

ICESoft Technologies, Canada Corp
Condensed Consolidated Interim Financial
Statements
For the period ended June 30, 2015
(unaudited) (\$CDN)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, continuous disclosure obligations, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established for a review of interim financial statements by an entity's auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

ICESoft Technologies, Canada Corp
Condensed Consolidated Interim Statement of Financial Position
As at June 30, 2015 and December 31, 2014
(Unaudited) (\$CDN)

	As at June 30, 2015	As at December 31, 2014
ASSETS		
Current Assets		
Cash	\$0	\$33,584
Accounts Receivable (Note 12b and 14b)	220,215	187,994
SR&ED, GST Receivable & Other	70,571	1,316
Prepaid Expenses	15,972	30,991
TOTAL ASSETS	306,758	253,885
 LIABILITIES AND SHAREHOLDER'S DEFICIENCY		
Current Liabilities		
Bank Indebtedness	936	-
Accounts Payable & Accrued Liabilities	756,349	771,196
Deferred Revenue	1,155,597	1,138,888
Accrued Interest Payable	128,118	-
Current Portion of Long -Term Debt (Note 5)	511,697	1,064,111
Convertible Notes Payable (Note 6)	747,822	-
Total Current Liabilities	3,300,519	2,974,195
Long Term Debt (Note 5)	247,818	-
Total Liabilities	3,548,336	2,974,195
 Shareholders' Deficiency		
Common Stock	22,129,556	22,129,556
Contributed Surplus (Note 8)	2,452,252	1,973,432
Accumulated Other Comprehensive Income	(1,551,853)	(1,257,631)
Deficit	(26,271,535)	(25,565,667)
Total Shareholders' Deficit	(3,241,580)	(2,720,310)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	306,756	253,885

Going concern (Note 2)
Commitments and contingencies (Note 12)
Subsequent events (Note 17)

Approved by the Board of Directors

"Brian McKinney" _____ Director "Derrick Hunter" _____ Director

ICESoft Technologies, Canada Corp
Condensed Consolidated Interim Statement of Loss and Comprehensive Loss
For the 6 month period ended June
30, 2015
(Unaudited) (\$CDN)

	6 Months Ended June 30, 2015
Revenue	\$1,069,489
Operating, General & Administrative Expenses	1,047,116
Net Operating Income	\$22,373
Interest & Bank Charges	138,355
Other Income	598
Other Expense	
Stock Based Compensation (Notes 8 & 9)	478,820
Fair Value for Derivative Liabilities (Note 6)	95,751
Other Expense	15,912
Other Income and Expense	589,885
Net Loss	(705,869)
Other Comprehensive Income (Loss) Exchange loss on translation of foreign operations	(294,222)
Comprehensive Loss	(1,000,090)
<hr/>	
Loss per Share - basic & diluted (Note 7)	(0.33)

See accompanying notes

ICESoft Technologies, Canada Corp
Condensed Consolidated Interim Statement of Changes in Equity
For the 6 month period ended June 30, 2015
(Unaudited)(\$ CDN)

	Share Capital	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance December 31, 2014	\$22,129,556	\$1,973,432	\$(25,565,667)	\$(1,257,631)	\$(2,720,310)
Stock based compensation (Note 9)		478,820			478,820
Net Loss and Comprehensive Loss			(705,868)	(294,222)	(1,000,090)
Balance June 30, 2015	22,129,556	2,452,252	(26,271,535)	(1,551,853)	(3,241,580)

See accompanying notes

ICESoft Technologies, Canada Corp
Condensed consolidated Interim Statement of Cash Flows
For the 6 month period ended June
30, 2015
(Unaudited)(\$CDN)

	2015 YTD
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income and comprehensive loss	\$(705,868)
Add back (deduct) items not involving cash:	
Change in Fair Value of Derivatives	95,751
Stock Based Compensation	478,820
	(131,297)
Changes in non-cash working capital items:	
Trade and other receivables	(32,220)
SR&ED, GST Receivable & Other	(69,255)
Prepaid Expenses	15,019
Trade and other payables	(14,847)
Interest Payable	213,776
Deferred Revenue	16,709
Convertible Notes	69,534
Net cash provided by operating activities	67,419
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of long term debt	192,284
Net cash generated by financing activities	192,284
Effect of exchange	(294,222)
Net increase in cash and cash equivalents for the period	(34,519)
Cash and cash equivalents, beginning of the period	33,584
Cash and cash equivalents, end of the period	(935)

