FORM 2A

LISTING STATEMENT

ICESOFT TECHNOLOGIES CANADA CORP.

UPDATED AS OF MAY 27, 2019

Class of Securities to be Listed: Common Shares

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Glossary

"**Amalco**" means the continuing company constituted upon the amalgamation of ICEsoft Holdings and Subco pursuant to the Amalgamation and named "ICEsoft Technologies Holding Corp."

"**Amalgamation**" means the "three-cornered" amalgamation of Subco with ICEsoft Holdings to form Amalco pursuant to the terms of the Amalgamation Agreement, which resulted in the acquisition of all of the issued and outstanding shares of ICEsoft Holdings by the Issuer and Amalco being a wholly-owned subsidiary of the Issuer.

"**Auditors**" means Collins Barrow Calgary LLP.

"**CBCA**" means the Canada Business Corporations Act, including the regulations thereunder, as amended.

"**Board**" means the board of directors of the Issuer.

"**Amalgamation Agreement**" means the amalgamation agreement dated August 31, 2015 among ICEsoft Holdings, the Issuer and Subco.

"**CEO**" means an individual who acted as our chief executive officer, or acted in a similar capacity, for any part of the most recently completed financial year.

"**CFO**" means an individual who acted as our chief financial officer, or acted in a similar capacity, for any part of the most recently completed financial year.

"**Common Shares**" means the common shares without par value of the Issuer.

"**Consolidation**" means the consolidation of all Common Shares on the basis of one (1) post-consolidation Common Share for every sixteen (16) pre-consolidation Common Shares issued and outstanding effected on November 19, 2015.

"**CSE**" means the Canadian Securities Exchange.

"**Escrow Agreement**" means the escrow agreement among the Issuer, Alliance Trust Company, as escrow agent, and the holders of the Escrowed Securities.

"**Escrow Securities**" means the 40,742,805 Common Shares, 11,756,149 Warrants to purchase Common Shares and $565,115.00 of Secured Convertible Promissory Notes (convertible into 3,767,433 Common Shares) to be held in escrow pursuant to the terms of the Escrow Agreement.

"**ICEsoft Holdings**" means ICEsoft Technologies Canada Corp. prior to its amalgamation with Subco to become ICEsoft Technologies Holdings Ltd.

"**ICEsoft Holdings Restructuring**" means the reverse takeover undertaken by ICEsoft Holdings of its then parent company, ICEsoft Technologies, Inc. on December 31, 2014.

"**IoT**" means Internet of Things.

"**Issuer**" or "ICEsoft" means **ICEsoft Technologies Canada Corp.**, previously named "Stinton Exploration Ltd.", a reporting issuer in Alberta, Manitoba and Ontario.

"**Listing Date**" means the date on which the Issuer's Common Shares are listed for trading on the CSE.

“**Listing Statement**” means this Exchange Form 2A Listing Statement of the Issuer.

“**NP 46-201**” means National Policy 46-201 - Escrow for Initial Public Offerings.

“**Related Entity**” means, in respect of the Issuer, a person:

(a) that is an affiliated entity of the Issuer; or

(b) of which the Issuer is a control block holder.

“**Related Person**” means, in respect of the Issuer:

(a) a Related Entity of the Issuer;

(b) a partner, director or officer of the Issuer or Related Entity;

(c) a promoter of or person who performs investor relations activities for the Issuer or Related Entity;

(d) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Issuer or Related Entity; and

(e) such other person as may be designed from time to time by the CSE.

“**Subco**” means 9425420 Canada Inc., a wholly owned subsidiary of the Issuer prior to the Amalgamation.

“**Transfer Agent**” means Alliance Trust Company.

Item 1. Forward Looking Statements

Certain statements contained in this listing statement constitute "forward-looking statements." These statements, identified by words such as "plan," "anticipate," "believe," "estimate," "should," "expect" and similar expressions include our expectations and objectives regarding our future financial position, operating results and business strategy. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; speed of market adoption; reliance on resellers and partners; limited operating history of the Issuer; market fluctuations; and retention of key personnel, as well as those factors discussed in the section titled "Item 17 - Risk Factors."

Forward-looking statements are based on a number of material factors and assumptions, including that the Issuer will be successful in its attempts to raise working capital in the near to medium future, the market demonstrates on-going adoption of new technologies, there is no material change to the competitive environment and the Issuer will be able to access and retain sufficiently qualified technical, sales and marketing staff. While the Issuer considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section "*Item 17 - Risk Factors*".

The Issuer intends to discuss in its quarterly and annual reports any events or circumstances that occurred during the period to which such documents relate that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this Listing Statement. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on our business or the extent to which any factor, or combination of such factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The issuer assumes no obligation to update or revise any forward looking information whether the result of new information, future events, or otherwise, except as required by applicable law.

The Issuer advises shareholders to carefully review the reports and documents we file from time to time with the securities regulatory authorities on SEDAR at www.sedar.com.

Market and Industry Data

This Listing Statement includes market and industry data that has been obtained from third party sources, including industry and market analyst publications. We believe that this industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, we have not independently verified any of the data from third party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources

Currency

Unless otherwise indicated, in this Listing Statement, all references to (i) "CDN$" or "$" are to Canadian dollars; and (ii) "USD$" are to United States dollars. If not otherwise declared, "$" refer to Canadian dollars.

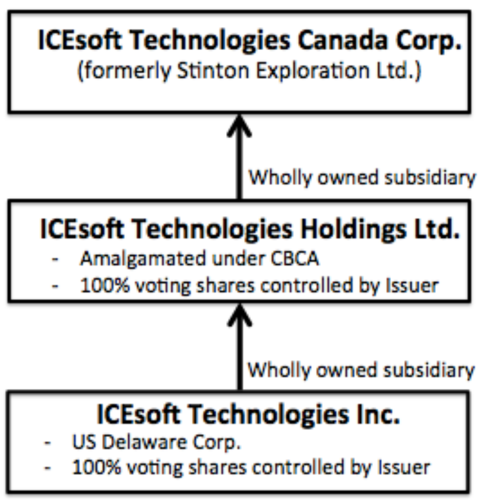
Item 2. Corporate Structure

The Issuer is ICEsoft Technologies Canada Corp. The Issuer was originally incorporated under the name "Stinton Exploration Ltd." under the Canada Business Corporations Act on September 1, 2010. The Issuer has been a Reporting Issuer since November 23, 2012 in the jurisdictions of Alberta, Manitoba, and Ontario.

On November 19, 2015, following a reverse take-over transaction on September 24, 2015, the Issuer changed its name to ICEsoft Technologies Canada Corp. (the "Company", or the "Corporation", or "ICEsoft" or "ICEsoft Technologies").

ICEsoft and its subsidiaries provide Software as a Service ("SaaS") solutions and technology to local governments, institutions and enterprise. The Issuer's head office is located at 370, 3553 31st Street NW, Calgary, Alberta, Canada, T2L 2K7. The Issuer's registered and records office is 2900 – 550 Burrard Street, Vancouver, BC V6C 0A3.

ICEsoft has one wholly owned subsidiary, ICEsoft Technologies Holdings Ltd., which was amalgamated under the CBCA, and which in turn has a wholly-owned Delaware subsidiary, ICEsoft Technologies, Inc., which serves as the United States operating entity for the Issuer. A diagram illustrating the Issuer's corporate structure is found below.



ICEsoft Corporate Structure

On November 19, 2015, the Issuer effected the Consolidation pursuant to which the Common Shares were consolidated on a 16 to one basis. Unless otherwise indicated all information in this Listing Statement is provided on a post-Consolidation basis.

The Issuer's common shares are not currently listed or posted for trading on any stock exchange. The Issuer was previously approved for listing on the CSE in 2015 and chose not to list at that time. The issuer is now re-qualifying for a listing.

Item 3. General Development of the Business

Acquisition of ICEsoft Holdings

On September 24, 2015, the Issuer acquired all of the issued and outstanding common shares of ICEsoft Holdings pursuant to the terms of an Amalgamation Agreement by and between the Issuer, ICEsoft Holdings and 9425420 Canada Inc. (Subco), a wholly owned subsidiary of the Issuer. Under the terms of the Amalgamation Agreement each shareholder of ICEsoft Holdings received 10 Common Shares in exchange for each common share of ICEsoft Holdings held. Accordingly, the Issuer issued a total of **30,667,500** Common Shares to the shareholders of ICEsoft Holdings. On closing of the Amalgamation, ICEsoft Holdings. and Subco amalgamated to create Amalco, which is a wholly owned subsidiary of the Issuer and is the entity operating the Issuer's business.

As a result of the Amalgamation, the former shareholders of ICEsoft Holdings became owners of more than 98% of the issued and outstanding shares of the Issuer. The Amalgamation constituted a reverse take-over of the Issuer by ICEsoft Holdings.

Prior to the acquisition of ICEsoft Holdings the Issuer had no active business, other than a 25% interest in the Buffalo nickel exploration property in Manitoba. In connection with the closing of the Amalgamation, the Issuer's interest in the Buffalo nickel property was transferred back to the vendor of such interest in exchange for the cancellation of 20,000 Common Shares held by the vendor. Accordingly, the business discussion set forth below relates to the business of ICEsoft Holdings.

The Amalgamation was not a related party transaction and no formal valuation of the Issuer was obtained in connection with the Amalgamation or in the 12 months prior to the date of this Listing Statement.

Financing

Subsequent to the Amalgamation of September 24, 2015, the Issuer has completed a number of non-brokered private placements on a best efforts basis pursuant to which it raised aggregate gross proceeds of $1,495,385 through the issuance of 9,016,925 shares of Common Shares and 6,520,962 Warrants, some of which have subsequently expired.

Between September 24 and December 31, 2015, 150,000 Units of the Issuer were sold at a price of $0.20 per Unit for a total of $30,000. Each unit consisted of 1 Common Shares and 0.5 warrants to purchase a Common Share of the Issuer at a price of $0.24 per Common Share until June 1, 2016 and $0.30 per Common Share thereafter until expiry on December 31, 2017.

From January 1, 2016 through December 31, 2016, 5,041,925 Units of the Issuer were sold at a price of $0.20 per Unit for a total of $1,008,385. Each unit consisted of 1 Common Shares and 0.5 warrants to purchase a Common Share of the Issuer at a price of $0.24 per Common Share until December 1, 2016 and $0.30 per Common Share thereafter until expiry on July 1, 2018.

From January 1, 2017 through December 31, 2017, 100,000 Units of the Issuer were sold at a price of $0.10 per Unit for a total of $10,000. Each unit consisted of 1 Common Shares and 2 warrants to purchase one Common Share of the Issuer at a price of $0.24 until expiry on November 8, 2021.

From January 1, 2018 through December 31, 2018, 4,758,666 Units of the Issuer were sold at a price of $0.12 per Unit for a total of $571,039.92. Each unit consisted of 1 Common Shares and 1 warrant to purchase one Common Shares of the Issuer at a price of $0.20. Warrants hold a three-year life from date of issuance.

From January 1, 2019 through April 15, 2019, 2,921,249 Units of the Issuer were sold at a price of $0.12 per Unit for a total of $350,549.88. Each unit consisted of 1 Common Shares and 1 warrant to purchase one Common Shares of the Issuer at a price of $0.20. Warrants hold a three-year life from date of issuance.

The proceeds of the Financings were used to fund the business operations of the Issuer, being the ICEsoft Technologies Holdings business.

Debt Settlement

Subsequent to, and in some cases in connection with the Amalgamation of September 24, 2015 the Issuer has on occasion undertaken to convert debt positions into equity.

In connection with the Amalgamation, certain former directors and one current director, Mark Francis, of the Issuer (the "Lenders") agreed to convert their outstanding loans to the Issuer into Common Shares. Pursuant to the agreement between the Issuer and the Lenders, 436,477 Common Shares were issued to the Lenders at a deemed price of $0.20 per Common Share to settle debt obligations. The table below sets out the particulars of the amount of debt held, and the Common Shares issued for each of the Lenders.

Name	Debt Position as established by Amalgamation Agreement	Number of Common Shares	Date of Issuance
Mark Francis	$37,578.20	187,891	November 18, 2015
Wayne Stebbe	$47,762.20	238,811	November 18, 2015
Keith Sinclair	$ 1,173.00	5,865	November 18, 2015
Eric Hinton	$ 782.00	3,910	November 18, 2015

On January 27, 2016 the Issuer in conjunction with a creditor converted $52,130 of held debt into 260,650 Common Shares at a rate of $0.20 / Share.

On January 28, 2016 the Issuer, under previously negotiated terms of a secured convertible note and with concurrence of the note holder converted approximately $814,582 into 5,775,527 shares of Common Stock at an approximate rate of $0.14 / share.

On February 2, 2016 the Issuer, in conjunction with a secured note holder converted $50,000 in secured debt into 250,000 shares of Common Stock plus warrants to purchase 125,000 shares of common stock at a price of $0.24 / share. The debt conversion rate was $0.20 / share. Warrant expiration was December 31, 2017.

On September 26, 2017 the Issuer in conjunction with a creditor converted $30,000 of held debt into 150,000 Common Shares at a rate of $0.20 / Share plus 3-year warrants to purchase 150,000 shares of Common Stock at $0.24 / share. Warrants expired July 1, 2018.

On March 29, 2019 the Issuer in conjunction with a creditor converted $120,000 of held debt into 1,000,000 Common Shares at a rate of $0.12 / Share plus 3-year warrants to purchase 1,000,000 shares of Common Stock at $0.20 / share. Warrants expired March 1, 2022.

Seven-Year History

2012: In fiscal 2012, ICEsoft focused on expanding its footprint across its existing user base in both services / consulting and in subscription-based product sales. ICEsoft services and consulting revenue streams were grown to approximately 40% of total annual revenue. Product initiatives focussed on the development of mobile products that would reduce development times and support costs faced by enterprise IT organizations.

2013: In fiscal 2013 ICEsoft's subscription business continued to grow across its existing product portfolio, realizing significant conversion rates from simple, per application subscriptions to a growing number of higher valued, multi-application, corporate accounts. Decisions were made to reduce the company's dependence on non-recurring revenue streams. Its consulting and engineering services revenue streams were reduced from 40% down to 16% of total revenue. Slower than forecast market adoption rates within enterprise IT organizations were faced resulting in longer cycles and lower than forecast revenues from the mobility products. While enterprises were mobilizing their web-based applications, development funding was prioritized at the business unit level with consumer facing applications typically responsible for revenue generation and customer satisfaction. Within the enterprise, IT organizational roll out and mobilization of internal enterprise applications, ICEsoft's traditional market and customer base, were found to be trailing by 4-6 quarters.

2014: ICEsoft continued to grow its subscription-based software business across its user-base realizing an approximate 15-20% year over year growth rate in subscription billings. Engineering services income held steady at approximately 15% of total revenue. Product development efforts shifted from now maturing mobility product development to the development of new context-based software-as-a-service initiative sponsored in part through a CDN$250,000 NRC / IRAP program grant. In July of 2014 ICEsoft received word from the Canada Revenue Agency (CRA) that ICEsoft's claimed Canadian Controlled Private Corporation (CCPC) status for its 2013 tax filings had been rejected. The CRA ruling resulted in a negative impact to forecasted cash flow of $497,626 from ICEsoft's 2013 SR&ED tax claims.

In 2014 ICEsoft also undertook a corporate restructuring so as to avoid placing additional risk to its accrued 2014 SR&ED tax credits and to resolve default conditions with secured note holders. In December 2014 ICEsoft undertook a reverse takeover (RTO) of its then parent company, Delaware based ICEsoft Technologies, Inc. As part of the sequence of steps undertaken, the majority of convertible debt held in the company was converted to equity and the corporate share structure was reduced from 39,538,623 shares issued and outstanding across 4 share classes to 3,000,000 common shares issued and outstanding. The corporate restructuring initiative was successfully concluded on December 31, 2014.

2015: ICEsoft Holdings continued to expand and grow its footprint and corporate subscription base across its user community. Significant product releases were realized in its ICEfaces and ICEpdf product offerings. In September 2015 the company completed an amalgamation with Stinton Exploration Ltd., a reporting issuer.

2016: During 2016 ICEsoft launched an early version of its Voyent Alert! product into the enterprise market as a tool and technology solution that could be integrated into third party applications. ICEsoft had planned to collaborate with these early adopters and further hone the Voyent offering, then later launch it into its broad-based developer network. Failure to secure sufficient working capital to see this initiative through to completion resulted in this development initiative being subsequently re-vectored. 2016 also saw the continued maturation of ICEsoft's legacy products with revenues falling off approximately 10% year over year.

During 2016, ICEsoft took steps to reduce its debt, accounts payable, and liabilities outstanding. Liabilities excluding deferred revenues were reduced $1.4 million or 46% during the year. ICEsoft raised approximately $1.45 million in debt and equity via private placements and debt conversion transactions. Of this amount, approximately $328,779 was directed to debt settlement and approximately $1,017,000 was made available as general working capital, which focused on the development of Voyent. All of these financings were strongly supported by insiders of the Corporation.

2017: During 2017 ICEsoft was forced to re-envision its Voyent Alert! product development effort to ensure product completion could be achieved within the Company's forecast cash flow and working capital on hand. A decision was made to pivot the product from an enterprise targeted tool and technology solution to a cloud-based communication service targeting deployment into small to medium sized municipalities and rural communities. Third party market studies determined that this vertical is typically underserviced and yet makes up >50% of the North American population. ICEsoft plans to develop a core business within this vertical and then begin to expand its offering to other industries.

During 2017, ICEsoft required additional financing to maintain operations. ICEsoft issued new debt, minor equity and renegotiated outstanding debt. These bridges were largely completely by insiders and consisted of the negotiation of previous 1-year notes into 3-year notes and the addition of $390,000 in new debt. Liabilities excluding deferred revenues increased $353,698 or 21% during the year.

2018: During 2018 ICEsoft continued to experience gradual degradation in legacy business sales. Initial launch of its Voyent Alert! service offering into Western Canada has seen traction, validating the service solution and product offering. By end of fourth quarter, seven agreements had been reached with municipalities and/or regional districts covering 17 communities. These agreements are currently at various stages of trial and deployment. All agreements have opt out provisions on behalf of the adopting communities.

2019: During Q1, 2019 ICEsoft realized a doubling of its Voyent Alert! service offering. By the end of Q1, 2019 a total of 14 agreements had been reached providing coverage to 40 communities. Qualified opportunities had grown to 54 accounts with a sales pipeline value of $490,000 CDN per year.

Significant Acquisitions and Dispositions

Apart from the ICEsoft Holdings Restructuring and the Amalgamation, as described above, there have been no other significant acquisition nor disposition completed by the Issuer in the past three fiscal years.

Trends, Commitments, Events or Uncertainty

As of the date of this Listing Statement, there are no trends, commitments, events or uncertainties currently known to management, which could reasonably be expected to have a material effect on the Issuer's business, financial condition or results of operations. However, there are significant risks associated with the Issuer's business as described in "*Item 17 - Risk Factors*".

Item 4. Narrative Description of the Business

Overview

ICEsoft is a software technology company providing SaaS solutions and technologies to municipalities, regional governments, institutions and enterprise. The Company's legacy business of enterprise software sales has a subscriber base of approximately 220 medium to large-scale corporations. ICEsoft's legacy products: ICEfaces, ICEmobile and ICEpdf have been used by over 20,000 enterprises and 150,000 developers worldwide. ICEsoft is building on its suite of legacy enterprise products with Voyent Alert!, a new Software-as-a-Service offering for delivering context-enriched notifications and content to small – medium sized municipalities and rural communities.

ICEsoft has been providing software for critical infrastructure deployment for over 10 years. Its current products include:

> **Voyent Alert!:** Voyent Alert! is a multi-purpose communication service designed to meet the needs of small to medium sized communities, regional districts and institutions. It serves both as a critical event notification service as well as a day-to-day communication tool. Registration is fully anonymous, and the service provides each message recipient with enriched / customized communications including information such as their distance from an event, its direction, time to intercept, recommended direction of evacuation, or even turn by turn directions to get to a shelter. The service is designed to augment provincial and federal notification solutions by providing more localized and user specific communications. Communications are delivered via mobile applications, SMS/Text, Email, and Voice as well as your social media channels. The service holds the potential for application in a number of secondary market verticals including Residential and Commercial Construction, Insurance and the Corporate Campus markets.
>
> **ICEfaces:** ICEfaces is a presentation layer technology solution that facilitates rich application development in both desktop and mobile environments. ICEfaces leverages responsive web-design techniques that detect the nature of the platform accessing the web-application, allowing automatic reformatting of the content being served to that particular appliance. This results in considerable savings to the enterprise in both time and cost of development.
>
> **ICEpdf:** ICEpdf is a Java-based PDF viewing engine that can be easily integrated within larger applications. It is a high performance application supporting a wide range of fonts (Asian and Cyrillic), forms and encryption.

