\$ 0.32

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

c) Share based payments

The following table summarizes the continuity of share purchase options:

		Number of options	Exercise Price CA\$	Share options reserve	Expiry date
Granted	i)	7,547,417	\$ 0.25	1,205,936	December 31, 2020
Granted	ii)	5,725,000	0.25	742,162	November 17, 2018
Cancelled	ii)	(975,000)	0.25	-	November 17, 2018
Balance as at May 31, 2016		12,297,417	\$ 0.25	\$ 1,948,098	
Execised on September 13, 2016	iii)	(1,263,570)	0.25		
Execised on January 13, 2017	iv)	(2,031,354)	0.25		
Granted	v)	2,100,000	US\$ 0.22	432,384	September 13, 2021
Balance as at February 28, 2017		11,102,493		\$ 2,380,482	

Basis for Black – Scholes calculation

As of February 28, 2017 the Company had the following share options plans

- i. During the year ended May 31, 2016, the Company granted 7,547,417 stock options. The weighted average fair value of the options granted of US\$1,205,936 was determined by the Black-Scholes pricing model using the following assumptions: risk-free interest rate of 0.62%; expected life 5 years; expected volatility – 186%; expected dividends – nil; and provision for forfeiture of nil. The options granted vested on the grant date.
- ii. The Company granted 5,725,000 stock options. The weighted average fair value of the options granted of US\$742,162 was determined by the Black-Scholes pricing model using the following assumptions: risk-free interest rate of 1.58%; expected life 4 years; expected volatility – 133%; expected dividends – nil; and provision for forfeiture of nil. The options granted vested on the grant date. On December 31, 2015, the Company cancelled 975,000 of the issued options under this plan.
- iii. On September 31, 2016 the Director's of the Company exercised a total of 1,263,570 of share options in the same number of shares at CA0.25 (US\$0.20) per share option, for total proceed of \$252,714. The Company recorded the total amount of proceed in its share capital account.
- iv. On January 28, 2017 the Director's of the Company exercised a total of 2,031,354 of share options in the same number of shares at CA0.25 (US\$0.20) per share option, for total value of \$406,271. The Directors immediately transferred the shares to debt holder to pay off total debts with face value of \$400,000 and \$6,271 of accrued interest.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

- v. On September 13, 2016, the Company granted 2,100,000 stock options to two of its directors. The weighted average fair value of the options granted of US\$432,384 was determined by the Black-Scholes pricing model using the following assumptions: risk-free interest rate of 0.6%; expected life 5 years; expected volatility – 165%; expected dividends – nil; and provision for forfeiture of nil. The options granted vested on the grant date.

14. BASIC AND DILUTED EARNING (LOSS) PER SHARE

The calculation of basic earnings (loss) per share for the period ended February 28, 2017 was based on the net loss attributable to common shareholders of \$2,233,576 (2016 – \$2,618,859) and the weighted average number of common shares outstanding of 71,657,760 (2016 – 47,162,694) respectively.

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

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

15. RELATED PARTY TRANSACTIONS

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

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

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

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

*(Unaudited - Expressed in U.S. Dollars)***15. RELATED PARTY TRANSACTIONS (cont'd...)**

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

	Nature of related party relationship		February 28, 2017	May 31, 2016
Loans receivable	Company controlled by common directors	5	\$ 564,000	478,024
Convertible loans - face value	Company controlled by Key management personels	10	(2,400,000)	(2,400,000)
Loans payable	Directors	11	(15,000)	(15,000)
Loans payable	Companies controlled by Key management personels	11	(305,847)	(292,722)
Equity instruments - shares settled	Companies controlled by Key management personels	12	(887,139)	(887,139)
Total			(3,043,986)	(3,116,837)

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

The Company incurred the following fees and expenses in the normal course of operations in connection with companies owned by key management and directors. Expenses have been measured at the exchange amount which is determined based on actual cost. There is no other remuneration of directors or other members of key management personnel during the period ended February 28, 2017 and 2016.

	2017	2016
Consulting fees	\$ 186,250	\$ 348,878
Management fees	410,000	463,000
Salaries to key management personels	489,185	539,250
Total	\$ 1,085,435	\$ 1,351,128

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

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

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

Carrying amount of intangibles allocated to each of the CGUs:

	Advantive Information Management (AIM)		Titan Health Management (Titan)		Knowledge Capital Alliance (KCA)		Omega Technology Solutions (Omega)		Total	
	Feb-28 2017	May-31 2016	Feb-28 2017	May-31 2016	Feb-28 2017	May-31 2016	Feb-28 2017	May-31 2016	Feb-28 2017	May-31 2016
Goodwill	-	-	-	-	-	-	465,000	465,000	465,000	465,000
Customer list	-	-	2,530,547	2,530,547	515,822	515,822	480,000	480,000	3,526,369	3,526,369
Trade name	-	-	-	-	-	-	200,000	200,000	200,000	200,000

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

The Company performed its annual impairment test in May 2016 and 2015. The Company considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. As at May 31, 2016 and 2015, the market capitalization of the Company was below the book value of its equity, indicating a potential impairment of goodwill and impairment of the assets of the operating segment.

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

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

Advantive Information Management (AIM) CGU

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

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

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

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

Intangibles with indefinite lives allocated to Titan, KCA and Omega CGUs was recognized as a result of business acquisitions during current and previous year and as a result of these acquisitions, during the financial year ended May 31, 2016, the Company recorded total revenue from Titan's operations of \$3,369,045 (2015: \$3,129,710), \$546,757 (2015: \$733,127) from KCA's operations, and \$1,189,798 from Omega's operations.

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

The report showed that the average sale price for similar businesses is 2.4 * revenue. By applying this rate to Titan, KCA & Omega, the fair value for each division would be \$8 million for Titan, \$1.3 million for KCA and \$2.9 million for Omega less estimated cost of sales between \$100,000 and \$500,000, the results would be higher recoverable amount than the current carrying value, therefore management has concluded that the assets of these CGUs are not impaired at year end.

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

CERTIVE SOLUTIONS INC.

Notes to consolidated condensed interim financial statements for the period ended February 28, 2017

(Unaudited - Expressed in U.S. Dollars)

17. SUBSEQUENT EVENTS

1. On March 14, 2017 1,350,000 shares were issued to complete the KCA acquisition. As part of this transaction a liability of US \$256,000 was forgiven.
2. On March 15, 2017, the Company announced that it issued a total of 35,000,000 voting, non-redeemable, non-participating Class A Preferred Shares to directors, officers, and consultants of the Company.
3. On April 30, 2017, the Company signed a Loan Agreement with Leede Jones Gable Inc. in respect of cash advances made to the Company in November 2016 and January 2017 totaling \$800,000. The principal sum of the advances becomes due and payable on January 23, 2019 (the "Maturity Date").