See accompanying notes

1. Reporting Entity

ICESoft Technologies, Canada Corp. (the “Company” or “ICESoft” or “ICESoft Technologies”) was formed in 2001. ICESoft is a public company incorporated under the Canada Business Corporations Act, and is domiciled in Canada.

ICESoft is an enterprise software company supplying mid to large scale multi-national corporations.

The condensed consolidated interim financial statements of the Company as of and for the six months ended June 30, 2015. The financials consist of the Company and wholly owned subsidiaries. ICESoft wholly owns ICESoft Holdings Corporation, which acts as the Corporation’s main Canadian operating entity; and wholly owns ICESoft Technologies Ltd, incorporated in the State of Delaware, which acts as the United States operating entity.

The Company’s head office is located at 300, 1717 10 St NW Calgary, Alberta Canada T2M 0P5.

2. Basis of preparation

Statement of compliance

These consolidated financial statements are stated in Canadian dollars and were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”).

The condensed interim consolidated financial statement of loss and comprehensive loss, changes in equity and cash-flows have been prepared for the six-month periods ended June 30, 2015, with no comparative information presented in accordance with Section 4.7(4) of National Instrument 51-102, as it is currently impracticable to present prior-period information.

These financial statements for the six months ended June 30, 2015 were approved and authorized for issue by the Board of Directors on December 18, 2015.

Going Concern

These condensed interim consolidated financial statements have been prepared on the basis that the Corporation will continue as a going concern, which assumes that the Corporation will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Corporation’s ability to continue as a going concern. As at June 30, 2015, the Corporation has bank indebtedness of \$936. The Corporation incurred a net loss during the six months ended June 30, 2015 of \$705,868 and has a deficit of \$26,271,535 at June 30, 2015. In order to continue as a going concern, the Corporation will need to generate positive cash flows from operations or obtain

additional debt or equity financing. Whether and when the Corporation can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to June 30, 2015 is uncertain. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. The functional currency of ICEsoft Technologies Inc. is U.S. dollars and is translated to the presentation currency.

Basis of measurement

These condensed interim consolidated financial statements have been prepared using the historical cost convention except as noted in 3(g).

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Corporation and its subsidiaries. All intercompany transactions have been eliminated in these condensed interim consolidated financial statements. Subsidiaries are those entities that the Corporation controls by having the power to govern the financial and operating policies of the entity. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Corporation controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Corporation and are subsequently deconsolidated from the consolidated financial statements on the date that control ceases. The accounting policies of the subsidiaries are consistent with the policies adopted by the Corporation.

3. Significant Accounting Policies

The accounting policies set out below are applied consistently to all periods presented in these consolidated financial statements.

(a) Cash and cash equivalents

Cash and cash equivalents consist of amounts held in current bank accounts and highly liquid short-term investments, including those with maturities of less than three months.

(b) Revenue recognition

The Corporation generates revenue through the provision of professional services and support agreements. In all cases, revenues generated in the normal course of business are measured at the fair value of the consideration received or receivable. Revenues are recognized only when there is persuasive evidence that an arrangement exists, delivery has occurred or the service has been rendered, the price is fixed or determinable, and collection of the related receivable is reasonably assured. Revenues arising from an agreement to render services are recognized based on the stage of completion of the contract. Rebates and similar deductions are deducted from revenues.

In addition to these general revenue recognition policies, the following specific revenue-recognition policies are applied to the Corporation's main sources of revenue:

- (i) Support contract fees are deferred when received and recognized evenly over the term of the agreement.
- (ii) Interest income is recognized as it accrues in the consolidated statement of loss and comprehensive loss using the effective interest rate method.