ICEsoft prides itself on its support metrics and prompt response times. It understands the dependency many enterprises' have on existing legacy infrastructure. ICEsoft's legacy products support a wide range of infrastructure software in the industry, allowing developers to implement new feature capabilities without having to redesign legacy applications or having to upgrade existing middleware.

Business Strategy

ICEsoft offers both "free-to-use-trial" and commercial variants of its legacy product offering, made up of ICEfaces and ICEpdf. These trial variants are constrained in terms of time, the number of users, feature set, and deployment options. The purpose is to enhance the technologies accessibility to developers and key managerial decision makers, generate market excitement and stimulate early adoption. The commercial variant are required in order to support user numbers more typical of production level releases or to support deployment or security features typically required by enterprise.

However the market for ICEsoft's legacy business offering (ICEfaces and ICEpdf) is maturing and the Company is forecasting a gradual decline in legacy revenue which is anticipated to continue at a rate of 8-10% per year over the next 5 to 6 years. In response, ICEsoft is allocating resources to developing its Voyent Alert! service and focusing on a specific vertical to gain market awareness, acceptance, and traction. It is anticipated that Voyent Alert! and its variants will serve as the Company's primary income stream and growth vector over future years.

The Voyent Alert! product has been developed into a SaaS solution designed to meet the small municipality vertical. This vertical is typically underserviced and yet makes up 50% of the North American population. ICEsoft plans have been to develop a core business within this vertical starting with rollout to Western Canada and then begin to expand its offering to other regions and industries. Having established a presence in the small municipality vertical, ICEsoft anticipates expanding its addressable market into larger communities and alternative market verticals such as Residential and Commercial Construction, Insurance, and Corporate Campus deployments.

Business Objectives

Over the next twelve months, the Issuer's business objectives are listed in the table below.

Business Objective / Milestone	**Projected Completion Date**	**Estimated Cost**
Objective: Canadian Market Expansion Milestones: - Establish Material Voyent Alert! sales in Canada. - Close Q3 '19 Voyent Alert! sales with 50+ total communities under service. - Achieve $350K in annualized recurring revenue from the Voyent Alert! product line. - Establish product sales in regions beyond Canada.	September 2019	$50,000
Objective: Establish Secondary Market Presence Milestones: - Establish presence of Voyent Alert! in the US Market. - Deploy multilingual notification service - Secure US Department of Homeland Security Certification - Secure first US sales	October 2019	$150,000
Objective: Establish cash flow positive operations. Milestones: - Secure total of 100+ communities under service - Achieve >$700K in annualized recurring revenue from Voyent Alert! sales - Achieve cash flow positive operations and net earnings greater than $100K loss through second half 2019.	December 2019	$320,000
Total:		$520,000

Available Funds and Principal Purposes

Funds Available

The following is a breakdown of the funds that are available to the Issuer (the "**Available Funds**") following the Listing:

Source of Funds	Amount
Working Capital as of April 30, 2018	($1,019,428)
Current Contracts/Subscriptions(1)(2)	$1,591,000
Total	**$ 571,572**

(1) As of 04/30/2018, ICEsoft has a recurring revenue stream comprised of 255 contracts/subscriptions with an aggregate renewal value of approximately CDN $1,992,000. Approximately 10% of these contracts are multi-year in nature. In 12 months following April 30, 2019, 247 contracts/subscriptions with an aggregate value of approximately CDN $1,675,000 shall come due for renewal. ICEsoft renewal rates on its legacy product subscriptions (ICEpdf and ICEfaces) have averaged 95% year over year over the past two years. The claimed CDN $1,591,000 source of funds represents 95% of the contracts and associated renewal value due for 2019/2020.

(2) Readers should be advised that in subscription-based business transactions, such as those described in (1) above, sales do not translate immediately into revenue over the reporting time period. The Company secures payment in advance of subscription-based sales; revenue is subsequently amortized and recognized over the term of the subscription. Unamortized amounts of the pre-paid subscription show up as a liability under Deferred Revenue on the balance sheet. As a consequence quarterly and annual revenues may drop or appear flat over a period while product sales and operational cash flow over the period increase.

In the event that the Issuer raises additional capital, there is no assurance that the Issuer will be successful or if additional capital is required, that it will be available on terms acceptable to the Issuer.

Principal Purposes

The Issuer intends to use the Available Funds for the following purposes:

Use of Funds	Amount
Canadian Market Expansion	$ 50,000
Establish Secondary Market Presence	$ 150,000
Establish Cash flow Positive Operations	$ 320,000
Total	$ 520,000

While the Issuer intends to spend the funds available to it as stated, there may be instances where, for sound business reasons, a reallocation of funds is deemed appropriate.

Principal Products

The Issuer's principal products are:

Voyent Alert!:

General: Voyent Alert! is a multi-purpose communication service designed to meet the needs of small to medium sized communities and regional districts. See "Item 4 – Narrative Description of the Business".

Distribution and Principal Market: Voyent Alert! is presently being deployed into 40 communities, regional districts, and institutions in Canada. It is distributed as a cloud-based SaaS solution. ICEsoft forecasts that the product will make up more than 50% of total revenues in less than 2 years.

Timing and Cost Estimates: The Voyent Alert! core technology has been developed. Road map development of additional features is ongoing. Market launch into Canada has commenced and initial sales of the products have been secured. Having validated the market and product pricing models, focus is shifting from product development to expanding sales and marketing efforts both beyond Canada and into secondary markets such as the Residential and Commercial Construction, Insurance and Corporate Campus verticals.

Required expansion activities include web site augmentation for the new product, establishment of self-serve sales automation, SaaS infrastructure deployment, collateral development and analyst campaigns. The product is sold on a pre-paid annual subscription basis. Subscription prices vary based on product feature set, the number of registered users on the system, and service usage plans.

ICEfaces:

General: ICEfaces is described above. See “Item 4 – Narrative Description of the Business”.

Distribution and Principal Market: ICEfaces is distributed as an electronic download through ICEsoft’s web site, or via transmission in electronic format. Its primary market is the IT / Developer organizations with medium to large scale enterprise. ICEfaces has a technology dependency on the Java programming language and the Java Enterprise Edition software stack supported by Oracle.

Percentage of Revenue: ICEfaces sales to customers have been responsible for generating approximately 90% of the Issuer’s revenue stream for each of the prior two fiscal years on a consolidated basis. There have been no sales or transfers to joint ventures in which the Issuer is a participant in or has an investment in. Likewise, there have been no sales or transfers to controlling shareholders or investee entities. The ICEfaces product is sold on a pre-paid annual subscription basis. Subscription prices vary based on feature set, and the number of supported developers.

ICEpdf

General: ICEpdf is described above. See “Item 4 – Narrative Description of the Business – An Established Enterprise Software Portfolio”.

Distribution and Principal Market: ICEpdf is distributed as an electronic download through ICEsoft’s web site, or via transmission in electronic format. Its primary market is the IT / Developer organizations with medium to large-scale enterprise. ICEpdf has a technology dependency on the Java programming language supported by Oracle.

Percentage of Revenue: ICEpdf sales to customers have been responsible for generating approximately 10% of the Issuer’s revenue stream for each of the prior two fiscal years on a consolidated basis. There have been no sales or transfers to Joint Ventures in which the Issuer is a participant in or has an investment in. Likewise, there have been no sales or transfers to controlling shareholders or investee entities. ICEpdf is sold as a pre-paid license with annual support fees and per user royalties.

Production and Sales

Product and Service Provisioning: All of ICEsoft’s products are developed, maintained and distributed in electronic format. Engineering services, consulting, support and training services are provided on an on demand basis or as part of pre-purchased product subscriptions. Services are typically of a nature that they can be carried out remotely from the client site. Support and engineers typically fulfil the work requirements out of ICEsoft offices or home offices. In the event travel to a customer site is required travel costs are billed to the client separately either on a per diem or cost plus basis.

ICEsoft's current and planned products, other than ICEpdf, are typically sold on an annual subscription basis. Subscription and planned SaaS fees are pre-paid for a given subscription term. Terms generally run from 1 to 3 years. On occasion, ICEsoft has entertained one and six month terms. It is typical that discounts of 10-20% may be offered on pre-payment of multi-year terms. Receivables are set at 30-60 day terms. Subscribers are advised of renewal options a minimum of 30 days prior to subscription expiration. Subscribers failing to renew are often provided a 30-day grace window to complete subscriptions during which time they continue to have access to upgrades and web content, however engineering support is typically withheld.

ICEsoft's PDF products are typically sold under a license / OEM model. Clients pay an upfront license fee typically scaled by anticipated volume of products shipped and an annual support fee on the order of 15-20% of the total license costs.

Engineering and consulting services are typically invoiced upon completion of services rendered and sign off by client. Revenue is recognized upon invoicing. The exception being in the event the client procures pre-paid engineering hours. These are blocks of pre-paid engineering consulting time offered to clients on a discounted basis. In this event pre-paid hours are recorded as deferred revenue and recognized as the client uses the hours. Pre-paid engineering products have a one year limited life span.

Specialized Skills and Knowledge

The Issuer has retained employees and contractors with specialized skill and knowledge in presentation layer technologies, mobile service deployment, web protocols, distributed application development and high availability architectures. In particular, these employees and consultants have unique knowledge regarding sophisticated enterprise grade application development and deployment configurations.

Such skills are hard to acquire and securing experienced resources is often difficult. The Issuer often had to rely on securing these skills through internal development and training using mentoring and hands on experience. Replacement of critical skill sets can often take up to six months.

Intellectual Property

The Issuer takes active steps to secure its intellectual property. It has secured copyrights and trademarks as required. The Issuer has two patents granted.

The Issuer owns trade secrets (including know-how) and confidential information, which are being protected through confidentiality provisions, and other similarly restrictive covenants contained in agreements entered into by the Issuer and the parties having access to such trade secrets and confidential information. The trade secrets and confidential information owned by the Issuer include all trade secrets and confidential information used in carrying on the business including without limitation trade secrets with respect to its products and technologies, concepts, know-how, advertising materials and strategies, marketing plans and materials, client lists, telephone numbers and operational procedures.

Seasonality

Historical trends have identified a measure of seasonality in the Issuer's legacy business. January through April and September tend to be stronger months. Summer months see sales tempered as a result of holidays. The summer slow downs are most prominent in European related sales. November and December are historically slow months.

Similar trends are anticipated for the Issuer's recently launched Voyent Alert! service. January through June are anticipated to be higher sales months due to budget release and the time availability of key customer resources to assess and shepherd the service through the clients purchase process. Summer months are anticipated to be slower owing to an increased rate of peripheral incidents, such as flood and fire season, which is anticipated to distract from the procurement process.

Employees

As of May 27, 2019 the Issuer had 9 full time employees, 3 part time employees and 6 key contractors.

Foreign Operations

The Issuer's operations are primarily carried out in Canada with a small presence in Europe, restricted to two technical contracting staff assisting in software development and support. No management, officers, or directors reside in Europe, nor does the Issuer maintain an established legal presence there. Revenue is primarily sourced through sales to US, Canada and European customers. US and Canadian sales represent approximately 66% of total revenues. European customers contribute approximately 30% to total revenues. Sales to the "rest-of-world" combined contribute less than 5% to total revenues. The Issuer's on-going operations are dependent on revenues earned in all of the above jurisdictions.

Significant Contracts

The Issuer is not substantially dependent on a contract to sell a major part of its products or to purchase a major part of its goods or services.

Changes to Contracts

The Issuer does not believe that its business will be materially affected by renegotiation or termination of contracts or sub-contracts in the current fiscal year.

Competitive Conditions

Notable competitors to the ICEsoft's Voyent Alert! product include companies such as Everbridge, Athoc/Blackberry, Civic Plus, and X-matters. These companies participate predominantly in the mass notification or consumer marketing / couponing sectors with a primary focus being on servicing large urban centres. Messaging tends to be text-based and generic in nature with a focus on static location alerting.

In contrast ICEsoft is focussed on the small to medium sized municipality market with an emphasis on enriched and personalized communications. User specific communications may include information regarding their distance and direction from an incident, and be augmented by maps and other rich media content. Unlike other vendors ICEsoft provides real-time location tracking to users and incidents and allows for anonymous registration.

The sample competitors are well financed however and over time could be capable of entering the small municipality sectors. X-Matters has recently completed a USD$42,000,000 financing round. Everbridge recently completed an IPO on the NASDAQ.

ICEsoft sells its legacy products and services globally into the Rich Internet Application market. It is one of the top three open-source providers of presentation layer technologies to the Java EE developer community. The market is maturing in nature. While the addressable market is expanding, it is doing so as enterprises increase the number of applications using relevant technologies, rather than through the expansion of the total number of prospective enterprises using the technology having grown.

Within the addressable market, ICEsoft's competitors (to its core product offering) are split between vertically integrated solutions from large middleware providers such as Oracle or RedHat and smaller cross platform independents. ICEsoft is most successful with those potential clients that leverage multiple best-of-breed technologies rather than those that are vertically integrated within a given supplier.

Market for Products

The Issuer markets its products globally through online marketing techniques, inside sales processes, and direct sales in the case of Voyent Alert!.

The Voyent Alert! service has been developed into a solution designed to meet the small municipality vertical. This vertical is typically underserviced and yet makes up 50% of the North American population. ICEsoft plans to develop a core business within this vertical starting with direct sales rollout to Western Canada and then begin to expand its offering to other regions and industries.

With respect to ICEfaces and ICEpdf, the Issuer offers both free-to-use open source product variants as well as commercial product variants. Prior to downloading the Issuer's product or value added content the user must first register to become a "Community Member". This process installs a software cookie within the user's browser. The cookie must be accessible and active to facilitate access to restricted materials. Depending on the user's status (i.e. commercially licensed or open source user), certain content is made available or restricted.

Using the User ID and the installed software cookie, the Issuer tracks user behaviour on the website and institutes various lead nurturing programs the objective of which is to move the user closer towards procurement of a commercial license. The majority of the Issuer's commercial license sales and subscriptions come from the US and Canada (approximately 66%) and Europe (approximately 30%). The "Rest of World" combines to make up less than 5% of commercial license sales and subscriptions.

Bankruptcies

Neither the Issuer nor any of its Subsidiaries have had any bankruptcy, receivership or similar proceedings instituted against it or instituted any voluntary bankruptcy, receivership or similar proceedings within the three most recently completed financial years or completed during or proposed for the current financial year.

Material Restructuring Transactions

Other than the Amalgamation and ICEsoft Holdings Restructuring described above, the Issuer has not undertaken any material restructuring transaction in the three most recently completed financial years. See "Item 3 – General Development of the Business – Acquisition of ICEsoft Holdings" and "-Three Year History – Fiscal Year ended December 31, 2014").

Item 5. Selected Consolidated Financial Information

Annual Information

The following table summarizes select financial information for ICEsoft Technologies Canada Corp for fiscal years ending December 31, 2018, December 31, 2017 and December 31, 2016.

Summary Table of Financial and Operational Results	Twelve Months Ended Dec 31, 2018 $	Twelve Months Ended Dec 31, 2017 $	Twelve Months Ended Dec 31, 2016 $
Revenue	1,494,430	1,753,975	1,922,023
Operating Loss	(246,322)	(216,318)	(585,739)
Net Loss	(416,335)	(156,257)	(453,001)
Working Capital	(1,939,607)	(2,104,470)	(2,662,743)
Total Assets	132,246	177,123	234,832
Total Liabilities	2,781,998	2,831,157	2,897,575
Net Loss	(416,335)	(156,257)	(453,001)
Add Back:			
Financing Costs	111,816	70,177	45,856
EBITDA	**(304,519)**	**(86,080)**	**(407,145)**
Add Back:			
Stock based compensation	3,461	22,582	60,924
Gain on debt forgiveness	0	(147,793)	0
Gain on conversion of debenture	0	0	(240,937)
Adjusted EBITDA	**(301,058)**	**(211,291)**	**(587,158)**
Income per share	(.01)	(.00)	(.01)
Income per share (fully diluted)	(.00)	(.00)	(.01)
Net Income per share	(.01)	(.00)	(.01)
Net Income per share (fully diluted)	(.00)	(.00)	(.01)

Discontinued Operations

Since January 1, 2015 none of the Issuer's products or services have been discontinued. Certain support offerings previously available for older product releases have been restricted however and the Issuer has undertaken a conscious effort to roll back engineering services and consulting sales.

Changes in Accounting Policies

In 2015, as part of its audit process, ICEsoft Holdings migrated its reporting from US GAAP to IFRS standards. There have been no other material changes in accounting policies over the period.

Significant Acquisitions

There have been no significant acquisitions other than the Amalgamation and the ICEsoft Holdings Restructuring described above. See "Item 3 – General Development of the Business – Acquisition of ICEsoft Holdings" and "-Three Year History – Fiscal Year ended December 31, 2014").

Major Changes in Direction of Business

In 2017, the Issuer made the decision to re-focus business initiatives on product sales and subscriptions away from legacy product and enterprise tool investment and to develop the new Voyent Alert! service targeting the small municipalities vertical. In 2015, the Issuer took measures to restructure and ramp down income from engineering and consulting services from approximately 45% of total revenue in 2012 to approximately 7% of total revenue in 2015 to <2% in 2018.

Quarterly Information

The following table summarizes select financial information for the Issuer for the prior 8 most recently completed quarters ending at the end of December 31, 2018. All amounts expressed in $ CDN. All quarterly results are unaudited.

	Q4 18-12-31	**Q3 18-09-30**	**Q2 18-06-30**	**Q1 18-03-31**	**Q4 17-12-31**	**Q3 17-09-30**	**Q2 17-06-30**	**Q1 17-03-31**
Total Assets	132,246	337,385	281,023	256,508	177,123	148,561	201,322	236,638
Net Working Capital*	(1,939,607)	(1,770,156)	(2,022,258)	(2,038,311)	(2,104,470)	(2,767,479)	(2,770,933)	(2,725,992)
Deferred Revenue	829,602	868,086	924,305	959,557	799,229	969,150	1,070,080	1,191,653
Total Liabilities*	2,781,998	2,798,707	2,976,123	2,949,237	2,831,157	2,916,040	2,972,255	2,962,629
Total Revenue	348,185	352,644	348,554	445,027	439,814	414,473	432,273	467,414
Net Income from Operations	(94,606)	(31,936)	(137,753)	17,973	(36,749)	(45,765)	(77,445)	(56,359)
Income (Loss) per share (basic and diluted)	(0.00)	(0.00)	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.00)

* Includes Deferred Revenue

Dividends

Since incorporation, the Issuer has not paid out any dividends or distributions and does not have a policy regarding dividends or distributions. Any future payment of dividends will depend on the financing requirements and financial condition of the Issuer and other factors that the Board, in its sole discretion, may consider appropriate. The Issuer does not anticipate declaring any cash dividends in the foreseeable future.

There are no restrictions on paying dividends in the Issuer's by-laws or articles, other than the restrictions under the CBCA that the Issuer is prohibited from declaring or paying dividends if there are reasonable grounds for believing (a) that the Issuer is, or would after the payment be, unable to pay its liabilities as they become due insolvent; or (b) that the payment of dividends would render the Issuer insolvent or if the realizable value of the Issuer's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

Item 6. Management's Discussion and Analysis

ICEsoft Technologies Canada Corp.
Management Discussion and Analysis – Annual Highlights
For the period ended December 31, 2018

MANAGEMENT'S DISCUSSION & ANALYSIS – Annual HIGHLIGHTS

This Management's Discussion & Analysis ("MD&A") is intended to provide readers with the information that management ("Management") of ICEsoft Technologies Canada Corp. ("ICEsoft" or the "Corporation") believes is required to gain an understanding of the financial results of the Corporation for the year ended December 31, 2018 and 2017, and to assess the Corporation's future prospects.

Accordingly, certain sections of this report contain forward-looking statements and forward-looking information (collectively, "Forward-Looking Information") as defined under applicable Canadian securities laws, which are based on current plans and expectations (see under the heading "Special Note Regarding Forward Looking Information"). Additional information relating to ICEsoft is available under ICEsoft's profile on www.sedar.com.

This MD&A, presented and dated as of April 30, 2019, should be read in conjunction with the audited consolidated financial statements and related notes for the years ended December 31, 2018, and December 31, 2017.

The Corporation's consolidated financial statements have been prepared on a "going concern" basis, which presumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The operations of the Corporation have been primarily funded through private placements of equity and debt. The continued operations of the Corporation are dependent on the Corporation's ability to generate profitable operations in the future, to receive continued financial support from shareholders, and/or to complete sufficient equity and debt financings. In making its going concern assessment, management is aware of material uncertainties related to events and conditions that may cast significant doubt upon the Corporation's ability to continue as a going concern. The 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 if the going concern assumption was inappropriate; these adjustments could be material.

All currency amounts in the accompanying financial statements and this MD&A are in Canadian dollars unless otherwise noted.

Special Note Regarding Forward Looking Information

Certain statements contained in this MD&A constitute "forward-looking statements". These statements, identified by words such as "plan," "anticipate," "believe," "estimate," "should," "expect" and similar expressions include our expectations and objectives regarding our future financial position, operating results and business strategy. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of ICEsoft to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; speed of market adoption; reliance on reseller and partners; limited operating history of ICEsoft; market fluctuations; and retention of key personnel.

Forward-looking statements are based on a number of material factors and assumptions, including that: ICEsoft shall be successful in its attempts to raise working capital in the near to medium term future; the market demonstrates on-going adoption of new technologies; there is no material change to the competitive environment; and ICEsoft will be able to access and retain sufficiently qualified technical, sales and marketing staff. While ICEsoft considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section “Risk Factors”.

New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on our business or the extent to which any factor, or combination of such factors, may cause actual results to differ materially from those contained in any forward-looking statement.

This MD&A includes market and industry data that has been obtained from third party sources, including industry and market analyst publications. Management believes that this industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, we have not independently verified any of the data from third party sources referred to in this MD&A or ascertained the underlying economic assumptions relied upon by such sources.

ICEsoft advises shareholders to carefully review the reports and documents it files from time to time with the securities regulatory authorities on SEDAR at www.sedar.com.

Corporate Structure

ICEsoft Technologies Canada Corp. (the “Company”, or the “Corporation”, or “ICEsoft” or “ICEsoft Technologies”) was formed in 2001 incorporated under the Canada Business Corporations Act, and was domiciled in Canada. ICEsoft is a reporting issuer company incorporated under the Canada Business Corporations Act (“CBCA”), and is domiciled in Canada.

ICEsoft and its subsidiaries are commercial Java open source technology companies and providers of mobile rich Internet applications development solutions for desktop and mobile enterprise. The Company’s head office is located at 370, 3553 31st Street NW, Calgary, Alberta, Canada, T2L 2K7. The consolidated financial statements of the Company as at and for the year ended December 31, 2018, and the year ended December 31, 2017, consist of the Company and wholly owned subsidiaries. ICEsoft wholly owns ICEsoft Technologies Holdings Ltd. and has a wholly owned Delaware subsidiary, ICEsoft Technologies, Inc., which acts as the United States operating entity.

Basis of Presentation

This review of the results of operations should be read in conjunction with the consolidated financial statements for the year ended December 31, 2018, and December 31, 2017. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements were approved and authorized for issue by the Board of Directors on April 26, 2019.

Certain supplementary measures in this MD&A do not have any standardized meaning as prescribed under IFRS and, therefore may not be comparable with calculation of similar measures for other entities and should be considered non-IFRS measures. These measures are described and presented in order to provide information regarding the Corporation’s financial and operational results, liquidity and ability to generate funds to finance its operations. These measures are identified and presented where appropriate together with reconciliations to the equivalent IFRS measures; however, they should not be used as an alternative to IFRS measures because they may not be consistent with calculations of other companies. These non-IFRS measures and certain operational definitions used by the Corporation, are further explained below.

EBITDA and Adjusted EBITDA

EBITDA refers to net income before interest, taxes, depreciation and amortization.

Adjusted EBITDA is calculated as EBITDA before costs associated with share-based compensation, gain on debt forgiveness, and gain on conversion features of debentures.

These measures do not have a standardized definition prescribed by IFRS and, therefore, may not be comparable to similar captioned terms presented by other users. Management believes that EBITDA and adjusted EBITDA are key indicators for the results generated by the Corporation's core business activities because they eliminate non-recurring items as well as the impact of finance and tax structure variables that exist between entities.

Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Functional and presentation currency

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

Basis of consolidation

The financial information contained within this MD&A include the accounts of the Corporation and its subsidiaries. All intercompany transactions have been eliminated in the 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.

Core Business

An established enterprise software portfolio

ICEsoft is an enterprise software company supplying medium to large scale multi-national corporations. The Company's core business has a subscriber base of approximately 430 medium to large scale corporations. ICEsoft's legacy products: ICEfaces, ICEmobile and ICEpdf have been used by over 20,000 enterprises and 150,000 developers worldwide. ICEsoft is building on its suite of legacy enterprise products with Voyent Alert!, a new Software-as-a-Service offering for delivering context-enriched notifications and content to small – medium sized municipalities and rural communities.

ICEsoft has been providing software for critical enterprise infrastructure for over 10 years. Its current products include:

Voyent Alert!: Voyent Alert! is a multi-purpose communication service designed specifically to meet the needs of small to medium sized communities and regional districts. It serves both as a critical event notification service as well as a day-to-day communication tool. Registration is fully anonymous, and the service provides each message recipient with enriched / customized communications including information such as their distance from an event, its direction, time to intercept, recommended direction of evacuation, or even turn by turn directions to get to a shelter. The service is designed to augment provincial and federal notification solutions by providing more localized and user specific communications. Communications go out through mobile applications, SMS/Text, Email, and Voice as well as your social media channels.

ICEfaces: ICEfaces is a presentation layer technology solution, which facilitates rich application development in both desktop and mobile environments. ICEfaces leverages responsive web-design techniques that detect the nature of the platform accessing the web-application, allowing automatic reformatting of the content being served to that particular appliance. This results in considerable savings to the enterprise in both time and cost of development.

ICEpdf: ICEpdf is a Java-based PDF viewing engine that can be easily integrated within larger applications. It is a high-performance application supporting a wide range of fonts (Asian and Cyrillic), forms and encryption.

ICEsoft prides itself on its support metrics and prompt response times. It understands the dependency many enterprises' have on existing legacy infrastructure. ICEsoft's products support a wide range of infrastructure software in the industry, allowing developers to implement new feature capabilities without having to redesign legacy applications or having to upgrade existing middleware.

Production and Sales

All of ICEsoft's products are developed, maintained, and distributed in electronic format. Engineering services, consulting, support, and training services are provided on an on-demand basis or as part of pre-purchased product subscriptions. Services are typically of a nature that they can be carried out remote from the client site.

ICEsoft's legacy products are typically sold on an annual subscription basis. Subscription and planned Software-As-A-Service or "SaaS" fees are pre-paid for a given subscription term. Terms generally run from one to three years. On occasion ICEsoft has entered into subscription terms of one to six-month terms. It is typical that discounts of 10-20% may be offered on pre-payment of multi-year terms. Receivables are set at 30-day terms. Subscribers are advised of renewal options a minimum of 30 days prior to expiration of their subscription. Subscribers who fail to renew prior to expiration of their subscription terms are often provided a 30-day grace window to complete the renewal during which time they continue to have access to upgrades and web content; however, engineering support is typically withheld.

Voyent Alert! utilizes a Software-as-a-Service pricing model with subscription fees being paid up front. Pricing consists of a base subscription fee plus additional annual user and service usage fees that are calculated and billed quarterly in arrears.

ICEsoft's PDF products are typically sold under a license / OEM model. Clients pay an upfront license fee typically scaled by anticipated volume of products shipped and an annual support fee on the order of 15-20% of the total license costs.

Market for Products

The majority of ICEsoft's commercial license sales for legacy products come from the United States (app. 60%) and Europe (app. 30%). End users of ICEsoft's free-to-use products see significant deployment in China, India, and Brazil, all regions where ICEsoft has faced historical challenges in commercialization.

ICEsoft's Voyent Alert! service product is presently being sold only in Canada during its initial launch. Subject to the Company's meeting its capital raise objectives in 2019 the Company anticipates expanding this market into the US and European markets.

Specialized Skills and Knowledge

ICEsoft has retained employees and contractors with specialized skill and knowledge in presentation layer technologies, web protocols, distributed application development, and high availability architectures. In particular, these employees and consultants have unique knowledge regarding sophisticated enterprise grade application development and deployment configurations. Replacement of critical skill sets can often take up to 6 months.

Intellectual Property

ICEsoft takes active steps to secure its intellectual property. It has secured copyrights and trademarks as required. ICEsoft has two patents granted and issued.

Seasonality

Historical trends have identified a measure of seasonality in ICEsoft's business. January through April as well as September tend to be stronger months. Summer months see sales tempered as a result of holidays. The summer slowdown is most predominant with European sales. November and December are historically slow months. Seasonal holidays place downwards pressure on sales towards the calendar year end; however, contract renewals remain strong, which is where the majority of revenues are sourced.

Employees

As of December 31, 2018, ICEsoft has 9 full-time employees, 3 part-time employees, 2 full-time European contractors, 2 full time and 1 part time North American contractors.

Significant Contracts

ICEsoft is not substantially dependent on a contract to sell a major part of its products or to purchase a major part of its goods or services.

Changes to Contracts

ICEsoft does not believe that its business will be materially affected by renegotiation or termination of contracts or sub-contracts in the current fiscal year.

History

2012: In fiscal 2012, ICEsoft focused on expanding its footprint across its existing user base in both services / consulting and in subscription-based product sales. ICEsoft services and consulting revenue streams were grown to approximately 40% of total annual revenue. Product initiatives focussed on the development of mobile products that would reduce development times and support costs faced by enterprise IT organizations.

2013: In fiscal 2013 ICEsoft's subscription business continued to grow across its existing product portfolio, realizing significant conversion rates from simple, per application subscriptions to a growing number of higher valued, multi-application, corporate accounts. Decisions were made to reduce the company's dependence on non-recurring revenue streams. Its consulting and engineering services revenue streams were reduced from 40% down to 16% of total revenue. Slower than forecast market adoption rates within enterprise IT organizations were faced resulting in longer cycles and lower than forecast revenues from the mobility products. While enterprises were mobilizing their web-based applications, development funding was prioritized at the business unit level with consumer facing applications typically responsible for revenue generation and customer satisfaction. Within the enterprise, IT organizational roll out and mobilization of internal enterprise applications, ICEsoft's traditional market and customer base, were found to be trailing by 4-6 quarters.

2014: ICEsoft continued to grow its subscription-based software business across its user-base realizing an approximate 15-20% year over year growth rate in subscription billings. Engineering services income held steady at approximately 15% of total revenue. Product development efforts shifted from now maturing mobility product development to the development of new context-based software-as-a-service initiative sponsored in part through a CDN$250,000 NRC / IRAP program grant. In July of 2014 ICEsoft received word from the Canada Revenue Agency (CRA) that ICEsoft's claimed Canadian Controlled Private Corporation (CCPC) status for its 2013 tax filings had been rejected. The CRA ruling resulted in a negative impact to forecasted cash flow of $497,626 from ICEsoft's 2013 SR&ED tax claims.

While appealing the CRA finding, ICEsoft elected to undertake a corporate restructuring so as to avoid placing additional risk to its accrued 2014 SR&ED tax credits and to resolve default conditions with secured note holders. In December 2014 ICEsoft (then ICEsoft Technologies, Canada Corp.) undertook a reverse takeover (RTO) of its then parent company, Delaware based ICEsoft Technologies, Inc. As part of the sequence of steps undertaken, the majority of convertible debt held in the company was converted to equity and the corporate share structure was reduced from 39,538,623 shares issued and outstanding across 4 share classes to 3,000,000 common shares issued and outstanding. The corporate restructuring initiative was successfully concluded on December 31, 2014.

2015: ICEsoft Holdings continued to expand and grow its footprint and corporate subscription base across its user community. Significant product releases were realized in its ICEfaces and ICEpdf product offerings. In September 2015 the company completed an amalgamation with Stinton Exploration Ltd., a reporting issuer.

2016: During 2016 ICEsoft launched an early version of its Voyent product into the enterprise market as a tool and technology solution that could be integrated into third party applications. ICEsoft had planned to collaborate with these early adopters and further hone the Voyent offering, then later launch it into its broad-based developer network. Failure to secure sufficient working capital to see this initiative through to completion resulted in this development initiative being subsequently revectored. 2016 also saw the continued maturation of ICEsoft's legacy products with revenues falling off approximately 10% year over year.

During 2016, ICEsoft took steps to reduce its debt, accounts payable, and liabilities outstanding. Liabilities excluding deferred revenues were reduced $1.4 million or 46% during the year. ICEsoft raised approximately $1.45 million in debt and equity via private placements and debt conversion transactions. Of this amount, approximately $328,779 was directed to debt settlement and approximately $1,017,000 was made available as general working capital, which focused on the development of Voyent. All of these financings were strongly supported by insiders of the Corporation.

2017: During 2017 ICEsoft was forced to re-envision its Voyent Alert! product development effort to ensure product completion could be achieved within the Company's forecast cash flow and working capital on hand. A decision was made to pivot the product from an enterprise targeted tool and technology solution to a cloud-based communication service targeting deployment into small to medium sized municipalities and rural communities. Third party market studies determined that this vertical is typically underserviced and yet makes up >50% of the North American population. ICEsoft plans to develop a core business within this vertical and then begin to expand its offering to other industries.

During 2017, ICEsoft required additional financing to maintain operations. ICEsoft issued new debt, minor equity and renegotiated outstanding debt. These bridges were largely completely by insiders and consisted of the negotiation of previous 1-year notes into 3-year notes and the addition of $390,000 in new debt. Liabilities excluding deferred revenues increased $353,698 or 21% during the year.

2018: In 2018, ICEsoft successfully launched its Voyent Alert! Service into the market. By year-end the Company had extended coverage to over 17 communities across Western Canada with an addressable population base of approximately 100,000 residents. In late 2018 ICEsoft initiated market studies to identify secondary market verticals suitable for the Voyent Alert! Service and commenced sales and marketing activities targeting the residential and construction verticals.

Legacy product sales continued to see a slow year over year decline owing to the maturing market. The Company did realize a corresponding drop in associated support and sales infrastructure costs, improving overall margin across the legacy product initiatives.

During 2018, ICEsoft required additional financing to maintain operations. ICEsoft issued new debt (CAD$100,000) and participated in equity financings (CAD$571,040) over the course of the year.

Business Strategy

ICEsoft is allocating resources to develop and expand its Voyent Alert! Notification Service across multiple addressable market verticals. The Voyent Alert! Service has been initially designed to meet the needs of small to medium sized communities, governments and institutions. This target vertical is typically underserviced and yet makes up 50% of the North American population. ICEsoft will expand its core business within this vertical with rollouts across Eastern Canada and US markets. ICEsoft plans to expand its offering into other suitable market verticals such as the retail and commercial construction sectors, insurance and enterprise sales over the upcoming fiscal years.

ICEsoft continues to offer both "free-to-use-trial" and commercial variants of its legacy product offering. The trial variant is constrained in terms of time, the number of users, feature set, and deployment options. The purpose is to enhance the technologies accessibility to developers and key managerial decision makers, generate market excitement and stimulate early adoption. The commercial variant is required in order to support user numbers more typical of production level releases or to support deployment or security features typically required by enterprise.

Competitive Conditions

Notable competitors to the ICEsoft's Voyent Alert! service include companies such as Everbridge, Athoc/Blackberry, Urban Airship, Kony Solutions, and X-matters. These companies participate predominantly in the mass notification or consumer marketing / couponing sectors with a primary focus being on servicing large urban centres. Messaging tends to be text-based and generic in nature with a focus on static location alerting.

ICEsoft initial market focus has been on the small to medium sized municipality and government markets with an emphasis on enriched and personalized communications. User specific communications may include information regarding their distance and direction from an incident and be augmented by maps and other rich media content. Unlike other vendors, ICEsoft provides real-time location tracking to users and incidents and allows for anonymous registration.

The sample competitors are well financed and over time could be capable of entering the small municipality sectors. Urban Airship and Kony Solutions have received approximately USD$80,000,000 and USD$85,000,000 in capital funding. X-Matters has received USD$42,000,000 financing. Everbridge recently completed an IPO on the NASDAQ and has a market-cap of over USD$2 billion.

ICEsoft sells its legacy products and services globally into the Rich Internet Application market. It is one of the top three open-source providers of presentation layer technologies to the Java EE developer community. The market is maturing in nature. While the addressable market is expanding, it is doing so as enterprises increase the number of applications using relevant technologies, rather than through the expansion of the total number of prospective enterprises using the technology having grown.

Within the addressable market, ICEsoft's competitors (to its core product offering) are split between vertically integrated solutions from large middleware providers such as Oracle or RedHat and smaller cross platform independents. ICEsoft is most successful with those potential clients that leverage multiple best-of-breed technologies rather than those that are vertically integrated within a given supplier.

General Business Outlook

ICEsoft believes that its Voyent Alert! Service offers significant differentiation to conventional alerting services, and that this differentiation will continue to drive material adoption across the Canadian market throughout fiscal years 2019 and 2020. The Company anticipates a service launch into US markets by end of Q3 2019. The average subscription price per community is expected to climb as the service is adopted by increasingly larger communities over time.

During 2019 Management is expecting to launch variants of its Voyent Alert! Service into one or more secondary market verticals. First revenues are expected to be realized in 2019.

Management believes that ICEsoft's core/legacy business products will continue to generate sufficient income and cash flow for ICEsoft to remain solvent to meet its financial obligations, although the organization is becoming increasingly challenged to do so based on legacy products alone as the market for ICEsoft's legacy products is maturing in nature as evidenced by the years ended December 31, 2018 and 2017, declining revenues and should be expected to decline further over time.

ICEsoft anticipates that a minimum of CAD$350,000 either debt or equity-based financing will be required to see its Voyent Alert! product ramp through to positive cash flow contribution and maximize its business growth opportunities.

Review of 2018 Key Milestones

Business Objective	Description	Target Date	Year End Progress
Establish first Voyent Alert! sales	Secure initial sales for Voyent Alert!, targeting 10 communities by June 2018 with at least 1 sale being to a regional district or government agency.	Q3 2018	Secured 16 communities under service, one of which was a regional district within the province of British Columbia by end Q3 2018
Establish material Voyent Alert! Sales in Canada	Close year end Voyent Alert! sales of 35 districts and 180K in Voyent Alert! Revenue. Demonstrate sales in regions beyond Western Canada.	Q4 2018	Secured 17 communities under service with a forecast annualized income of CAD $85,000. The reduction in secured communities vs. forecast is attributed to the municipal election cycle that occurred in Q4, 2018. Any purchase decisions regarding services rollout were typically deferred until newly elected representatives were in place.
Increase available working capital	ICEsoft will undertake to increase its available working capital by minimum $500K required to maintain Voyent Alert! initiative prior to end Q3 and by $2.5M prior to year end to maximize sales potential for Voyent Alert!	Q1-Q4 2018	Concluded debt and equity based financings totalling CAD$571,040 by year end 2018. Management, in conjunction with the Board, elected to defer $2.5M raise until such time as the company had secured more serviced communities and the Company could demonstrate near break even cash flow from the Voyent Alert! initiative.
Year End Revenue and Profitability	ICEsoft plans to deliver consolidated revenues of >$1.5M CAD and EBITDA of less than a $300K loss for the year. Deliver accounts payable reduction of 30% year over year.	Q4 2018	2018 revenues were $1.49M CAD and EBITDA of ($281,829) was achieved

2019 Key Milestones

Business Objective	Description	Target Date	Year End Progress
Voyent Sales	Secure 100 communities under service with forecast annualized income exceeding CAD$500,000	Q4 2019	
Voyent New Market Introduction	Secure initial Voyent Sales within market outside of Canada and within at least one secondary market vertical.	Q3 2019	
Secure Listing Approvals	Secure unconditional approval for listing on a recognized Canadian exchange.	Q2 2019	
Increase available working capital	Increase working capital by minimum CAD$350,000	Q2 2019	
Year End Revenue and Profitability	Achieve annual sales in excess of CAD$1,600,000 with Adjusted EBITDA >CAD($350,000).	Q4 2019	

Summary of Financial and Operational Results

The following table summarizes select financial information for ICEsoft Technologies Canada Corp. for the most recently completed fiscal years ending at the end of December 31, 2018 and December 31, 2017. All amounts expressed in $CAD.