(c) Research and development

Research costs are expensed when incurred. Internally-generated software costs, including personnel costs of the Corporation's development group, are capitalized as intangible assets when the Corporation can demonstrate that the technical feasibility of the project has been established; the Corporation intends to complete the asset for use or sale and has the ability to do so; the asset can generate probable future economic benefits; the technical and financial resources are available to complete the development; and the Corporation can reliably measure the expenditure attributable to the intangible asset during its development. After initial recognition, internally-generated intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses. These costs are amortized on a straight-line basis over the estimated useful life of three years. The Corporation did not have any development costs that met the capitalization criteria for the six months ended June 30, 2015.

(d) Leases

Leases are classified as either finance or operating leases. Leases that effectively transfer substantially all of the risks and rewards of ownership to the Corporation are finance leases and are accounted for as an acquisition of an asset and an assumption of

an obligation at the inception of the lease, measured at the lower of the fair value or the present value of the minimum lease payments. Obligations recorded under finance leases are reduced by the lease payments, net of imputed interest. All other leases are accounted for as operating leases and rental payments are recorded as expenses on a straight-line basis over the term of the related lease.

(f) Foreign currency translation

Foreign currency transactions are initially recorded in the individual company's functional currency at the transaction date exchange rate. At period-end, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the period-end exchange rate. The resulting foreign currency adjustments are recognized in profit or loss.

Financial statements of subsidiaries for which the functional currency is not the presentation currency are translated into Canadian dollars. All asset and liability accounts are translated at the period-end exchange rate and all earnings and expense accounts and cash flow statement items are translated at average exchange rates for the period. The resulting translation gains and losses are recorded as foreign currency translation adjustments in Other Comprehensive Income (OCI) through Reserve – Translation of foreign operations account.

(g) Financial instruments

The Corporation aggregates its financial instruments into classes based on their nature and characteristics. Management determines the classification when the instruments are initially recognized, which is normally on the date of purchase.

All financial assets except those measured at fair value through profit or loss are subject to review for impairment annually and written down when there is evidence of impairment based on certain specific criteria as detailed further on.

Financial assets and financial liabilities classified as "fair value through profit or loss" are either classified as "held for trading" or "designated at fair value through profit or loss" and are measured at fair value, with changes in fair value recognized in the statement of loss and comprehensive loss. Transaction costs are expensed when incurred. The Corporation has designated cash and cash equivalents as "held for trading".

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets when they will be realized within 12 months of the reporting date, otherwise they are classified as non-current. The Corporation includes accounts receivable in this category.

The financial instruments included in this category are initially recognized at fair value plus transaction costs and subsequent measurement is at amortized cost. Due to the short-term nature of these balances, the carrying values approximate fair value.

Financial assets are derecognized only when the contractual rights to the cash flows from the asset expire.

(ii) Available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Investments in equity instruments classified as available-for-sale are measured at cost when there is no quoted price in an active market and fair value cannot be reliably measured. The Corporation had no financial instruments in this category as at June 30, 2015.

(iii) Other financial liabilities

The financial instruments included in this category are initially recognized at fair value less transaction costs and subsequent measurement is at amortized cost. They are classified as current liabilities when they are payable within twelve months of the reporting date, otherwise they are classified as non-current. The Corporation includes accounts payable and accrued liabilities, accrued interest payable, notes payable and convertible notes payable in this category.

The Corporation derecognizes these liabilities when its obligation is discharged or replaced by a new liability with substantially modified terms.

(iv) Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Share capital is classified as equity. Incremental costs directly attributable to the issue of share capital are recognized as a deduction from equity.

(h) Share-based compensation

The Corporation uses the fair value method for valuing share-based compensation. Under this method, the compensation cost attributed to stock options granted is measured at the fair value at the grant date, compensation cost for options is expensed over the vesting period with a corresponding increase to contributed surplus. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. Upon the settlement of the stock options the previously recognized value in contributed surplus is recorded as an increase to shareholders' capital.

The Corporation measures share-based payments to non-employees at the date of receipt of the goods or services. If the fair value cannot be measured reliably, the value of the options or warrants granted will be used.