Summary Table of Financial and Operational Results	**Twelve Months Ended Dec 31, 2018 $**	**Twelve Months Ended Dec 31, 2017 $**
Revenue	1,494,430	1,753,975
Operating Loss	246,322	216,318
Net Loss	416,335	156,257
Working Capital	(1,939,607)	(2,104,470)
Total Assets	132,246	177,123
Total Liabilities	2,781,998	2,831,157
Net Loss	416,335	156,257
Add Back:		
Financing Costs	111,816	70,177
EBITDA	**(304,519)**	**(86,080)**
Add Back:		
Accretion on convertible notes	26,769	-
Stock based compensation	3,461	22,582
Gain on debt forgiveness	-	(147,793)
Adjusted EBITDA	**(274,289)**	**(211,291)**

Summary of Quarterly Results

The following table summarizes select financial information for ICEsoft Technologies Canada Corp. for the most recently completed quarters ending at the end of December 31, 2018. All amounts expressed in $CAD.

	Q4 2018-12-31	Q3 2018-09-30	Q2 2018-06-30	Q1 2018-03-31	Q4 2017-12-31	Q3 2017-09-30	Q2 2017-06-30	Q1 2017-03-31
Total Assets	132,246	337,835	281,023	256,508	177,123	148,561	201,322	236,638
Net Working Capital*	(1,939,607)	(1,770,156)	(2,022,258)	(2,038,311)	(2,654,034)	(2,767,479)	(2,770,933)	(2,725,992)
Deferred Revenue	829,602	868,086	924,305	959,557	799,229	969,150	1,070,080	1,191,653
Total Liabilities*	2,781,998	2,798,707	2,976,123	2,949,237	2,831,157	2,916,040	2,972,255	2,962,629
Total Revenue	348,185	352,664	348,554	445,027	439,814	414,473	432,273	467,414
Net Income from Operations	(94,606)	(31,936)	(137,753)	17,973	(36,749)	(45,765)	(77,445)	(56,359)
Income (Loss) per share (basic and diluted)	(0.00)	(0.00)	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.00)

*includes def. rev.

RESULTS OF OPERATIONS

Revenue and Sales

	Three Months Ended		Twelve Months Ended	
	Dec 31, 2018 $	Dec 31, 2017 $	Dec 31, 2018 $	Dec 31, 2017 $
Revenue	348,185	439,814	1,494,430	1,753,975

In reading the financial statements, the reader needs to be cognizant of the fact that in a subscription-based business sales do not translate immediately into revenue over the reporting time period. The Company secures payment in advance of subscription-based sales; revenue is subsequently amortized and recognized over the term of the subscription. Unamortized amounts of the pre-paid subscription show up as a liability under Deferred Revenue on the balance sheet. As a consequence, quarterly revenue may drop or appear flat while product sales over the period increase.

Annual 2018 vs. annual 2017 revenues declined by $259,545 (15%). Q4 2018 vs Q4 2017 saw a decline in revenues of $91,629 (21%) due to contract renewal timing. Sales in 2018 were $1,105,556 USD vs $1,128,923 in 2017 representing a decline of 2%. The long-term difference between sales and revenues is derived from multi-year contracts and management believes cash sales better represent the business activities than realized and deferred revenues.

Importantly, During FY2018, ICEsoft started to win early Voyent Alert! sales. By year end 2018 the Corporation closed 7 deals covering 17 municipalities. In 2018, these sales were immaterial, contributing $8,200 CAD to sales and $3,600 CAD in realized revenues; however, these early contracts include future client obligations to pay additional user/usage fees as municipality and district clients begin to use the features of Voyent Alert! to meet their needs. Management expects the contracts to begin to generate annual recurring revenues from Voyent Alert! system on the order of CAD$80,000 per year commencing Q2 2019 and to remain very sticky with little to no customers offboarding the system in the coming years.

There was no material shift in revenue across geographic regions.

Operating, General & Admin Expenses

	Three Months Ended		Twelve Months Ended	
	Dec 31, 2018 $	**Dec 31, 2017 $**	**Dec 31, 2018 $**	**Dec 31, 2017 $**
Cost of Sales, Operating, General and Admin Expenses	442,791	476,563	1,740,752	1,970,293

G&A costs in Q4 2018 were reduced across all three categories – Research and Development, General and Administrative and Sales and Marketing. In total costs were reduced $33,772 or 7% in Q4 2018 vs. Q4 2017 ($229,541 in FY 2018 or 12%) as the effects of recent reductions in staffing and an exceptionally lean operations mentality was maintained.

	Three Months Ended		Twelve Months Ended	
	Dec 31, 2018 $	**Dec 31, 2017 $**	**Dec 31, 2018 $**	**Dec 31, 2017 $**
Net Operating Income	(94,606)	(36,749)	(246,322)	(216,318)

The business saw net operating income weaken $57,857 in Q4 2018 relative to the same period of the prior year ($30,004 during FY 2018 or 14%) as it balanced declining legacy sales with expenses allocated to begin to position and sell Voyent Alert!. Management forecasts that minimal Voyent Alert! sales traction will push the business into a profitable net operating income position; however, additional marketing expenses will be required to drive Voyent Alert! deeply into the market.

	Three Months Ended		Twelve Months Ended	
	Dec 31, 2018 $	**Dec 31, 2017 $**	**Dec 31, 2018 $**	**Dec 31, 2017 $**
Net Income (Loss)	(215,873)	(76,881)	(416,335)	(156,257)

Included in net income / loss and comprehensive loss for the year ended December 31, 2018 is interest expense of $111,816 (vs $70,177 in 2017), a loss on foreign exchange of $27,787 (vs a gain of $246 in 2017) and non-cash accretion of convertible notes of $26,769 (vs. nil in 2017).

Stock Based Compensation

See note 12 on the financial statements for an update to ICEsoft's stock based compensation.

Liquidity and Capital Resources

ICEsoft is able to generate sufficient amounts of cash and cash equivalents in the short and long term from its existing portfolio of legacy products to remain solvent, provided it significantly moderates its deployment of resources to new product development. ICEsoft is unable to generate sufficient amounts of cash and cash equivalents required to meet its desired growth or to fund the planned development activities required to achieve that growth. It is forecast that ICEsoft's cash flow will improve over time as Voyent Alert! begins to establish a contributing revenue stream.

Incremental working capital requirements needed to see the Voyent Alert! product initiative through to cash flow break even operations are estimated to be a minimum of $350,000 CAD. Additional funds of up to $2.5M CAD would be required to further grow sales and marketing efforts needed to maximize the potential return for the product in the 2-3 year horizon.

Aside from ongoing, day to day operational requirements ICEsoft has no additional commitments for new capital expenditures.

There are no formal additional capital resources currently in place that are available to ICEsoft.

Capital Management

Management closely monitors cash flow requirements. The Corporation is actively pursuing sales and commercialization efforts of Voyent Alert!. The Corporation's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development and sales of its new product releases; however, it should be noted that the Corporation remains at an early stage of its Voyent Alert! commercialization initiatives and the Company will continue to be dependent on its ability to manage cash on hand through additional restructuring, an increase in revenues, a raise of incremental working capital, or renegotiation of loan terms in order to meet its obligations and repay its liabilities arising from normal business operations when they become due.

The management of capital includes convertible debentures and the components of shareholders' deficiency, comprised of common shares, contributed surplus, warrants, accumulated other comprehensive income, and deficit.

The Corporation strives to maximize the value associated with shareholders' equity. In order to achieve this objective, the Corporation may, from time to time, issue shares, issue new debt, dispose of assets or adjust its spending. ICEsoft manages its working capital through timely collection of receivables, controlling exposure to future commitments and securing favorable terms from suppliers. In order to preserve cash, the Corporation does not currently pay dividends. ICEsoft is not subject to externally imposed capital requirements and the Corporation's overall strategy with respect to managing its capital structure is:

- To safeguard the Corporation's ability to continue as a going concern
- To maintain appropriate cash reserves on hand to meet ongoing development and operating costs
- To invest cash on hand in highly liquid and highly rated financial instruments

Shares Outstanding

See note 10 on the financial statements for an overview of the shares outstanding and share capital of the Corporation. As of April 26, 2019 there are 51,725,739 common A shares outstanding.

Foreign Exchange Gains and Losses

See note 16(d) on the financial statements for description of foreign exchange impacts to the Corporation.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements at this time.

Transactions with Related Parties

See note 13 on the financial statements for a description of related party transactions.

Commitments

See note 14(a) on the financial statements for outstanding commitments the corporation faces.

Subsequent Events

See note 18 on the financial statements for events subsequent to year end.

Significant Accounting Judgments, Estimates and Assumptions

See note 4 on the financial statements for a description of significant accounting judgments, estimates, and assumptions.

Changes in Accounting Standards

See note 4 on the financial statements for changes in accounting standards.

Risk Factors

An investment in ICEsoft is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this document, before making any decision to invest in ICEsoft. The directors consider the following risks and other factors to be the most significant for potential investors in ICEsoft, but the risks listed do not necessarily comprise all those associated with an investment in ICEsoft. Additional risks and uncertainties not currently known to the directors may also have an adverse effect on ICEsoft's business.

Additional requirements for Capital

Substantial additional financing may be required if ICEsoft is to be successful developing its business. No assurances can be given that ICEsoft will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to ICEsoft, if at all. If ICEsoft is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Competition

ICEsoft has experienced, and expects to continue to experience, competition from a number of companies. ICEsoft's competitors may announce new products, services or enhancements that better meet the needs of customers or changing industry standards. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on ICEsoft's business, results of operations and financial condition.

Many of the competitors and potential competitors of ICEsoft have significantly greater financial, technical, marketing and/or service resources than does the Company. Many of these companies also have a larger base of users, longer operating histories or greater brand recognition than ICEsoft. Customers of ICEsoft are particularly concerned that their suppliers will continue to operate and provide upgrades and maintenance over a long-term period. ICEsoft's smaller size may be considered negatively by prospective customers. Even if competitors of ICEsoft provide products with more limited system functionality than those of ICEsoft, these products may incorporate other capabilities of interest to some customers and may be appealing due to a reduction in the number of different types of systems used to operate such customers' businesses. Further, competitors of ICEsoft may be able to respond more quickly than ICEsoft to changes in customer requirements and devote greater resources to the enhancement, promotion, and sale of their products.

Market uncertainty

ICEsoft's success depends to a significant degree on its ability to develop the market and gain acceptance for its products and services. There is no assurance that a significant market will develop for ICEsoft's principal products and services. There can be no assurances that the additional commercial applications and markets for ICEsoft's products will develop as currently contemplated. To manage such development ICEsoft must continue to expand its existing resources and management information systems and must attract, train, and motivate qualified marketing, management, technical, and administrative personnel. There can be no assurance that ICEsoft will be able to achieve these goals.

Maturing market

A major contributor to ICEsoft's revenue stream sources from one of its core product offerings, ICEfaces. ICEfaces leverages a widely adopted technology infrastructure known as Java Enterprise Edition (Java EE) developed by Oracle. Java EE is characterized as a maturing technology. The Java EE market has largely saturated over the past years and ICEsoft's growth opportunity resides in securing a greater portion of the already mature market sector. Any negative material change in the size of the addressable Java EE market would result in negative impact on revenue streams sourcing from ICEsoft's core product offering.

Management of growth

ICEsoft may be subject to growth-related risks including pressure on its internal systems and controls. ICEsoft's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of ICEsoft to deal with this growth could have a material adverse impact on its business, operations, and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, ICEsoft may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for ICEsoft's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, ICEsoft will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage, and retain its employees. There can be no assurance that ICEsoft will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support ICEsoft's operations, or that ICEsoft will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

High degree of product concentration

Substantially all of ICEsoft's currently anticipated revenues will be derived from a limited number of products and services that are ancillary to the products and services provided by third parties. Consequently, ICEsoft's performance will depend on market acceptance of those third-party products and services, as well as establishing market acceptance for its own products and services and enhancing the performance of such products and services to meet the evolving needs of customers. ICEsoft, like other entities involved in a rapidly evolving new industry, faces the risk that ICEsoft's products and services may not prove to be commercially successful or may be rendered obsolete by technological developments. There can be no assurances that ICEsoft will establish and maintain a position at the forefront of emerging technological trends. Any reduction in anticipated future demand or anticipated future sales of these products or any increase in competition could have a material adverse effect on ICEsoft's business prospects, operating results, or financial condition.

Product failures and mistakes

ICEsoft's products and services incorporate complex software and it encourages employees to quickly develop and help it launch new and innovative features. Its software has contained, and may now or in the future contain, errors, bugs or vulnerabilities. Some errors in its software code may only be discovered after the product or service has been released. Any errors, bugs or vulnerabilities discovered in its code after release could result in significant costs of correcting the failure or mistake, damage to its reputation, loss of users, or liability for damages, any of which could adversely affect its business and operating results.

Technological obsolescence

Competitors and new companies could launch new products. In order to remain on the cutting edge of technology, ICEsoft may need to launch a new generation of products and services. Whether it is competition from development companies or a merger or acquisition of existing companies, competition within certain software industry sectors offering solutions similar to what ICEsoft offers could increase. Some of ICEsoft's competitors have significantly greater financial, technical, distribution, and marketing resources than ICEsoft. Technological progress and product development could make ICEsoft's products obsolete or reduce their value.

Mobile devices and third-party operating systems

Mobile devices are increasingly being used and if our products and services do not operate as effectively when accessed through these devices it could harm the business. ICEsoft is dependent on the interoperability of its platform with third-party mobile devices and mobile operating systems as well as web browsers that it does not control. Any changes in such devices, systems or web browsers that degrade the functionality of its platform or give preferential treatment to competitive services could adversely affect usage of its products and services. Effective mobile functionality is integral to our long-term development and growth strategy. In the event that ICEsoft's merchants and customers have difficulty accessing and using products and services on mobile devices, ICEsoft's business and operating results could be adversely affected.

Pricing policies

The competitive market in which ICEsoft operates could force it to reduce its prices. If its competitors offer large discounts on certain products and services in order to gain market share or sell products and services, ICEsoft may need to lower its prices and offer other favorable terms in order to compete successfully. Such changes could reduce profit margins and have an unfavorable impact on its operating results. Some of ICEsoft's competitors could offer products and services that compete with theirs as part of a long-term pricing strategy or offer price guarantees or product implementation. With time, these practices could limit the prices ICEsoft may charge for its products and services. If ICEsoft cannot offset these price reductions with a corresponding increase in sales volume or decreased expense, the decreased revenues from products and services could unfavorably affect its profit margins and its operating results.

Patent infringement

While ICEsoft believes that its products and operations do not violate the intellectual property rights of third parties, other parties could bring legal actions against ICEsoft claiming damages and seeking to enjoin the marketing and sale of ICEsoft's products for allegedly conflicting with patents held by them. Any such litigation could result in substantial cost to ICEsoft and diversion of effort by its management and technical personnel. If any such actions are successful, in addition to any potential liability for damages, ICEsoft could be required to obtain a license in order to continue to market the affected products. There can be no assurance that ICEsoft would prevail in such action or that any license required under any such patent would be available on acceptable terms, if at all. Failure to obtain needed patents, licenses or proprietary information held by others may have material adverse effect on ICEsoft's business. In addition, if ICEsoft were to become involved in such litigation, it could consume a substantial portion of ICEsoft's time and resources.

Labour and key personnel

ICEsoft depends on the services of its key management personnel. The loss of one of these people could have a significantly unfavorable impact on ICEsoft, its operating results, and its financial position. The success of ICEsoft is largely dependent upon its ability to identify, hire train, motivate, and retain highly skilled management employees, engineers, technical employees, and sales and marketing personnel. Competition for its employees can be intense, and ICEsoft cannot ensure that it will be able to bring in and retain highly skilled technical and management personnel in the future. Its ability to bring in and retain management and technical personnel and the necessary sales and marketing employees could have an unfavorable impact on its growth and future profitability. The company may be obligated to increase the compensation paid to current or new employees, which could substantially increase operating expenses.

Lack of control in transactions

ICEsoft's business plan relies in part on retaining other companies to perform a variety of resale services. ICEsoft may not be in a position to control or direct the activities of the parties with whom it transacts business. Success of the Company may be subject to, among other things, the success of such other parties, with each being subject to their own risks.

Reliance on third party services and app store distribution

ICEsoft relies on certain technology services provided to it by third parties, and there can be no assurance that these third-party service providers will be available to the Company in the future on acceptable commercial terms or at all. If ICEsoft were to lose one or more of these service providers, it may not be able to replace them in a cost effective manner, or at all. This could harm the business and results of operations of the Company.

In addition, ICEsoft's future product technology relies in part on the deployment of ICEsoft's application code onto end user mobile appliances. This deployment is typically achieved via app stores associated with the different mobile platforms. ICEsoft does not control these app stores, their acceptance criteria or ultimately approval of their deployment. Rejection of ICEsoft's mobile application or utility by app store administrators would negatively impact ICEsoft's technology adoption and rollout.

ICEsoft may be subject to litigation

ICEsoft may be involved in disputes with other parties in the future, which may result in litigation. If ICEsoft is unable to resolve these disputes favorably, it may have a material adverse impact on ICEsoft's financial condition.

Failure to secure intellectual property

ICEsoft's products leverage a variety of proprietary rights that enable its competitive positioning and are critical to its success. ICEsoft has been protecting its Intellectual Property through copyright, trademark and patent applications. Because the Intellectual Property associated with ICEsoft's technology is evolving and rapidly changing, current intellectual property rights may not adequately protect the Company. ICEsoft may not be successful in securing or maintaining proprietary or future patent protection for the technology used in its systems or services, and protection that is secured may be challenged and possibly lost. ICEsoft generally enters into confidentiality or license agreements, or has confidentiality provisions in agreements with ICEsoft's employees, consultants, strategic partners and clients and controls access to and distribution of its technology, documentation and other proprietary information. ICEsoft's inability to protect its Intellectual Property adequately for these and other reasons could result in weakened demand for its systems or services, which would result in a decline in its revenues and profitability.

Use of "open source" software

ICEsoft's solutions incorporate and are dependent to a significant extent on the use and development of "open source" software and ICEsoft intends to continue our use and development of open source software in the future. Such open source software is generally licensed by its authors or other third-parties under open source licenses and is typically freely accessible, usable and modifiable. Pursuant to such open source licenses ICEsoft may be subject to certain conditions, including requirements that ICEsoft offer its proprietary software that incorporates the open source software for no cost, that it make available source code for modifications or derivative works it creates based upon, incorporating, or using the open source software, and that ICEsoft license such modifications or derivative works under the terms of the particular open source license. If an author or other third party that uses or distributes such open source software were to allege that ICEsoft had not complied with the conditions of one or more of these licenses, ICEsoft could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of ICEsoft's solutions that contained or are dependent upon the open source software and required to comply with the foregoing conditions, which could disrupt the distribution and sale of some of ICEsoft's solutions. Litigation could be costly for ICEsoft to defend, have a negative effect on ICEsoft's operating results and financial condition or require ICEsoft to devote additional research and development resources to change ICEsoft's platform.

Any requirement to disclose our proprietary source code, termination of open source license rights or payments of damages for breach of contract could be harmful to ICEsoft's business, results of operations or financial condition, and could help ICEsoft's competitors develop products and services that are similar to or better than ICEsoft's.

In addition to risks related to license requirements, usage of open source software can lead to greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties, controls on the origin or development of the software, or remedies against the licensors. Many of the risks associated with usage of open source software cannot be eliminated and could adversely affect ICEsoft's business.

Failure of information technology system

ICEsoft's operations could suffer as a result of a failure of its information technology system. ICEsoft's business will be dependent upon an information technology infrastructure to effectively manage and operate several key business functions, including order processing, customer service, installation and payments. These systems and operations are vulnerable to damage and interruption from fires, earthquakes, telecommunications failures, and other events. They are also subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct. Any such errors or inadequacies in the software that may be encountered could adversely affect operations, and such errors may be expensive or difficult to correct in a timely manner.

Advertising and search traffic

The promotions marketing industry is very dynamic with new technology and services being introduced by a range of players from larger established companies to start-ups on a frequent basis. ICEsoft's success in part requires that it is successful in conceiving and executing a variety of marketing campaigns into its targeted verticals. Desired wide scale adoption of ICEsoft's newest products is in part dependent upon ICEsoft successfully leveraging social media marketing techniques and campaigns. Failure to conceive and/or successfully execute on required marketing activities could negatively impact ICEsoft's forecast results and operations.

ICEsoft depends in part on internet search engines, such as Google, Bing and Yahoo!, to drive traffic to its website. For example, when a user types an inquiry into a search engine, ICEsoft relies on a high organic search result ranking of its webpages in these search results to refer the user to its website. However, ICEsoft's ability to maintain high organic search result rankings is not within its control. ICEsoft's competitors' search engine optimization, or SEO, efforts may result in their websites receiving a higher search result page ranking than ICEsoft's, or internet search engines could revise their methodologies in a way that would adversely affect ICEsoft's search result rankings. If internet search engines modify their search algorithms in ways that are detrimental to ICEsoft, or if ICEsoft's competitors' SEO efforts are more successful than ICEsoft's, the growth in ICEsoft's user base could slow. ICEsoft's website has experienced fluctuations in search result rankings in the past, and it anticipates similar fluctuations in the future. Any reduction in the number of users directed to ICEsoft's website through search engines could harm its business and operating results.

Foreign exchange

As ICEsoft looks to expand and monetize its user base internationally, it will become exposed to the effects of fluctuations in currency exchange rates. Since ICEsoft conducts business in currencies other than Canadian dollars, but reports its operating results in Canadian dollars, it faces exposure to fluctuations in currency exchange rates. Consequently, exchange rate fluctuations between the Canadian dollar and other currencies could have a material impact on ICEsoft's operating results.

Insurance coverage

ICEsoft does not have insurance to adequately protect against risks associated with its business and operations, nor is it intended that ICEsoft will purchase any such insurance for the foreseeable future. It is not always possible to fully insure against business and other risks and ICEsoft may decide to not take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, it could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of ICEsoft.

No Dividend History

No dividends have been paid by ICEsoft to date. ICEsoft anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of ICEsoft's board of directors' after taking into account many factors, including ICEsoft's financial condition and current and anticipated cash needs.

Government Regulation

Government regulations influence the design, components or operation of ICEsoft's products. New regulations and changes to current regulations are always possible and, in some jurisdictions, regulations may be introduced with little or no time to bring related products into compliance with these regulations. ICEsoft's failure to comply with these regulations may prevent us from selling our products in a certain country. In addition, these regulations may increase our cost of supplying products by forcing us to redesign existing products or to use more expensive designs or components. In these cases, ICEsoft may experience unexpected disruptions in its ability to supply customers with products, or it may incur unexpected costs or operational complexities to bring products into compliance. This could have an adverse effect on ICEsoft's results of operations and increase the volatility of its financial results.

Impact of Recently Launched Government Alerting Services

Recently launched government alerting services, provincial and federal, such as Alert Ready could negatively impact sales and lengthen sales cycles. The Alert Ready system addresses large scale threat-to-life incidents such as Tsunamis, Earthquakes etc. It leverages the telecom infrastructure to deliver a text-based warning to end users mobile devices. Some of the communities within ICEsoft's target market may view this as a viable alternative to more detailed, community administrated solutions making it more difficult for ICEsoft to sell into them. The same argument holds in that the presence of this system may negatively impact potential investors view of the opportunity making it more difficult for ICEsoft to raise the working capital it requires.

Subsequent Events and Outlook

Subsequent to fiscal year end 2018 and prior to end of Q1, 2019, the Company undertook efforts to restructure short term debt obligations, converting CAD$120,000 of unsecured junior debt into an equity position. Various other secured debt and deferred salary positions were restructured to Long Term Debt positions.

Management believes that ICEsoft's core/legacy business products will continue to generate sufficient income and cash flow for ICEsoft to remain solvent to meet its financial obligations as demonstrated from Note 17 – Segmented Information on the financial statements. However, the market for ICEsoft's legacy products is maturing in nature and should be expected to decline further over time.

ICEsoft anticipates that additional financing sources, either debt or equity-based will be required in order to see its recently launched Voyent Alert! product through to positive cash flow contribution and to maximize its business growth opportunities.

Management has identified key success metrics associated with its Voyent Alert! Service rollout as being:

- Total Communities Under Service
- Total Addressable Population (cumulative population of its communities under service)
- Forecast Annualized Revenue (sum of subscription fees and forecast annual usage fees)

Management anticipates that by year-end 2019 the Voyent Alert! Service shall have in excess of 100 communities under service with an total addressable population exceeding 750,000 persons and associated forecast annualized revenues of CAD$500,000.

Item 7. Market for Securities

The Issuer's common shares are not currently listed or posted for trading on any stock exchange.

Item 8. Consolidated Capitalization

The following table sets forth the consolidated capitalization of the Issuer as of the date of this Listing Statement.

	Authorized	Amount Outstanding as at December 31, 2017	Amount Outstanding as at December 31, 2018	Amount Outstanding as at May 27, 2019
Common Shares	Unlimited	43,045,824	47,804,490	51,725,739
Stock Options(1)	n/a	4,780,000	4,630,000	4,630,000
Warrants(2)	n/a	9,780,835	12,232,482	16,903,731
Reserved for Convertible Debt	n/a	3,934,100	4,600,766	4,600,766

(1) For information with respect to the terms of the Stock Options, see "*Item 9 - Options to Purchase Securities*".
(2) For information with respect to the terms of the Warrants, see "*Item 10 - Description of the Securities - Warrants*".

Since December 31, 2018 the Issuer has concluded private placements for sale of 2,921,249 units at CDN $0.12 / unit. Each unit comprised of one common share plus a warrant to purchase one common share at $0.20 CDN for three years. Since December 31, 2018 the Issuer has entered into a debt conversion agreement in which CDN $120,000 of junior unsecured debt was converting into 1,000,000 units at CDN $0.12 / unit. Each unit comprised of one common share plus a warrant to purchase one common share at $0.20 CDN for three years.

Item 9. Options to Purchase Securities

Stock Options

The Issuer has adopted a stock option plan (the "**Option Plan**") for the purpose of offering incentive to directors, officers, employees and others who provide services to the Issuer or its subsidiaries. The Option Plan is designed to encourage their long-term association with the Issuer by aligning their interests with the interests of the Issuer's shareholders. The Stock Option Plan is a "rolling" stock option plan reserving a maximum of 10% of the issued shares of the Issuer at the time of the stock option grant. A summary of the principal terms and conditions of the Option Plan is set out below.

(a) The Option Plan is administered by the Board or a committee appointed by the Board. The Board shall, at its sole discretion, determine to whom the options may be granted, the number of Common Shares covered by each option, the exercise price, the vesting period and the expiry date under such terms and conditions as are permitted under the Option Plan.

(b) The aggregate number of Common Shares that may be reserved for issuance under the Option Plan will not exceed 10% of the Common Shares issued and outstanding at the grant date. Any Common Shares reserved for issuance under previously granted options, which are forfeited or expire unexercised will again be available to be reserved for issuance under further grants of options under the Option Plan.

(c) The Option Plan provides that options may be granted to directors, officers, employees, management company employees and consultants of the Issuer and its subsidiaries.

(d) If the Common Shares are listed on an organized trading facility, the exercise price of any option shall not be less than the minimum price prescribed by such organized trading facility, as of the grant date of the applicable option.

(e) The expiry date of any option shall not go beyond ten years from the grant date of the applicable option.

(f) The maximum number of Common Shares which may be reserved for issuance to "related persons" (as defined in *National Instrument 45-106*) under the Option Plan shall be 10% of the number of Common Shares outstanding at the relevant time.

(g) The maximum number of Common Shares which may be reserved for issuance to any one related person under the Option Plan shall be 5% of the number of Common Shares outstanding at the relevant time.

(h) The maximum number of options which may be granted to related persons under the Option Plan within any 12-month period shall be 10% of the number of Common Shares outstanding at the relevant time.

(i) The maximum number of options which may be granted to any one related person under the Option Plan within any 12-month period shall be 5% of the number of Common Shares outstanding at the relevant time.

(j) Subject to applicable regulatory requirements, the Board may, in its sole and absolute discretion, amend, suspend, discontinue or terminate the Option Plan without notice to or approval by the shareholders of the Issuer.

(k) An option holder may exercise an option at any time during the exercise period up to the expiry date. If an option holder holds an option as a director or officer and ceases to hold such position during the option exercise period, the expiry date shall be 90 days following the date the option holder ceases to hold office. If an option holder holds an option as an employee or management company employee and ceases to hold such position without cause during the option exercise period, the expiry date shall be 30 days following the date the option holder ceases to be employed.

As of the date of this Listing Statement, the Issuer has 4,630,000 outstanding options as set forth in the table below. 2,188 Common Shares remain available for issuance pursuant to the Option Plan.

Optionee	Number of Options	Exercise Price	Expiry Date
Executive Officers and Directors (Past and Present) of the Issuer(1)	600,000	$0.25	14-Apr-21
Executive Officers and Directors of subsidiaries of the Issuer	0	0	N/A
Employees (current and former)	0	0	N/A
Employees of subsidiaries of the Issuer (current and former)	4,030,000	$0.125	01-Mar-20
Consultants	Nil	Nil	N/A

(1) Includes 3 Directors of the Issuer. No Executive Officers of the Issuer hold options.

Item 10. Description of the Securities

Common shares

The authorized capital of the Issuer consists of an unlimited number of common shares without par value. As of the date of this Listing Statement, 51,725,739 Common Shares were issued and outstanding as fully paid and non-assessable common shares in the capital of the Issuer.

Holders of Common Shares are entitled to one vote per share upon all matters on which they have the right to vote. The Common Shares do not have pre-emptive rights and are not subject to redemption or retraction provisions. The Issuer may, if authorized by the directors, purchase or otherwise acquire any of its Common Shares at a price and upon the terms determined by the directors. Holders of the Common Shares are entitled to receive such dividends as may be declared by the Board out of funds legally available therefore. In the event of dissolution or winding up of the affairs of the Issuer, holders of the Common Shares are entitled to share rateably in all assets of the Issuer remaining after payment of all amounts due to creditors. The rights and restrictions attached to the Common Shares can only be amended by way of a special shareholders resolution.

Warrants

As of the date of this Listing Statement, the Issuer has 16,903,731 outstanding warrants to purchase Common Shares as set forth in the table below.

Date of Issuance	Number of Warrants	Exercise Price[1]	Expiry Date
April 30, 2015	200,000	$0.10 USD	April 29, 2020
October 30, 2015	100,000	$0.20 CDN	October 29, 2020
November 21, 2017	450,000	$0.20 CDN	November 20, 2021
December 22, 2017	1,000,000	$0.20 CDN	December 20, 2021
December 31, 2017	4,651,150	$0.20 CDN	December 30, 2021
March 19, 2018	1,000,000	$0.20 CDN	March 18, 2022
June 26, 2018	1,683,333	$0.20 CDN	June 25, 2022
July 3, 2018	225,000	$0.20 CDN	July 2, 2021
July 27, 2018	150,000	$0.20 CDN	July 26, 2021
September 12, 2018	1,250,000	$0.20 CDN	September 11, 2021
September 28, 2018	416,666	$0.20 CDN	September 27, 2021
November 27, 2018	541,667	$0.20 CDN	November 26, 2021
December 7, 2018	272,666	$0.20 CDN	December 6, 2021
December 14, 2018	292,000	$0.20 CDN	December 13, 2021
March 15, 2019	156,250	$0.20 CDN	March 14, 2022
March 26, 2019	1,666,666	$0.20 CDN	March 25, 2022
March 28, 2019	750,000	$0.12 CDN	March 27, 2022
March 28, 2019	1,000,000	$0.20 CDN	March 27, 2022
April 1, 2019	345,000	$0.20 CDN	March 31, 2022
April 2, 2019	40,000	$0.20 CDN	April 1, 2022
April 15, 2019	713,333	$0.20 CDN	April 14, 2022

Prior Sales

The Issuer sold or converted from debt 8,679,915 Common Shares within 12 months of the date of this Listing Statement. Details follow below.

Date of Issuance	Number of Common Shares	Price Per Common Share
June 26, 2018	1,683,333	$0.12
July 3, 2018	225,000	$0.12
July 27, 2018	150,000	$0.12
September 12, 2018	1,250,000	$0.12
September 28, 2018	416,666	$0.12
November 27, 2018	541,667	$0.12
December 7, 2018	200,000	$0.12
December 14, 2018	292,000	$0.12
March 15, 2019	156,250	$0.12
March 26, 2019	1,666,666	$0.12
March 29, 2019	1,000,000	$0.12
April 1, 2019	345,000	$0.12
April 2, 2019	40,000	$0.12
April 15, 2019	713,333	$0.12

Convertible Debt

Within the past 18 months, the Issuer entered into or amended the following debt instruments each with features enabling optional conversion of principal into Common Shares at the note holder's discretion.

Date of Issuance or Amendment	Outstanding Convertible Debt Principal $CDN	Conversion Rate
November 21, 2017	25,000	$0.15
December 11, 2017	100,000	$0.15
December 31, 2017	265,000	$0.15
December 31, 2017	40,000	$0.15
December 31, 2017	160,115	$0.15
March 19, 2018	100,000	$0.15

The above debt instruments are in the form of a secured, convertible promissory note. The notes bear interest at a rate of 12% per annum. The notes are due or payable three years from the date of issuance or amendment. The notes may be voluntarily converted at the discretion of the note holder at a rate of CDN $0.15 / share.

Item 11. Escrowed Securities

In accordance with the policies of the Exchange, all shares held by Related Persons are required to be subject to an escrow agreement pursuant to NP 46-201.

In connection with the Listing, the Issuer entered into the Escrow Agreement with Alliance Trust Company as the Escrow Agent and the holders of the escrowed securities, pursuant to which the following securities are held in escrow in accordance with the requirements of the Exchange.

Designation of Class	Number of Securities	Percentage of class
Common Shares	40,742,805	78.8%
Warrants to purchase Common Shares	11,756,149	69.5%
Convertible Promissory Notes	3,767,433(1)	81.9%

(1) Escrow covers CDN $565,115 worth of Secured, Convertible Promissory notes convertible to shares of Common Stock in the Issuer at a rate of CDN $0.15 / share.

Escrowed Common Shares will be released as follows:

Date	Number of Securities
On the Listing Date	1/10th of the escrowed securities
6 months after the Listing Date	1/6th of the remaining escrow securities
12 months after the Listing Date	1/5th of the remaining escrow securities
18 months after the Listing Date	1/4th of the remaining escrow securities
24 months after the Listing Date	1/3rd of the remaining escrow securities
30 months after the Listing Date	1/2 of the remaining escrow securities
36 months after the Listing Date	all of the remaining escrow securities

Assuming there are no changes to the escrow securities initially deposited and no additional escrow securities are deposited, this will result in a 10% release on the Listing Date, with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

Item 12. Principal Shareholders

To the knowledge of the directors and executive officers of the Issuer, as the date of this Listing Statement, only the following shareholders beneficially own, or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding voting securities of the Issuer entitled to vote at the Meeting:

Name of Shareholder	Number of Common Shares Beneficially, Owned, Controlled or Directed (directly or indirectly)	Percentage of Issued and Outstanding Common Shares as of the date hereof
Bruce W. Derrick(3)	13,494,525	26.1%
Derrick Hunter(4)	6,903,286(1)	13.3%
Brian McKinney (5)	9,783,040(2)	18.9%
Nine-Three Holdings, LLC(6)	10,000,000	19.3%

(1) Includes 6,783,286 Common Shares owned by Bluesky Equities Ltd. a corporation controlled by Mr. Hunter, 100,000 Common Shares held by Geoduck Developments Ltd., a corporation controlled by Mr. Hunter and 20,000 Common Shares owned by Mr. Hunter's spouse.

(2) Includes 1,255,000 Common Shares owned by Mr. McKinney, 1,149,120 Common Shares owned by Mr. McKinney's spouse,

2,605,360 Common Shares owned by McKinney Limited Partnership and 4,773,560 Common Shares owned by McKinney Family Trust. McKinney Limited Partnership is controlled by Mr. McKinney. Mr. McKinney is a trustee and potential beneficiary of McKinney Family Trust

(3) Mr. Bruce Derrick beneficially owns:

- 13,494,525 Common Shares
- 2,634,483 Warrants to Purchase Common Shares (200,000 @ USD$0.10 / share, 2,434,483@CDN $0.20 / share)
- 200,000 Incentive Options to purchase common shares at CDN $0.25 / share
- 1,067,433 Fully Converted Promissory Notes (CDN$160,115.00 Note convertible at CDN $0.15 / share)

On a fully diluted basis inclusive of Common Shares, fully exercised Warrants and Options, and Potentially Converted Promissory Notes, Mr. Derrick would beneficially own 17,396,441 shares for a fully diluted ownership percentage of 22.3%..

(4) Mr. Derrick Hunter beneficially owns:

- 6,903,286 Common Shares
- 6,166,666 Warrants to Purchase Common Shares at CDN $0.20 / share
- 200,000 Incentive Options to purchase common shares at CDN $0.25 / share
- 2,433,333 Fully Converted Promissory Notes (CDN$365,000.00 Note convertible at CDN $0.15 / share)

On a fully diluted basis inclusive of Common Shares, fully exercised Warrants and Options, and Potentially Converted Promissory Notes, Mr. Hunter would beneficially own 15,703,285 shares for a fully diluted ownership percentage of 20.2%.

(5) Mr. Brian McKinney beneficially owns:

- 9,783,040 Common Shares
- 1,530,000 Warrants to Purchase Common Shares at CDN $0.20 / share
- 266,666 Fully Converted Promissory Notes (CDN$40,000.00 Note convertible at CDN $0.15 / share)

On a fully diluted basis inclusive of Common Shares, fully exercised Warrants and Options, and Potentially Converted Promissory Notes, Mr. McKinney would beneficially own 11,579,706 shares for a fully diluted ownership percentage of 14.9%.

(6) Nine-Three Holdings, LLC is a Trust, established for the benefit of Mr. William Derrick of Houston, Texas. Nine-Three Holdings, LLC beneficially owns:

- 10,000,000 Common Shares
- 1,250,000 Warrants to Purchase Common Shares at CDN $0.20 / share

On a fully diluted basis inclusive of Common Shares, and fully exercised Warrants Nine-Three Holdings, LLC would beneficially own 11,250,000 shares for a fully diluted ownership percentage of 14.4%.

Item 13. Directors and Officers

Directors and Officers

The following table sets out the name, municipality of residence, the number of voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised, the offices held in the Issuer and the principal occupation of each director and senior officer of the Issuer during the past five years. Each director's term will expire at the next annual meeting of the Issuer.

Name, Municipality of Residence, Province/State, Country of Residence and Present Position with the Corporation	Date Became Director, Length of Term, Term Expiration	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly	Principal Occupation for past Five Years
BRIAN McKINNEY Calgary, Alberta, Canada President, CEO and Director	September 24, 2015, 1 Year Term as Director, Term Expires July 17, 2019	9,783,040 (2) (18.9%)	Currently President and CEO of the Corporation and acting CFO. Prior to the RTO, President and CEO of ICEsoft a provider of enterprise software and services to medium and large scale corporations.
DERRICK HUNTER(1) Calgary, Alberta, Canada Director, Audit Committee Chair	September 24, 2015, 1 Year Term, Term Expires July 17, 2019	6,903,286 (3) (13.3%)	Independent Investor, President Bluesky Equities Ltd.
BRUCE DERRICK(1) Houston, Texas, USA Director, Audit Committee Member	September 24, 2015, 1 Year Term, Term Expires July 17, 2019	13,494,525 (26.1%)	President & CEO, Derrick Interests Inc., which develops, leases and manages office, retail, warehouse and built-to-suit space in Texas, Mississippi, and Georgia.
S. MARK FRANCIS(1) Calgary, Alberta, Canada Director, Audit Committee Member	September 24, 2015, 1 Year Term, Term Expires July 17, 2019	561,954 (1.1%)	Business Consultant
DAVID GORDON Calgary, Alberta, Canada CFO and Corporate Secretary, Officer	October 30, 2015	0 (0%)	Business Consultant, CEO CAN Diagnostics, CEO Forge Capital Ltd.