(i) Provisions

Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of

the time value of money and the risks specific to the liability. The periodic unwinding of the discount is recognized in profit or loss as a finance cost as it occurs.

(j) Impairment

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flow of that asset that can be estimated reliability.

In assessing impairment, the Corporation uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between the carrying value and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance against receivables.

(ii) Non-financial assets

Management assesses the carrying value of non-financial assets, if any, at each reporting date for indications of impairment. Indications of impairment include an ongoing lack of profitability, significant change in technology as well as economic circumstances. When an indication of impairment is present, a test for impairment is carried out by comparing whether the carrying value of the asset exceeds the greater of its value in use and its fair value less costs of disposal. 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. For purpose of impairment testing, cash-generating units ("CGUs") are assets that cannot be tested individually but are grouped together into the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The Corporation's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

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

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(k) Taxation and tax credits

The income tax provision includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income or equity. In these specific cases, the income tax expense is recognized in other comprehensive income or equity, respectively.

Deferred taxes are accounted for using the liability method. Under this approach, deferred tax assets and liabilities are determined based on the differences between the carrying amounts and the tax bases of assets and liabilities and are measured using the enacted or substantively enacted tax rates and laws. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax assets are recognized to the extent that it is probable there will be sufficient taxable profits against which to utilize the benefits in the future. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income tax receivables and payables are obligations or claims for the current and prior periods to be paid to (or recovered from) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed on the basis of tax profit which differs from net profit. This calculation was made using tax rates and laws which are enacted or substantively enacted at the end of the reporting period.

Tax credits, including research and development tax credits, are not recognized until there is reasonable assurance that the Corporation will meet the eligibility criteria of the credits and that they will be received. Tax credits are recognized as a deduction to the related expenses.

(l) Compound financial instruments

The components of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the issuance date, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability based on amortized cost until the instrument is converted or matures. The equity component is determined by deducting the liability component from the total fair value of the compound instrument and is recognized as equity, net of income tax effects, with no subsequent re-measurement.

(m) Fair value measurement

A number of the Corporation's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining the fair values is disclosed in the notes specific to that asset or liability.

The Corporation classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instruments:

- Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities.
- Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The fair values of cash and cash equivalents are based on Level 1 inputs.

(n) Per share amounts

Basic per share amounts are calculated by dividing the profit or loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the year. Diluted per share amounts are determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments. The Corporation computes the dilutive impact of common shares assuming the proceeds received from the pro forma exercise of in-the-money share options and warrants are used to purchase common shares at average market prices.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates, and assumptions affect the reported amounts of assets, liabilities at the reporting date and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The following discusses the most significant accounting judgments, estimates and assumptions that the Corporation has made in the preparation of its condensed interim consolidated financial statements.

(a) Areas of judgment

(i) Going concern

Determining if the Corporation has the ability to continue as a going concern is dependent on its ability raise additional financing and to achieve profitable operations. Certain judgments are made when determining if the Corporation will be able to continue as a going concern.

(b) Assumptions and critical estimates

(i) Derivative liability

The initial derivative liability and subsequent revaluations of the derivative liability and valued by reference to the fair value of the warrants and conversion features of the debentures at the date at which they are granted and subsequently revalued at each reporting date. Estimating fair value for these derivatives requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the average expected life of the warrants, estimated volatility of the Company's shares, risk-free interest rates and dividend yield.

(ii) Stock-based compensation and warrants

The amounts recognized relating to the fair value of stock options and warrants are based on estimates of future volatility in the Corporation's share price, the expected lives of options and warrants, the risk free interest rate, and other relevant assumptions. Volatility is estimated based on the average price volatility of common shares of a comparative group of companies over the preceding period equaling the expected lives of the Corporation's options and warrants.