(1) Member of Audit Committee

(2) Includes 1,255,000 Common Shares held by Mr. McKinney, 1,149,120 Common Shares owned by Mr. McKinney's spouse, 2,605,360 Common Shares owned by McKinney Limited Partnership and 4,773,560 Common Shares owned by McKinney Family Trust. McKinney Limited Partnership is controlled by Mr. McKinney. Mr. McKinney is a trustee and potential beneficiary of McKinney Family Trust.

(3) Includes 6,783,286 Common Shares owned by Bluesky Equities Ltd. a corporation control by Mr. Hunter, 100,000 Common Shares held by Geoduck Developments Ltd., a corporation controlled by Mr. Hunter and 20,000 Common Shares owned by Mr. Hunter's spouse.

Board Committees

The Issuer has a single Audit Committee comprised of directors Derrick, Hunter, and Francis. Director Hunter is the acting chair of the Audit Committee.

Corporate Cease Trade Orders or Bankruptcies

No director or officer of the Issuer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

Penalties or Sanctions

In Q1, 2018 Directors Derrick, Hunter, and McKinney were subject to a collective fine of $3,000 by the Alberta Securities Commission related to late SEDI filings related to Warrant grants associated with the December 31, 2017 amendment of previously issued secured note agreements. Once the oversight was brought to the attention of the Issuer, the filings were updated and fines paid.

Aside from the above, none of the directors or officers of the Issuer, nor any shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, has:

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Issuer also holding positions as directors or officers of other entities. Any conflicts that arise will be subject to and dealt with in accordance with the procedures and remedies provided under the CBCA and the Issuer's Articles and By-laws. Except as otherwise disclosed in this Listing Statement, the Issuer is not currently aware of any actual or perceived conflict of interest.

Management

Brian McKinney, President and Chief Executive Officer, Age 58

Brian McKinney is employed full-time by the Issuer as its President and Chief Executive Officer. Mr. McKinney is responsible for the financial performance of the Issuer, day to day operations, and establishing the strategic vision of the Issuer. Prior to joining ICEsoft in January 2002, Mr. McKinney co-founded AudeSi Technologies Inc.. AudeSi Technologies Inc., which developed Java-based management solutions for embedded devices, was sold to Wind River Systems in March of 2000. Prior AudeSi, from 1991 through 1997, Mr. McKinney was responsible for Nortel Networks Consumer Product development initiatives. During his time at Nortel Mr. McKinney oversaw the development and commercialization of over 60 consumer products. Mr. McKinney holds a BSc. in Physics and Mathematics and an M.ASc. in Engineering from the University of Victoria. Mr. McKinney has entered into an intellectual property and non-disclosure agreement with the Issuer. Mr. McKinney is not subject to a non-compete agreement.

David Gordon, Chief Financial Officer and Corporate Secretary, Age 38

David Gordon is an independent contractor, providing services on a part-time basis to the Issuer through a consulting agreement, devoting approximately 40% of his working time and attention to the Issuer. Mr. Gordon is responsible for tracking and reporting financial status of the Issuer, preparing required regulatory filings, overseeing budgeting and financial processes. Mr. Gordon holds a Bachelor of Commerce degree and is a Chartered Financial Analyst. Prior to joining ICEsoft in 2015 Mr. Gordon held positions with CIBC Investment Banking, and Western Management Consultants, and AIC. Mr. Gordon is concurrently serving as CEO of CAN Diagnostics Inc., a biotech company based in Calgary, AB. Mr. Gordon has entered into an intellectual property and non-disclosure agreement with the Issuer. Mr. Gordon is not subject to a non-compete agreement.

S. Mark Francis, Director, Age 49

Mark Francis serves as a Director on the Issuer's Board of Directors. Mr. Francis provides his services on a part-time basis to the Issuer on a voluntary basis, devoting less than 10% of his working time and attention to the Issuer. Mr. Francis consults on general business matters and serves on the board's audit committee. Mr. Francis holds a Canadian Investment Manager designation issued by the Canadian Securities Institute. For the past 17 years, Mr. Francis has been employed as an independent business consultant, holding positions with Exploratus Ltd., Stinton Exploration, and as Senior Advisor, Listings Development for the CSE where he has been employed for the past 16 years. Mr. Francis has entered into non-disclosure agreements with the Issuer. Mr. Francis is not subject to a non-compete agreement.

Derrick Hunter, Director, Age 54

Mr. Hunter serves as a Director on the Issuer's Board of Directors, and is chairman of the Audit Committee. Mr. Hunter provides his services on a part-time basis to the Issuer on a voluntary basis, devoting less than 10% of his working time and attention to the Issuer. For the past 12 years, Mr. Hunter has served as President of Bluesky Equities Ltd., an investment management company with interests in real estate, energy, and technology. Mr. Hunter is a Trustee of the Hunter Family foundation, responsible for the creation of the Hunter Center for Entrepreneurship and Innovation at the Haskayne School of Business. Mr. Hunter holds a B.Sc. in Geology from Queens University and an MBA in Finance from the Haskayne School of Business at the University of Calgary. Mr. Hunter has entered into non-disclosure agreements with the Issuer. Mr. Hunter is not subject to a non-compete agreement.

Bruce Derrick, Director, Age 69

Mr. Derrick serves as a Director on the Issuer's Board of Directors, and is a member of the Audit Committee. Mr. Derrick provides his services on a part-time basis to the Issuer on a voluntary basis, devoting less than 10% of his working time and attention to the Issuer. For the past 39 years, Mr. Derrick has served as President of Derrick Interests, Inc., a Houston-based commercial real estate developer. Mr. Derrick holds and M.B.A. from SMU in Finance and Real Estate, and a B.Sc. in Commerce from

Washington and Lee University. Mr. Derrick has entered into non-disclosure agreements with the issuer. Mr. Derrick is not subject to a non-compete agreement.

Item 14. Capitalization

Issued Capital

Common Shares

Public Float	Number of Common Shares (non-diluted)	Number of Common Shares (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Total outstanding (A)	51,725,739	77,860,236	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	40,753,305	60,906,887	78.8%	78.2%
Total Public Float (A-B)	10,972,434	16,953,349	21.2%	21.8%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	30,742,805	45,616,387	59.4%	58.6%
Total Tradeable Float (A-C)	20,982,934	32,243,849	40.6%	41.4%

Public Securityholders (Registered)

Instruction: *For the purposes of this table, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.*

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	6	4,374
1,000 – 1,999 securities	32	41,059
2,000 – 2,999 securities	8	20,000
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	79	10,907,001
	125	10,972,434

Public Securityholders (Beneficial)

Instruction: *Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.*

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	6	4,374
1,000 – 1,999 securities	32	41,059
2,000 – 2,999 securities	8	20,000
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	75	10,491,921
Unable to confirm	30	415,080

Non-Public Securityholders (Registered)

Instruction: *For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.*

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	3	3,000
2,000 – 2,999 securities	3	7,500
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	10	40,742,805
	16	40,753,305

Convertible Securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	**Number of convertible / exchangeable securities outstanding**	**Number of listed securities issuable upon conversion / exercise**
Stock Options(1)	4,630,000	4,630,000
Warrants(2)	16,903,731	16,903,731
Convertible Promissory Notes(3)	CDN$690,115	4,600,766

(1) 4,030,000 Stock options are exercisable at a price of $0.125, expiring March 1, 2020 and 600,000 Stock options are exercisable at a price of $0.25, expiring April 14, 2021. See “Item 9 – Options to Purchase Securities”.

(2) 200,000 warrants are exercisable at a price of USD$0.10 per Common Share, expiring April 29, 2020, 100,000 warrants are exercisable at a price of $0.20 per Common Share, expiring October 29, 2020 and 450,000 warrants are exercisable at a price of $0.20 per Common Share, expiring November 21, 2021 and 1,000,000 warrants are exercisable at a price of $0.20 per Common Share, expiring December 20, 2021 and 4,651,150 warrants are exercisable at a price of $0.20 per Common Share, expiring on December 30, 2021 and 1,000,000 warrants are exercisable at $0.20 per Common Share, expiring March 18, 2021 and 1,683,333 warrants are exercisable at $0.20 per Common Share, expiring June 25, 2021 and 225,000 warrants exercisable at $0.20 per Common Share, expiring July 2, 2021 and 150,000 warrants exercisable at $0.20 per common share expiring July 26, 2021 and 1,250,000 warrants exercisable at $0.20 per Common Share, expiring at September 11, 2021 and 416,666 warrants exercisable at $0.20 per Common Share, expiring at September 27, 2021 and 541,667 warrants exercisable at $0.20 per Common Share expiring at November 26, 2021 and 272,666 warrants exercisable at $0.20 per Common Share expiring at December 6, 2021, and 292,000 warrants exercisable at $0.20 per Common Share expiring at December 13, 2021 and 156,250 warrants exercisable at $0.20 per Common Share expiring at March 14, 2022, and 1,666,666 warrants exercisable at $0.20 per Common Share, expiring at March 25, 2022, and 750,000 warrants exercisable at $0.12 per Common Share, expiring at March 27, 2022, and 1,000,000 warrants exercisable at $0.20 per Common Share, expiring at March 27, 2022, and 345,000 warrants exercisable at $0.20 per Common Share, expiring at March 31, 2022, and 40,000 warrants exercisable at $0.20 per Common Share, expiring at April 1, 2022, and 713,333 warrants exercisable at $0.20 per Common Share, expiring at April 14, 2022. See “Item 10 – Description of the Securities – Warrants”

(3) Convertible promissory notes are convertible into Common Shares at a price of CDN $0.15 per Common Share

Item 15. Executive Compensation

Compensation Discussion and Analysis

In assessing the compensation of its NEOs (as defined below), the Issuer does not currently have in place any formal objectives, criteria or analysis; instead, it relies mainly on discussions of the Board.

The Board considers the implications of the risks associated with the Issuer's compensation policies and practices. The Board does not believe that its current compensation practices create a material risk that the NEOs or any employee would be encouraged to take inappropriate or excessive risks, and no such risks have been detected to date. The Board will continue to include this consideration in its deliberations, and believes that it would detect actions of Management and employees of the Issuer that constitute or would lead to inappropriate or excessive risks.

The Issuer does not have a policy that would prohibit NEOs or directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

The Issuer currently does not have a compensation committee in place but may establish a compensation committee in the future to assist the Board in fulfilling its responsibility to shareholders, potential shareholders and the investment community by reviewing and providing recommendations to the Board regarding executive compensation, succession plans for executive officers, and the Issuer's overall compensation and benefits policies, plans and programs.

The Issuer does from time to time issue options, warrants, or compensation of any kind to directors..

The Issuer does not currently provide a bonus structure or variable compensation, outside of sales commissions, to management, but it may establish such policies in the future.

The Issuer does not at the present time anticipate making any material changes to the compensation plans outlined below.

Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, for each of the three most recently completed financial years to the following persons (collectively, the "**Named Executive Officers**" or "**NEOs**"):

(a) the CEO;

(b) the CFO;

(c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000 for the most recently completed financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Issuer, nor acting in a similar capacity, at the end of that financial year.

Table of compensation excluding compensation securities							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Brian McKinney[(1)(2)] *Chief Executive Officer, President, Acting Chief Financial Officer and Director*[(1)]	2018	45,000/yr.	Nil	Nil	Nil	NIL	45,000
	2017	45,000/yr.	Nil	Nil	Nil	Nil	45,000
	2016	90,000/yr.	Nil	Nil	Nil	Nil	90,000
	2015	153,000/yr.	Nil	Nil	Nil	Nil	153,000
David Gordon[(3)] *Chief Financial Officer and Corporate Secretary*	2018	3,500 / month	Nil	Nil	Nil	Nil	41,000
	2017	4,000/month	Nil	Nil	Nil	Nil	45,000
	2016	6,000/month	Nil	Nil	Nil	Nil	72,000
	2015	4,000/month	Nil	Nil	Nil	Nil	8,000

(1) Brian McKinney accrued compensation in 2016 and 2017. 2016 and 2017 related income taxes were paid but net salary owed was accrued. Effective June 1, 2016 Mr. McKinney's annual compensation was voluntarily reduced from $153,000 / year to $45,000 / year.

(2) Brian McKinney, was appointed to his position with the Corporation on September 24, 2015 upon completion of the transactions contemplated by an amalgamation agreement with 9425420 Canada Inc. ("**Subco**"), a wholly-owned subsidiary of the Corporation (then Stinton Exploration Ltd.), and ICEsoft Technologies Canada Corp. ("**Former ICEsoft**") pursuant to which the Corporation acquired the business and assets of Former ICEsoft (the "**RTO**"). Pursuant to the RTO, Former ICEsoft and Subco amalgamated and continued as one corporation that is a wholly owned subsidiary of the Corporation.

(3) On October 29, 2015 the Issuer appointed David Gordon as CFO. Mr. Gordon provides services on a part-time basis to the Issuer through a consulting agreement with his consulting firm Forge Capital Ltd. Mr. Gordon is devoting approximately 20% of his working time and attention to the Issuer. Compensation for 2018 was set at a rate of approximately $ 3,000 per month. The Issuer has Issued warrants to purchase 100,000 shares of Common Stock in the Issuer at $0.20 per share and with an expiring date of November 1, 2020

Incentive Plan Awards

The Issuer did not have a long-term incentive plan in place until the stock option plan (the "**Option Plan**") was adopted by the directors of the Issuer effective September 24, 2015. Therefore, there were no awards made under any long-term incentive plan to the Named Executive Officers during the fiscal year ended December 31, 2017. For a description of the Option Plan, please see ""It*em 9 – Options to Purchase Securities – Stock Options" above."*

Pension Plan Benefits

The Issuer does not have a pension plan in place and therefore there were no pension plan benefit awards made to the Named Executive Officers during the fiscal year ended December 31, 2017.

Termination and Change of Control Benefits

Other than as set out below, there are no contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Issuer or a change in a Named Executive Officers responsibilities.

In the event of termination in association with a change of control (within 90 days prior to, or 365 days following, a change of control), Mr. McKinney is entitled to nine months' salary with full benefits continuing for nine months beyond the last day of service. In addition, all unexercised and unvested options shall immediately vest and remain exercisable for the lesser period of 365 days following the last day of service or the expiry date of the original option grant. The estimated incremental payments, payables and benefits which might be paid by the Corporation to Mr. McKinney in the event of his termination in association with a change of control if such termination occurred on April 15, 2019 would be, in the aggregate, approximately $36,900 (which includes $3,200 in respect of 18 owed vacation days) plus any accrued salaries that remain unpaid as of the time of termination.

Director Compensation

Compensation Securities							
Name and position	**Type of Compensat-ion security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
Brian McKinney[(1) (2) (5)] *Chief Executive Officer, President and Director*[(1)]	N/A	Nil	N/A	N/A	N/A	N/A	N/A
S. Mark Francis *Director*	Stock Option	200,000	April 15, 2016	$0.25	N/A	N/A	April 14, 2021
Bruce Derrick *Director*	Stock Option	200,000	April 15, 2016	$0.25	N/A	N/A	April 14, 2021
Derrick Hunter *Director*	Stock Option	200,000	April 15, 2016	$0.25	N/A	N/A	April 14, 2021

Item 16. Indebtedness of Directors and Executive Officers

No director or officer of the Issuer or any of the Issuer's subsidiaries, nor any former directors or officers of the Issuer or any of the Issuer's subsidiaries, nor any Associate of such persons has ever been indebted to the Issuer or the Issuer's subsidiaries. No indebtedness of any such persons to any other entity has ever been subject to a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Issuer or any of its subsidiaries.

ITEM 17. RISK FACTORS

An investment in ICEsoft is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this document, before making any decision to invest in ICEsoft. The directors consider the following risks and other factors to be the most significant for potential investors in ICEsoft, but the risks listed do not necessarily comprise all those associated with an investment in ICEsoft. Additional risks and uncertainties not currently known to the directors may also have an adverse effect on ICEsoft's business.

Additional requirements for Capital

Substantial additional financing may be required if ICEsoft is to be successful developing its business. No assurances can be given that ICEsoft will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to ICEsoft, if at all. If ICEsoft is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Competition

ICEsoft has experienced, and expects to continue to experience, competition from a number of companies. ICEsoft's competitors may announce new products, services or enhancements that better meet the needs of customers or changing industry standards. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on ICEsoft's business, results of operations and financial condition.

Many of the competitors and potential competitors of ICEsoft have significantly greater financial, technical, marketing and/or service resources than does the Company. Many of these companies also have a larger base of users, longer operating histories or greater brand recognition than ICEsoft. Customers of ICEsoft are particularly concerned that their suppliers will continue to operate and provide upgrades and maintenance over a long-term period. ICEsoft's smaller size may be considered negatively by prospective customers. Even if competitors of ICEsoft provide products with more limited system functionality than those of ICEsoft, these products may incorporate other capabilities of interest to some customers and may be appealing due to a reduction in the number of different types of systems used to operate such customers' businesses. Further, competitors of ICEsoft may be able to respond more quickly than ICEsoft to changes in customer requirements and devote greater resources to the enhancement, promotion, and sale of their products.

Market uncertainty

ICEsoft's success depends to a significant degree on its ability to develop the market and gain acceptance for its products and services. There is no assurance that a significant market will develop for ICEsoft's principal products and services. There can be no assurances that the additional commercial applications and markets for ICEsoft's products will develop as currently contemplated. To manage such development ICEsoft must continue to expand its existing resources and management information systems and must attract, train, and motivate qualified marketing, management, technical, and administrative personnel. There can be no assurance that ICEsoft will be able to achieve these goals.

Maturing market

A major contributor to ICEsoft's revenue stream sources from one of its core product offerings, ICEfaces. ICEfaces leverages a widely adopted technology infrastructure known as Java Enterprise Edition (Java EE) developed by Oracle. Java EE is characterized as a maturing technology. The Java EE market has largely saturated over the past years and ICEsoft's growth opportunity resides in securing a greater portion of the already mature market sector. Any negative material change in the size of the addressable Java EE market would result in negative impact on revenue streams sourcing from ICEsoft's core product offering.

Management of growth

ICEsoft may be subject to growth-related risks including pressure on its internal systems and controls. ICEsoft's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of ICEsoft to deal with this growth could have a material adverse impact on its business, operations, and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, ICEsoft may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for ICEsoft's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, ICEsoft will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage, and retain its employees. There can be no assurance that ICEsoft will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support ICEsoft's operations, or that ICEsoft will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

High degree of product concentration

Substantially all of ICEsoft's currently anticipated revenues will be derived from a limited number of products and services that are ancillary to the products and services provided by third parties. Consequently, ICEsoft's performance will depend on market acceptance of those third-party products and services, as well as establishing market acceptance for its own products and services and enhancing the performance of such products and services to meet the evolving needs of customers. ICEsoft, like other entities involved in a rapidly evolving new industry, faces the risk that ICEsoft's products and services may not prove to be commercially successful or may be rendered obsolete by technological developments. There can be no assurances that ICEsoft will establish and maintain a position at the forefront of emerging technological trends. Any reduction in anticipated future demand or anticipated future sales of these products or any increase in competition could have a material adverse effect on ICEsoft's business prospects, operating results, or financial condition.

Product failures and mistakes

ICEsoft's products and services incorporate complex software and it encourages employees to quickly develop and help it launch new and innovative features. Its software has contained, and may now or in the future contain, errors, bugs or vulnerabilities. Some errors in its software code may only be discovered after the product or service has been released. Any errors, bugs or vulnerabilities discovered in its code after release could result in significant costs of correcting the failure or mistake, damage to its reputation, loss of users, or liability for damages, any of which could adversely affect its business and operating results.