5. Long-term debt

Long term-debt consists of the following components as at June 30, 2015:

- (a) In December, 2014, the Corporation entered into a loan agreement with an officer and director of the Corporation for \$30,676 USD at 18% simple non-accruing interest. This loan has no fixed terms of repayment and is unsecured. At June 30, 2015 \$21,646 USD is outstanding.
- (b) In February 2013, the corporation entered into a credit facility agreement. The revolving credit facility scaled as a function of the Company's recurring revenue balance as was secured in part against the Company's SR&ED tax claims. The facility bears interest at 18% annual interest and is secured by the Corporation's expected SR&ED credit.
- (c) In June 2005, Technology Partnership Canada entered into an agreement with ICEsoft to contribute a maximum of \$495,000. ICEsoft is required to pay the principal balance on the loan. At June 30, 2015 the principal balance owing is \$247,818 CDN. The Corporation is obligated to pay 1.59% of quarterly revenue to this promissory note, which is applied to the loan principal.

6. Convertible Notes Payable

- (a) In March 2015 ICEsoft entered into a two notes payable with a director for \$100,000 USD and \$310,000 USD respectively. The notes bear interest at 25% annual interest with a maturity date of August 1, 2016. On April 30, 2015 the notes added a conversion feature and become convertible to common shares at a conversion price of \$1.00 USD/share before the maturity date. In association with the notes, 20,000 purchase warrants at a rate of \$1.00 USD were issued on April 30, 2015. The

warrants are only exercisable in the event that the lender elects to convert the debt subsequent to the retirement of all debt facility described in Note 6 (b) in the financial statements.

Under IFRS, the prescribed accounting treatment for convertible notes payable and warrants with a conversion or exercise price denominated in a foreign currency is to treat these derivatives as a liability measured at fair value with subsequent changes in fair value accounted for through the consolidated statement of loss. The fair value of these derivatives is determined using the Black Scholes Option Pricing Model. The convertible debentures issued in March 2015 and the warrants issued in conjunction with those offerings meet this requirement and as such the value of these derivatives are presented as a derivative liability on the consolidated statement of financial position. As these derivatives are converted or exercised, the value of the recorded derivative liability is included in the share capital along with the proceeds from the exercise. If these debentures mature without conversion or the warrants expire, the related derivative liability is reversed through the statement of loss. There is no cash flow impact as a result of the accounting treatment for changes in the fair value of the derivative liability or when the debentures mature without conversion or the warrants expire unexercised.

On issuance date of the convertible notes payable, the carrying value of the derivative liability measured at fair value was \$580,130 CDN while at June 30, 2015 the fair value was \$598,530 CDN. The following table describes the valuation parameters used in determining the carrying amount of the derivative liability.

	June 30, 2015	April 30, 2015 (issuance date)
Stock price	\$ 2.00	\$ 2.00
Conversion price of debentures	\$ 1.2474	\$ 1.2119
Exercise price of warrants	\$ 1.2474	\$ 1.2119
Risk-free rate	0.70%	0.80%
Expected volatility	100%	100%
Expected term	4.83 years	5 years
Expected dividends	Nil	Nil

At June 30, 2015, the derivative liability consists of the following amounts:

Face value of debt in CDN \$	\$652,070
Less: Fair value of derivatives at inception	(580,130)
Add: Accretion of discount	77,351
Carrying value of debt	149,291
Fair value of conversion feature	566,846
Fair value of warrants	31,684
Fair value June 30, 2015	\$747,821

7. Share Capital

Authorized Unlimited number of no par value voting common shares. Preferred shares – to be issued in series as authorized by the Board of Directors. The Corporation has the following Common Shares issued and outstanding:

	# Shares	Share Capital
ICESoft Balance at December 31, 2014	3,000,000	\$22,129,556
Issuance of Shares less transaction costs	0	0
Balance, June 30, 2015	3,000,000	22,129,556

The weighted average number of common shares outstanding used to calculate basic and diluted loss per share for the six month ended June 30 2015 are 3,000,000 basic and 3,000,000 fully dilutive. As the company experienced a loss, stock issuances are considered to be anti-dilutive and are not considered in the calculation.

Basic per share amounts are calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the period.

8. Contributed Surplus

The contributed surplus and warrants reserve is used to recognize the fair value of stock options and warrants granted. When options and warrants are subsequently exercised, the fair value of such options in contributed surplus and warrants is credited to share capital.