Technological obsolescence

Competitors and new companies could launch new products. In order to remain on the cutting edge of technology, ICEsoft may need to launch a new generation of products and services. Whether it is competition from development companies or a merger or acquisition of existing companies, competition within certain software industry sectors offering solutions similar to what ICEsoft offers could increase. Some of ICEsoft's competitors have significantly greater financial, technical, distribution, and marketing resources than ICEsoft. Technological progress and product development could make ICEsoft's products obsolete or reduce their value.

Mobile devices and third-party operating systems

Mobile devices are increasingly being used and if our products and services do not operate as effectively when accessed through these devices it could harm the business. ICEsoft is dependent on the interoperability of its platform with third-party mobile devices and mobile operating systems as well as web browsers that it does not control. Any changes in such devices, systems or web browsers that degrade the functionality of its platform or give preferential treatment to competitive services could adversely affect usage of its products and services. Effective mobile functionality is integral to our long-term development and growth strategy. In the event that ICEsoft's merchants and customers have difficulty accessing and using products and services on mobile devices, ICEsoft's business and operating results could be adversely affected.

Pricing policies

The competitive market in which ICEsoft operates could force it to reduce its prices. If its competitors offer large discounts on certain products and services in order to gain market share or sell products and services, ICEsoft may need to lower its prices and offer other favourable terms in order to compete successfully. Such changes could reduce profit margins and have an unfavourable impact on its operating results. Some of ICEsoft's competitors could offer products and services that compete with theirs as part of a long-term pricing strategy or offer price guarantees or product implementation. With time, these practices could limit the prices ICEsoft may charge for its products and services. If ICEsoft cannot offset these price reductions with a corresponding increase in sales volume or decreased expense, the decreased revenues from products and services could unfavourably affect its profit margins and its operating results.

Patent infringement

While ICEsoft believes that its products and operations do not violate the intellectual property rights of third parties, other parties could bring legal actions against ICEsoft claiming damages and seeking to enjoin the marketing and sale of ICEsoft's products for allegedly conflicting with patents held by them. Any such litigation could result in substantial cost to ICEsoft and diversion of effort by its management and technical personnel. If any such actions are successful, in addition to any potential liability for damages, ICEsoft could be required to obtain a license in order to continue to market the affected products. There can be no assurance that ICEsoft would prevail in such action or that any license required under any such patent would be available on acceptable terms, if at all. Failure to obtain needed patents, licenses or proprietary information held by others may have material adverse effect on ICEsoft's business. In addition, if ICEsoft were to become involved in such litigation, it could consume a substantial portion of ICEsoft's time and resources.

Labour and key personnel

ICEsoft depends on the services of its key management personnel. The loss of one of these people could have a significantly unfavourable impact on ICEsoft, its operating results, and its financial position. The success of ICEsoft is largely dependent upon its ability to identify, hire train, motivate, and retain highly skilled management employees, engineers, technical employees, and sales and marketing personnel. Competition for its employees can be intense, and ICEsoft cannot ensure that it will be able to bring in and retain highly skilled technical and management personnel in the future. Its ability to bring in and retain management and technical personnel and the necessary sales and marketing employees could have an unfavourable impact on its growth and future profitability. The company may be obligated to increase the compensation paid to current or new employees, which could substantially increase operating expenses.

Lack of control in transactions

ICEsoft's business plan relies in part on retaining other companies to perform a variety of resale services. ICEsoft may not be in a position to control or direct the activities of the parties with whom it transacts business. Success of the Company may be subject to, among other things, the success of such other parties, with each being subject to their own risks.

Reliance on third party services and app store distribution

ICEsoft relies on certain technology services provided to it by third parties, and there can be no assurance that these third-party service providers will be available to the Company in the future on acceptable commercial terms or at all. If ICEsoft were to lose one or more of these service providers, it may not be able to replace them in a cost effective manner, or at all. This could harm the business and results of operations of the Company.

In addition, ICEsoft's future product technology relies in part on the deployment of ICEsoft's application code onto end user mobile appliances. This deployment is typically achieved via app stores associated with the different mobile platforms. ICEsoft does not control these app stores, their acceptance criteria or ultimately approval of their deployment. Rejection of ICEsoft's mobile application or utility by app store administrators would negatively impact ICEsoft's technology adoption and rollout.

ICEsoft may be subject to litigation

ICEsoft may be involved in disputes with other parties in the future, which may result in litigation. If ICEsoft is unable to resolve these disputes favourably, it may have a material adverse impact on ICEsoft's financial condition.

Failure to secure intellectual property

ICEsoft's products leverage a variety of proprietary rights that enable its competitive positioning and are critical to its success. ICEsoft has been protecting its Intellectual Property through copyright, trademark and patent applications. Because the Intellectual Property associated with ICEsoft's technology is evolving and rapidly changing, current intellectual property rights may not adequately protect the Company. ICEsoft may not be successful in securing or maintaining proprietary or future patent protection for the technology used in its systems or services, and protection that is secured may be challenged and possibly lost. ICEsoft generally enters into confidentiality or license agreements, or has confidentiality provisions in agreements with ICEsoft's employees, consultants, strategic partners and clients and controls access to and distribution of its technology, documentation and other proprietary information. ICEsoft's inability to protect its Intellectual Property adequately for these and other reasons could result in weakened demand for its systems or services, which would result in a decline in its revenues and profitability.

Use of "open source" software

ICEsoft's solutions incorporate and are dependent to a significant extent on the use and development of "open source" software and ICEsoft intends to continue our use and development of open source software in the future. Such open source software is generally licensed by its authors or other third-parties under open source licenses and is typically freely accessible, usable and modifiable. Pursuant to such open source licenses ICEsoft may be subject to certain conditions, including requirements that ICEsoft offer its proprietary software that incorporates the open source software for no cost, that it make available source code for modifications or derivative works it creates based upon, incorporating, or using the open source software, and that ICEsoft license such modifications or derivative works under the terms of the particular open source license. If an author or other third party that uses or distributes such open source software were to allege that ICEsoft had not complied with the conditions of one or more of these licenses, ICEsoft could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of ICEsoft's solutions that contained or are dependent upon the open source software and required to comply with the foregoing conditions, which could disrupt the distribution and sale of some of ICEsoft's solutions. Litigation could be costly for ICEsoft to defend, have a negative effect on ICEsoft's operating results and financial condition or require ICEsoft to devote additional research and development resources to change ICEsoft's platform.

Any requirement to disclose our proprietary source code, termination of open source license rights or payments of damages for breach of contract could be harmful to ICEsoft's business, results of operations or financial condition, and could help ICEsoft's competitors develop products and services that are similar to or better than ICEsoft's.

In addition to risks related to license requirements, usage of open source software can lead to greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties, controls on the origin or development of the software, or remedies against the licensors. Many of the risks associated with usage of open source software cannot be eliminated and could adversely affect ICEsoft's business.

Failure of information technology system

ICEsoft's operations could suffer as a result of a failure of its information technology system. ICEsoft's business will be dependent upon an information technology infrastructure to effectively manage and operate several key business functions, including order processing, customer service, installation and payments. These systems and operations are vulnerable to damage and interruption from fires, earthquakes, telecommunications failures, and other events. They are also subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct. Any such errors or inadequacies in the software that may be encountered could adversely affect operations, and such errors may be expensive or difficult to correct in a timely manner.

Advertising and search traffic

The promotions marketing industry is very dynamic with new technology and services being introduced by a range of players from larger established companies to start-ups on a frequent basis. ICEsoft's success in part requires that it is successful in conceiving and executing a variety of marketing campaigns into its targeted verticals. Desired wide scale adoption of ICEsoft's newest products is in part dependent upon ICEsoft successfully leveraging social media marketing techniques and campaigns. Failure to conceive and/or successfully execute on required marketing activities could negatively impact ICEsoft's forecast results and operations.

ICEsoft depends in part on internet search engines, such as Google, Bing and Yahoo!, to drive traffic to its website. For example, when a user types an inquiry into a search engine, ICEsoft relies on a high organic search result ranking of its webpages in these search results to refer the user to its website. However, ICEsoft's ability to maintain high organic search result rankings is not within its control. ICEsoft's competitors' search engine optimization, or SEO, efforts may result in their websites receiving a higher search result page ranking than ICEsoft's, or internet search engines could revise their methodologies in a way that would adversely affect ICEsoft's search result rankings. If internet search engines modify their search algorithms in ways that are detrimental to ICEsoft, or if ICEsoft's competitors' SEO efforts are more successful than ICEsoft's, the growth in ICEsoft's user base could slow. ICEsoft's website has experienced fluctuations in search result rankings in the past, and it anticipates similar fluctuations in the future. Any reduction in the number of users directed to ICEsoft's website through search engines could harm its business and operating results.

Foreign exchange

As ICEsoft looks to expand and monetize its user base internationally, it will become exposed to the effects of fluctuations in currency exchange rates. Since ICEsoft conducts business in currencies other than Canadian dollars, but reports its operating results in Canadian dollars, it faces exposure to fluctuations in currency exchange rates. Consequently, exchange rate fluctuations between the Canadian dollar and other currencies could have a material impact on ICEsoft's operating results.

Insurance coverage

ICEsoft does not have insurance to adequately protect against risks associated with its business and operations, nor is it intended that ICEsoft will purchase any such insurance for the foreseeable future. It is not always possible to fully insure against business and other risks and ICEsoft may decide to not take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, it could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of ICEsoft.

No Dividend History

No dividends have been paid by ICEsoft to date. ICEsoft anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of ICEsoft's board of directors' after taking into account many factors, including ICEsoft's financial condition and current and anticipated cash needs.

Government Regulation

Government regulations influence the design, components or operation of ICEsoft's products. New regulations and changes to current regulations are always possible and, in some jurisdictions, regulations may be introduced with little or no time to bring related products into compliance with these regulations. ICEsoft's failure to comply with these regulations may prevent us from selling our products in a certain country. In addition, these regulations may increase our cost of supplying products by forcing us to redesign existing products or to use more expensive designs or components. In these cases, ICEsoft may experience unexpected disruptions in its ability to supply customers with products, or it may incur unexpected costs or operational complexities to bring products into compliance. This could have an adverse effect on ICEsoft's results of operations and increase the volatility of its financial results.

Impact of Recently Launched Government Alerting Services

Recently launched government alerting services, provincial and federal, such as Alert Ready could negatively impact sales and lengthen sales cycles. The Alert Ready system addresses large scale threat-to-life incidents such as Tsunamis, Earthquakes etc. It leverages the telecom infrastructure to deliver a text-based warning to end users mobile devices. Some of the communities within ICEsoft's target market may view this as a viable alternative to more detailed, community administrated solutions making it more difficult for ICEsoft to sell into them. The same argument holds in that the presence of this system may negatively impact potential investors view of the opportunity making it more difficult for ICEsoft to raise the working capital it requires.

General Market Conditions May Result in Volatility and Wide Variance in Issuer Share Price Beyond the Issuer's Ability to Control.

The market price for Issuer Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Issuer's control, including the following:

1) actual or anticipated fluctuations in the Issuer's quarterly results of operations;
2) overall market trends and fluctuations;
3) availability of Federal programs and grants to support purchasers in the target markets.
4) recommendations by securities research analysts;
5) changes in the economic performance or market valuations of companies participating in the same market which the Issuer operates;
6) release or expiration of lock-up or other transfer restrictions on outstanding Issuer Shares;
7) sales or perceived sales of additional Issuer Shares;
8) operating and share price performance of other companies that investors deem comparable to us; fluctuations to the costs of vital production materials and services;
9) changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
10) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Issuer's industry or target markets; and
11) regulatory changes in the industry.

Financial markets regularly experience significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Issuer Shares may decline even if the Issuer's operating results, underlying asset values or prospects have not changed. If increased levels of volatility and market turmoil continue, the Issuer's operations could be adversely affected and the trading price of the Issuer Shares might be materially adversely affected.

Item 18. Promoters

Mr. McKinney as President and CEO of the Issuer holds overall responsibility Investor Relations activities on behalf of the Issuer and as such may be considered a Promoter of the Issuer. Other than as disclosed in Item 15. Executive Compensation above, there is nothing of value, including money, property, contracts, options or rights of any kind received by Mr. McKinney directly or indirectly from the Issuer or from a subsidiary nor any assets, services or any other consideration received or to be received by the Issuer or any subsidiary in return for these activities. Additional information regarding the number and percentage of voting shares held by the above individual is disclosed elsewhere in this Listing Statement (see Principal Shareholders, Director and Officers and Director Compensation sections above).

No promoter of the Issuer is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other issuer that, while that person was acting in that capacity:

a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for more than 30 days (an "Order") that was issued while acting in the capacity of director or officer;
b) was subject to an Order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while acting in the capacity of director, chief executive officer or chief financial officer;
c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
d) within a year of ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No promoter has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Penalties or sanctions

No promoter of the Issuer has been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to the securities legislation, has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body or that would likely be considered important to a reasonable investor making an investment decision.

Item 19. Legal Proceedings

Legal Proceedings

There are no legal proceedings material to the Issuer to which the Issuer or a subsidiary of the Issuer is a party or of which any of their respective property is the subject matter and there are no such proceedings known to the Issuer to be contemplated.

Regulatory Actions

The Issuer is not and has not within the three years prior to the date of this Listing Statement been subject to any penalties or sanctions imposed by a court relating to provincial or territorial securities legislation or by a securities regulatory authority; been subject to any other penalties or sanctions imposed by a court or regulatory body necessary to contain full, true and plain disclosure of all material facts relating to the Issuer's securities being listed; or entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

Item 20. Interest of Management and Others in Material Transactions

No director, executive officer or person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more the 10 percent of any class of the Issuer's outstanding voting securities, or any associate or affiliate of such persons or companies, had any material interest, direct or indirect, in any transaction within the three years before the date of this Listing Statement, or in any proposed transaction, that has, or will have, a material effect on the Issuer or any subsidiary of the Issuer.

Item 21. Auditors, Transfer Agents and Registrars

Auditors

The Issuer's auditor is RSM Canada LLP, which has an address at 1400 First Alberta Place 777 - 8th Avenue SW, Calgary, Alberta T2P 3R5.

Transfer Agent and Registrar

The registrar and transfer agent for the Issuer's Common Shares is Alliance Trust Company at its Calgary office located at #1010, 407 - 2nd Street SW, Calgary, Alberta T2P 2Y3.

Item 22. Material Contracts

The Issuer has entered into the following material contracts:

1. Amalgamation Agreement dated August 31, 2015 among ICEsoft Holdings, the Issuer and Subco.

Item 23. Interest of Experts

No person or company whose profession or business gives authority to a statement by such person or company and who is named as having prepared or certified a part of this Listing Statement or a report or valuation described or included in this Listing Statement holds any beneficial ownership, direct or indirect, of any securities of the Issuer or any Related Person of the Issuer and no such person, nor any director officer or employee of such a person or company, is expected to be elected appointed or employed as a director, officer or employee of the Issuer or of any associate or affiliate of the Issuer.

The Auditor has advised that it is independent of the Issuer in accordance with the rules of the professional conduct of the Institute of Chartered Professional Accountants of Alberta.

Item 24. Other Material Facts

Other than as set out elsewhere in this Listing Statement, there are no other material factors about the Issuer and its securities which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

Item 25. Financial Statements

Schedule “A” contains the audited financial statements of the Issuer for the year ended December 31, 2018, 2017, and 2016.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, ICEsoft Technologies Canada Corp. hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to ICEsoft Technologies Canada Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated, or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Calgary,

this 27th day of May, 2019.

"Brian McKinney"

Brian McKinney

Chief Executive Officer

"David Gordon"

David Gordon

Chief Financial Officer

"S. Mark Francis"

S. Mark Francis

Director

"Derrick Hunter"

Derrick Hunter

Director

"Brian McKinney"

Brian McKinney

Promoter

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, ICEsoft Technologies Canada Corp. hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to ICEsoft Technologies Canada Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated, or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Calgary,

this 17th day of May, 2019.

Brian McKinney	David Gordon
Chief Executive Officer	Chief Financial Officer
S. Mark Francis	Derrick Hunter
Director	Director

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, ICEsoft Technologies Canada Corp. hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to ICEsoft Technologies Canada Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated, or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Calgary,

this 27th day of May, 2019.

"Brian McKinney"

Brian McKinney

Chief Executive Officer

"David Gordon"

David Gordon

Chief Financial Officer

"S. Mark Francis"

S. Mark Francis

Director

"Derrick Hunter"

Derrick Hunter

Director

Brian McKinney

Promoter

Schedule A

Audited Financial Statements of ICEsoft Technologies Canada Corp.

Attached are the audited financial statements of the Issuer for the year ended December 31, 2018, 2017, and 2016.

ICEsoft Technologies Canada Corp.

Consolidated Financial Statements

For the years ended December 31, 2018 and 2017

($CDN)

RSM Alberta LLP

777 8th Ave SW
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Independent Auditor's Report

To the Shareholders of ICEsoft Technologies Canada Corp.

Opinion

We have audited the accompanying consolidated financial statements of ICEsoft Technologies Canada Corp. (the "Corporation") and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of loss and comprehensive loss, consolidated statement of changes in shareholders' deficiency and consolidated statement of cash flows for the year ended December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of ICEsoft Technologies Canada Corp. and its subsidiaries as at December 31, 2018, and their financial performance and their cash flows for the year ended December 31, 2018 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 2(c) to the consolidated financial statements which indicates that the Corporation has negative working capital of $2,210,763 and an accumulated deficit of $28,650,884 at December 31, 2018 and a net loss for the year ended December 31, 2018 of $416,335. As stated in note 2(c) these events or conditions indicate that a material uncertainty exists that may cast significant doubt about the Corporation's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Other Matter

The consolidated financial statements of the Corporation for the year ended December 31, 2017 were audited by another firm of chartered professional accountants who expressed an unmodified opinion on those statements on April 30, 2018.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis for the year ended December 31, 2018.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Terry Booth.

RSM Alberta LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Calgary, Canada
April 30, 2019

	December 31, 2018 $	December 31, 2017 $
ASSETS		
Current Assets		
Cash and cash equivalents	87,854	-
Accounts receivable (note 17)	23,551	158,986
Prepaid expenses and deposits	20,841	18,137
TOTAL ASSETS	132,246	177,123
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Bank indebtedness	-	2,835
Accounts payable and accrued liabilities (notes 6 and 17)	998,987	1,252,525
Deferred revenue (note 7)	829,602	799,229
Term loans (note 8)	243,264	227,004
Current portion of convertible notes (note 9)	271,156	-
Total Current Liabilities	2,343,009	2,281,593
Convertible notes (note 9)	438,989	549,564
Total Liabilities	2,781,998	2,831,157
Shareholders' Deficiency		
Share capital (note 11)	24,405,501	24,018,708
Equity portion of convertible notes (note 9)	35,690	29,415
Warrants (notes 9, 12 and 13)	232,286	52,980
Contributed surplus (note 12)	3,180,746	3,177,105
Accumulated other comprehensive loss	(1,853,091)	(1,697,693)
Deficit	(28,650,884)	(28,234,549)
Total Shareholders' Deficiency	(2,649,752)	(2,654,034)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	132,246	177,123

Going concern (note 2(c))
Commitments and contingencies (note 15)
Segmented Information (note 18)
Subsequent events (note 19)

The accompanying notes are an integral part of the consolidated financial statements.

Approved by the Board of Directors:

"Brian McKinney", Director

	December 31, 2018 $	December 31, 2017 $
Revenues (note 5)		
Subscription income	1,429,426	1,628,557
Maintenance and support	17,259	64,703
License fees	47,745	60,715
Total Revenue	**1,494,430**	**1,753,975**
Expenses (note 14)		
Research & Development	1,204,432	1,245,863
General & Administrative	387,812	544,801
Sales, Marketing, & Operations	148,508	179,629
Total Expenses	**1,740,752**	**1,970,293**
Net Operating Loss	**(246,322)**	**(216,318)**
Other Income (Expense)		
Other income	-	4,781
Finance expense (note 14)	(138,585)	(70,177)
Foreign exchange	(27,787)	246
Stock based compensation (notes 12 and 13)	(3,641)	(22,582)
Gain on debt forgiveness (note 8)	-	147,793
Total Other Income (Expense)	**(170,013)**	**60,061**
Net Loss	**(416,335)**	**(156,257)**
Other Comprehensive Loss		
Exchange gain (loss) on translation of foreign operations	(155,398)	68,460
Comprehensive loss	**(571,733)**	**(87,797)**
Loss per share - basic and diluted (note 11)	**(0.01)**	**(0.00)**

The accompanying notes are an integral part of the consolidated financial statements.