	\$
Balance, Dec 31, 2014	\$1,973,432
Stock-based compensation expense	\$478,820
Exercise of stock options	\$0
Balance, June 30, 2015	\$2,452,252

9. **Stock Based Compensation**

The Corporation has a stock option plan ("the Plan") under which the Board of Directors of the Corporation may grant to directors, officers, employees and technical consultants to the Corporation, non-transferable options to purchase common shares, exercisable for a period of up to five years from the date of grant. A summary of the Plan transactions for the six months ended June 30, 2015 are as follows:

	For the six months ended June 30, 2015	
	Number of Options	Weighted average exercise price
Outstanding at beginning of period	0	0
Options granted tranche 1	454,000	1.00
Options cancelled / forfeited	0	0
Options exercised during the period	0	0
Outstanding at end of period	454,000	1.00

The following provides a summary of options outstanding and exercisable as at June 30, 2015:

Options outstanding

Outstanding at June 30, 2015	Weighted average remaining contractual life (yrs)	Weighted average exercise price \$
454,000	4.671	1.00000

Options exercisable

Number of exercisable at June 30, 2015	Weighted average remaining contractual life	Weighted average exercise price \$
454,000	4.671	1.00000

The fair value of each share-based payment transaction was estimated on the date of the grant, as determined by using the Black-Scholes option-pricing model with the following weighted average assumptions:

For the six months ended June 30, 2015	
Fair Value of options	\$478,820
Exercise Price	1.00
Share Price	2.00
Dividend Yield	0
Forfeiture %	0
Risk-free interest rate	1.5%
Expected life of options	5
Expected volatility	125%

The Corporation recorded stock-based compensation expense for options of \$478,820 with an offsetting increase to contributed surplus in respect of the stock options granted during the six months ended June 30, 2015. No stock options were exercised during the six months ended June 30, 2015.

A summary of warrant transactions for six months ended June 30, 2015 are as follows:

For the six months ended June 30, 2015		
	Number of Warrants	Weighted average exercise price
Outstanding at beginning of period	0	
Warrant tranche 1	20,000	1.2474
Warrants cancelled / forfeited	0	
Warrants exercised during the period	0	
Outstanding at end of period	20,000	1.2474

The following provides a summary of warrants outstanding as at June 30, 2015:

Warrants outstanding

Outstanding at June 30, 2015	Weighted average remaining contractual life (Yrs)	Weighted average exercise price \$
	4.70	1.2474

The Corporation recorded warrant share issuance costs and change in fair value of warrants as part of Note 6. No warrants were exercised during the six months ended June 30, 2015.

10. Tax Loss Carry Forwards

As at December 31, 2014, the Corporation has Canadian non-capital loss carry forwards of approximately \$5,140,311 (2013 - \$4,854,115) and US non-capital loss carry forwards of approximately US \$9,591,798 (2013 - US \$8,888,235). The non-capital loss carry forwards expire at various dates from 2015 to 2034. The Corporation also has tax deductible balances worth \$2,858 at December 31, 2014, relating to capital assets, which have not been recognized on the consolidated statement of financial position.

11. Related Party Transactions

The following related party transactions took place during the six-month period ended June 30, 2015.

In December, 2014, the Corporation entered into a loan agreement with an officer and director of the Corporation for \$30,676 USD at 18% simple non-accruing interest. This loan has no fixed terms of repayment and is unsecured. At June 30, 2015 \$21,646 USD is outstanding (Note 5(a)).

12. Commitments and Contingencies

(a) Commitments

The Corporation is committed under a lease on their office space, expiring August 31, 2016 for future minimum rental payments exclusive of occupancy costs as follows:

January - August 2015	10,579.73 / Month
September 2015 - August 2016	10,901.07 / Month

(b) Contingencies

During 2014, Canada Revenue Agency deemed that ICESoft Technologies was no longer structured as a CCPC. This ruling negated the expected \$497,626 that the Company was previously expecting to collect. Management is contesting the ruling but has deemed that these funds are unlikely to be received and has opted to provide an allowance for the entire amount of the expected receivable.

13. Capital Management

The Company's objective is to maintain access to sources of capital with which to finance its operations. The Company maintains a capital structure consisting of debt and equity. The Company manages its capital structure and makes changes to it in light of changes in economic conditions and the risk characteristics of the underlying investments. The Company will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate in the specific circumstances.

14. Financial Instruments and Risk Management

The Corporation's risk management policies are established to identify, analyze and manage the risks faced by the Corporation and to implement appropriate procedures to monitor risks and adherence to established controls. Risk management policies and systems are reviewed periodically in response to the Corporation's activities and to ensure applicability. In the normal course of business, the main risks arising from the Corporation's use of financial instruments include credit risk, liquidity risk, market risk and currency risk.

These risks, and the actions taken to manage them, include:

(a) Fair value

Due to the short-term nature of cash and cash equivalents, accounts receivables and accounts payable and accrued liabilities, the Corporation determined that the carrying amounts of these financial instruments approximate their fair value. The fair value of notes long-term debt approximates the carrying value of the liability because they bear interest at rates approximating market rates.

(b) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks and financial institutions and accounts receivable. The Corporation minimizes credit risk associated with its cash balance substantially by dealing with major financial institutions in Canada and the United States.

The Corporation is exposed to normal credit risk from customers. Accounts receivable are generally unsecured, subject to the Corporation's ability to file security interest under certain conditions. Accounts receivable are normally collected 30 days after invoicing. Default rates on unsecured credit have traditionally been below 1% of annual sales. Licenses for proprietary software cease to function if payments are not kept current. The Corporation minimizes concentrations of credit risk by maintaining a wide customer base spread across differing industries. Additional sales and services may be withheld if a customer falls to pay its obligations in a timely manner.

(c) Liquidity risk

Liquidity risk is the risk that the Corporation will incur difficulties meeting its financial obligations as they come due. As at June 30, 2015, the Corporation has bank indebtedness of \$936. The Corporation incurred a net loss during the six months ended June 30, 2015 of \$705,868 and has a deficit of \$26,271,535 at June 30, 2015. The Corporation is currently pursuing alternatives to increase its liquidity.

(d) Currency risk

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies, other than the functional currency of the Corporation, will fluctuate due to changes in foreign currency exchange rates. As at June 30, 2015, the Corporation's exposure to currency risk includes cash and cash equivalents denominated in US dollars in the amount of US \$5,632, trade and other receivables denominated in US dollars in the amount of US \$152,035 and trade and other payables denominated in US dollars in the amount of US \$285,711.

(e) Interest rate risk

Interest rate risk is the risk that the fair value and cash flows associated with the Corporation's interest bearing financial assets and liabilities will fluctuate due to changes in market interest rates. The Corporation manages interest rate risk by creating fixed term long term debentures instruments that do not fluctuate with the changes in the interest rate environment.

16. Segmented Information

The Corporation has one operating segment serving all geographic locations. Substantially all of the Corporation's revenues are generated in US dollars. Substantially all of the Corporation's assets are located in Canada.

17. Subsequent Events

In July 2015, the Corporation amending the terms of the loan in Note 5(b) entering into a new repayment schedule that provided for optional balloon payment of \$150,000 on December 31, 2015 and June 30, 2015 at the Company's discretion. The initial principal on the restated facility was \$490,000 CDN. The facility bears interest at 18% annual interest and is secured by the Corporation's expected SR&ED credit. The credit facility matures on November 30, 2016.

On September 24, 2015, Stinton Exploration Ltd ("Stinton") and ICEsoft closed a business combination transaction pursuant to which Stinton acquired the business and assets of ICEsoft. Pursuant to the agreement, each issued and outstanding ICEsoft common share, warrant, and option was exchanged for common shares, warrants, and options of Stinton on a 160 for 1 basis, at a deemed price of CAD\$0.0125 per Stinton share. On closing, Stinton issued 490,680,000 common shares to ICEsoft shareholders.

Also in connection with the agreement, the Company transferred its 25% interest in the Buffalo Nickel Project back to a shareholder in return for the cancellation of 320,000 shares of the Company held by the shareholder.