	Share Capital	Equity component of convertible notes	Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total
Balance December 31, 2016	24,012,256	-	424,021	2,745,425	(28,078,292)	(1,766,153)	(2,662,743)
Issuance of Units (note 11)	6,452	-	3,548	-	-	-	10,000
Warrants expired in the year (note 13)	-	-	(409,098)	409,098	-	-	-
Convertible debentures issued (note 9)	-	29,415	-	-	-	-	29,415
Financing Warrants Issued (notes 11, 12 and 13)	-	-	34,509	-	-	-	34,509
Stock based compensation (notes 12 and 13)	-	-	-	22,582	-	-	22,582
Net Loss and Comprehensive Loss	-	-	-	-	(156,257)	68,460	(87,797)
Balance December 31, 2017	**24,018,708**	**29,415**	**52,980**	**3,177,105**	**(28,234,549)**	**(1,697,693)**	**(2,654,034)**
Issuance of Units (notes 11, 12 and 13)	394,221	-	176,819	-	-	-	571,040
Convertible debentures issued (note 9)		6,275					6,275
Financing Warrants Issued (notes 11, 12 and 13)	-	-	6,780	-	-	-	6,780
Stock based compensation (notes 12 and 13)	-	-	-	3,641	-	-	3,641
Equity issuance costs (notes 11 and 12)	(7,428)	-	(4,293)	-	-	-	(11,721)
Net Loss and Comprehensive Loss	-	-		-	(416,335)	(155,398)	(571,733)
Balance December 31, 2018	**24,405,501**	**35,690**	**232,286**	**3,180,746**	**(28,650,884)**	**(1,853,091)**	**(2,649,752)**

The accompanying notes are an integral part of the consolidated financial statements.

	December 31, 2018 $	December 31, 2017 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$(416,335)	$(156,257)
Add back (deduct) items not involving cash:		
Finance expense (note 14)	89,896	30,931
Gain on debt forgiveness (note 8)	-	(147,793)
Stock-based compensation (note 12)	3,641	22,582
	(322,798)	(250,537)
Changes in non-cash working capital items:		
Accounts receivable	135,435	(16,420)
Prepaid expenses and deposits	(2,704)	6,551
Accounts payable and accrued liabilities	(253,538)	141,649
Deferred revenue	30,373	(420,116)
Net cash used in operating activities	**(429,492)**	**(538,873)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of units (notes 11 and 13)	559,319	10,000
Proceeds from issuance of term loans	-	60,000
Proceeds from issuance of convertible note (note 9)	100,000	330,000
Net cash generated by financing activities	**659,319**	**400,000**
Effect of change in foreign exchange rates on cash	(155,398)	68,460
Net increase (decrease) in cash and cash equivalents for the year	90,689	(70,413)
Cash and cash equivalents (bank indebtedness), beginning of the year	(2,835)	67,578
Cash and cash equivalents (bank indebtedness), end of the year	**87,854**	**(2,835)**

The accompanying notes are an integral part of the consolidated financial statements.

1. NATURE OF OPERATIONS

ICEsoft Technologies Canada Corp. (the "Corporation" or "ICEsoft"), was incorporated on May 10, 2002 under the Canada *Business Corporations Act.* The Corporation's primary products consist of the Clickware products including ICEfaces and ICEpdf, and Voyent Alert.

ICEsoft and its subsidiaries are commercial Java open source technology companies and providers of mobile rich Internet applications development solutions for desktop and mobile enterprise. ICEsoft's head office is located at 370, 3553 31st Street NW, Calgary, Alberta, Canada, T2L 2K7.

The consolidated financial statements of the Corporation as at and for the years ended December 31, 2018 and 2017 consist of the Corporation and its wholly owned subsidiaries. ICEsoft wholly owns ICEsoft Technologies Holdings Ltd, which acts as the Corporation's main Canadian operating entity; and wholly owns ICEsoft Technologies Inc, incorporated in the State of Delaware, which acts as the United States operating entity.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were approved and authorized for issue by the Board of Directors on April 30, 2019.

(b) Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, except as noted in Notes 3(f) and (k).

(c) Going concern

These 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 December 31, 2018 the Corporation has cash and equivalents of $87,854 (December 31, 2017 - bank indebtedness of $2,835). Additionally, as at December 31, 2018 the Corporation has a negative net working capital position of $2,210,763 (December 31, 2017 - $2,104,470). The Corporation also has an accumulated deficit of $28,650,884 (December 31, 2017 - $28,234,549) as at December 31, 2018. The Corporation has not yet been able to generate the transaction volumes required to create positive cash flows from operations. 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 December 31, 2018 is uncertain. Until this time, management will have to raise funds by way of debt or equity issuances or improve profitability. The Corporation will closely monitor its cash and will take the necessary measures to preserve cash, such as reducing spending as needed until the Corporation succeeds in gathering sufficient sales volumes to consistently achieve profitable operations and generate positive cash flows from operations.

2. BASIS OF PRESENTATION (continued)

These 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.

(d) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars ("CAD") which is the functional currency of the Corporation and ICEsoft Technologies Holdings Ltd. The functional currency of ICEsoft Technologies Inc. is U.S. dollars ("USD").

(e) Basis of consolidation

These consolidated financial statements include the accounts of the Corporation and its subsidiaries. All intercompany transactions have been eliminated in these 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 have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

(a) New standards adopted during the year:

The following new standards are effective for the first time for periods beginning on or after January 1, 2018 and has been applied in preparing these consolidated financial statements.

Impact of changes in accounting policies

(i) IFRS 9 – "Financial Instruments"

On January 1, 2018, the Corporation adopted the new accounting standard IFRS 9 – *"Financial Instruments"* ("IFRS 9"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. The approach used under IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and on the contractual cash flow characteristics of financial assets. The new standard also requires a single, forward-looking impairment method to be used, replacing the multiple impairment methods under the previous standard, IAS 39 – *"Financial Instruments: Recognition and Measurement".* For financial liabilities, IFRS 9 retains most of the requirements in place under IAS 39. IFRS 9 was applied on a modified retrospective basis and did not require any adjustments to the Corporation's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets previously classified as "loans and receivables" (cash and cash equivalents and accounts receivable), as well as financial liabilities previously classified as "other financial liabilities" (bank indebtedness, accounts payable and accrued liabilities, term loans and convertible notes) have been reclassified to amortized cost. The carrying value and measurement of all financial instruments remains unchanged. The Corporation's current process for assessing trade and other receivables' lifetime expected credit losses individually is unadjusted with the adoption of the new impairment model and resulted in no additional impairment allowance.

(ii) IFRS 15 – "Revenue from Contracts with Customers"

On January 1, 2018, the Corporation adopted the new accounting standard IFRS 15 – *"Revenue from Contracts with Customers"* ("IFRS 15"). IFRS 15 introduced a single model for recognizing revenue from contracts with customers and applies to all contracts with customers. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. IFRS 15 also provides guidance relating to the treatment of contract acquisition and contract fulfillment costs and provides revised guidance on principal versus agent considerations. IFRS 15 was adopted using the modified retrospective approach in the preparation of these consolidated financial statements. The implementation of this standard did not require any adjustments to the Corporation's consolidated financial statements.

(b) Revenue Recognition:

The Corporation's primary sources of revenue under its contracts with customers are the sale of software licenses, the subsequent provision of post-contract customer support ("PCS") related to that software and ad hoc service and maintenance. The PCS includes updates, support, maintenance and training. The various distinct performance obligations contained in the Corporation's contracts with its customers and the timing of revenue recognition on those obligations is as follows:

Performance Obligation	Timing of the satisfaction of the performance obligation	Pattern of transfer of control
Licenses when ongoing updates are critical to the utility of the software	Rataby over the term of the subscription	Over time
Licenses when ongoing updates are not critical to the utility of the software	Upon provision of the software	At a point in time
Support, maintenance and updates (when those updates are not critical to the utility of the software)	Rataby over the term of the subscription	Over time
Ad hoc service and maintenance	As the services are provided	Over time

Licenses when ongoing updates are not critical to the utility of the software and Support, maintenance and updates (when those updates are not critical to the utility of the software) are included in subscription income in the consolidated statement of loss and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Typical payment terms for licensing, software, maintenance and updates are upon signing of the subscription. Payment for ad hoc service and maintenance is typically upon completion of the service. The Corporation applies the practical expedient in IFRS 15 and does not adjust the amount of consideration for the effects of any financing components on subscriptions with terms of one year or less.

The Corporation does not have any contracts which contain variable consideration.

The Corporation allocates the transaction price to its performance obligations using their stand-alone prices.

(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. The Corporation did not have any development costs that met the capitalization criteria for the years ended December 31, 2018 or 2017.

(d) Leases:

Leases are classified as either finance or operating leases. Leases that effectively transfer substantially all 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.

(e) Foreign currency translation:

Foreign currency transactions are initially recorded in the individual Corporation's functional currency at the transaction date exchange rate. At year end, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the year end exchange rate. All 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 year end exchange rate and all earnings and expense accounts and cash flow statement items are translated at average exchange rates for the year. The resulting translation gains and losses are recorded as foreign currency translation adjustments in other comprehensive income or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instruments:

Financial instruments are measured at fair value on initial recognition, which is typically the transaction price unless a significant financing component is present. Subsequent measurement is dependent on whether the instrument is classified as “amortized cost”, “fair value through profit or loss” or “fair value through other comprehensive income”. The classification of financial assets is determined by their characteristics and their context in the Corporation's business model.

The Corporation classifies financial assets and liabilities as follows:

(i) Amortized cost: Cash and cash equivalents, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, term loans and convertible notes are held by the Corporation to collect or pay contractual cash flows and are measured at amortized cost. Financial instruments measured at amortized cost are recognized initially at fair value, adjusted for any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortized cost using the effective interest rate method, less any impairment losses.

(ii) Fair value through profit or loss: The Corporation has no financial instruments held to both collect contractual cash flows and to sell the asset, and accordingly, no financial instruments are measured at fair value through profit or loss.

(iii) Fair value through other comprehensive income: The Corporation has no financial instruments that do not meet the criteria to be measured at amortized cost or fair value through profit or loss and, accordingly, no financial instruments are measured at fair value through other comprehensive income.

The Corporation derecognizes a financial asset when the contractual right to the cash flow expires, or the right to receive the contractual cash flows from the financial asset and substantially all the risks and rewards of ownership of the financial asset are transferred. The Corporation derecognizes a financial liability when the contractual obligations are discharged, cancelled or expired.

(g) 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 and warrants are classified as equity. Incremental costs directly attributable to the issue of share capital and warrants are recognized as a deduction from equity. The Corporation allocates the proceeds from each unit issue to the common share and the warrant components based on their respective fair value.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Stock-based compensation:

The Corporation uses the fair value method for valuing stock-based compensation. Under this method, the cost attributed to stock options and warrants granted is measured at the fair value using the Black-Scholes option pricing model 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 and warrants the previously recognized value is recorded as an increase to share capital.

The Corporation measures stock-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) Impairment:

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.

(j) 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 based on 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.

(k) 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.

(l) 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) 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.

(n) Accounting standards issued but not yet adopted

(i) IFRS 16 – *"Leases"*

IFRS 16 – "Leases" replaces IAS 17 – "Leases" and removed the classification of leases as either operating leases or finance leases, instead applying a single recognition and measurement model for all leases. Under IFRS 16, recognition of assets and liabilities on the statement of financial position will be required for most leases. Short term leases (less than 12 months) and leases of low value assets are exempt from the requirements. The standard will come into effect for annual periods beginning on or after January 1, 2019, with early adoption permitted if the entity is also applying IFRS 15. The standard is required to be adopted either retrospectively or using a modified retrospective approach. As at December 31, 2018, IFRS is being assessed to determine its impact on the Corporation's consolidated financial results and financial position.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the 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 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. Further disclosure is included in note 2(c).

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS *(continued)*

ii. Revenue

The Corporation makes judgments in determining whether a performance obligation is distinct (i.e. if a service is separately identifiable from other services provided and if the customer can benefit from it). Performance obligations are accounted for separately if they are distinct. The determination as to whether the licenses is separable from its related updates is based on whether those updates are critical to the software's utility.

(b) Assumptions and critical estimates

(i) Compound financial instruments

Certain financial instruments are comprised of a liability and an equity component. The determination of the amount allocated to the liability and equity components requires management to estimate various components and characteristics of present value calculations used in determining the fair value of the instrument, including the market interest rates of non-convertible debentures.

(ii) Stock-based compensation

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 prices, 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 public companies over the preceding period equaling the expected lives of the Corporation's options.

(iii) Tax assets and liabilities

Provisions for income taxes are made using the best estimate of the amount expected to be paid or recovered based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rates as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

5. REVENUE

The Corporation disaggregates revenue by two major service lines: (1) "Clickware" and (2) "Voyent Alert" revenue. Both categories include subscription revenue earned on software access licence agreements and support and maintenance revenue earned from providing customer requested assistance and updates within the reporting year.

	December 31, 2018 $	December 31, 2017 $
Revenue by major category		
Clickware	**1,491,163**	1,753,975
Voyent Alert	**3,267**	-
Total	**1,494,430**	1,753,975

The Corporation has two operating segments serving all geographic locations with similar disaggregation (note 17).

Revenue allocated to remaining performance obligations

(i) Estimate of future revenue

As at December 31, 2018, revenues allocated to remaining performance obligations from subscription contracts extending through to 2021, total approximately $830,000. Of this amount, approximately $745,000 is expected to be recognized in 2019, $77,000 in 2020 and $8,000 in 2021.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31 2018 $	December 31, 2017 $
Trade payables	382,666	615,550
Payroll liabilities	616,321	636,975
	998,987	**1,252,525**

Trade accounts payable are non-interest bearing and are normally due on 30 to 60 day terms. As at December 31, 2018, the Corporation has $218,690 (2017 - $444,295) in trade accounts payable beyond 60 days.

7. DEFERRED REVENUE

Timing differences between invoicing, cash collection, and revenue recognition results in accounts receivable and also results in deferred revenue on the consolidated statement of financial position. Amounts are billed in accordance with the terms of each customer contract. For most contracts, the Corporation receives payments for contract subscriptions prior to satisfying contracted obligations and recognizing revenue, resulting in deferred revenue.

7. DEFERRED REVENUE *(continued)*

All deferred revenue accrued in 2017 and 2018 relates to certain subscription agreements. Changes in deferred revenue during the year consists of:

	December 31, 2018 $	December 31, 2017 $
Deferred revenue		
Opening balance	**799,229**	1,219,345
Collected	**1,426,167**	1,462,791
Recognized in revenue		
From opening balances	**825,686**	1,011,783
From additions in period	**600,481**	599,646
Foreign exchange gain / (loss)	**30,373**	(271,478)
Closing balance	**829,602**	799,229

8. TERM LOANS

A summary of the term loans outstanding is as follows:

	December 31, 2018 $	December 31, 2017 $
Government royalty financing payable, unsecured, bearing interest at back prime plus 3%, due on demand. (i)	56,549	53,661
Notes payable to President and CEO, bearing interest at 6%, unsecured, and due on demand (ii)	186,715	173,343
Total debt outstanding	**243,264**	**227,004**
Less current portion	(243,264)	(227,004)
Long term portion	**-**	**-**

(i) During the year ended December 31, 2017 $147,793 of the financing was forgiven, resulting in a gain on the consolidated statement of loss. During the year ended December 31, 2018, interest totalling $2,888 was accrued on the remaining principal loan balance.

(ii) During the year ended December 31, 2018, interest totalling $13,372 was accrued on the remaining principal loan balance.

9. CONVERTIBLE NOTES

During the year ended December 31, 2018, the Corporation issued one new convertible note for $100,000. The note bears interest at 12% annual interest with a maturity date of March 19, 2021. The note is convertible to common shares at a conversion price of $0.15 per share. In addition, for each dollar of principal the purchaser received one warrant that can be converted to ten common shares of the Corporation at a purchase price of $0.20 per share. The warrants expire March 19, 2022. No notes or warrants were converted during the year ended December 31, 2018.

9. CONVERTIBLE NOTES *(continued)*

During the year ended December 31, 2017, the Corporation issued four new convertible notes totalling $330,000 and amended three existing notes payable to agreements valued at $260,170 to include conversion features. The notes bear interest at 12% annual interest with a maturity dates of November 21, 2020, December 11, 2020 and December 31, 2019. The notes are convertible to common shares at a conversion price of $0.15 per share. In addition, for each dollar of principal the purchaser received one warrant that can be converted to ten common shares of the Corporation at a purchase price of $0.20 per share. The warrants expire November 21, 2021, December 12, 2021 and December 31, 2021. No notes or warrants were converted during the year ended December 31, 2017.

In accordance with IAS 32, the Corporation has determined the fair value of the liability by discounting the expected future cash flows of the liability component at a market rate of interest of 18% (2017 – 18%) for non-convertible debt. During the year ended December 31, 2018, the Corporation recognized accretion expense of $26,769 (2017 - $NIL).

The residual value assigned to equity is bifurcated between the conversion feature of the note and the detachable warrant based on their respective values as determined by the Black-Scholes option pricing model. In 2018, $6,780 (2017 - $34,509) was assigned to the detachable warrants and $6,275 (2017 - $29,415) was assigned to the conversion feature of the note.

10. INCOME TAXES

The income tax provision differs from the amount that would be computed by applying the statutory income tax rates to profit or loss before income taxes.

The reconciliation of the differences is as follows:

	December 31, 2018 $	December 31, 2017 $
Loss before income taxes	**(416,335)**	(156,257)
Weighted average statutory income tax rate	**33.44%**	31.27%
Expected income tax recovery	**(139,222)**	(48,862)
Change in valuation allowance	**(53,771)**	33,963
Prior year adjustment to actual	**(26,784)**	-
Effect of change in tax rates	**240,430**	-
Stock-based compensation	**983**	7,061
Other	**21,636**	7,838
Income tax recovery	**-**	-

The effective tax rate has decreased due to changes in income and losses between the Canadian and US companies, offset by a reduction in US tax rates from 37.63% to 24.87%.

10. INCOME TAXES *(continued)*

The net deferred tax asset is comprised of the following temporary differences:

	December 31, 2018 $	December 31, 2017 $
Non-capital losses	**2,333,874**	2,387,140
Property and equipment	**1,692**	2,197
Valuation allowance	**(2,335,566)**	(2,389,337)
Deferred tax asset	**-**	**-**

As at December 31, 2018, the Corporation has Canadian non-capital loss carry forwards of approximately $6,304,476 (2017 - $6,205,278) and US non-capital loss carry forwards of approximately US $1,529,886 (2017 - US $1,646,491). The non-capital loss carry forwards expire at various dates from 2018 to 2038. The Corporation also has tax deductible balances of $8,138 (2017 - $8,138), relating to property and equipment, which have not been recognized on the consolidated statement of financial position.

11. SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Preferred Shares without nominal or par value and an unlimited number of Common Shares without nominal or par value.

The Corporation has the following Common Shares issued and outstanding:

	Number of Shares #	Share Capital $
Balance, December 31, 2016	**42,945,824**	**24,012,256**
Issuance of shares for cash (i)	100,000	6,452
Balance, December 31, 2017	**43,045,824**	**24,018,708**
Issuance of shares for cash (ii)	4,758,666	394,221
Equity issuance cost	-	(7,428)
Balance, December 31, 2018	**47,804,490**	**24,405,501**

(i) On November 22, 2017, the Corporation issued 100,000 units at a price of $0.10 per unit for gross proceeds of $10,000. Each unit consisted of one common share and two common share purchase warrants. The warrants had an exercise price of $0.20 per common share and expire on November 21, 2021. The warrants have been assigned a value of $3,548 based on the relative fair value of the shares and warrants. The value of the warrants was calculated using the Black-Scholes option pricing model.

(ii) During the year ended December 31, 2018, the Corporation issued 4,758,666 units at a price of $0.12 per unit for gross proceeds of $571,040. Each unit consisted of one common share and one common share purchase warrant. The warrants had an exercise price of $0.20 per share and expire three years from date of issuance. The warrants were assigned a value of $176,819 based on the relative fair value of the shares and warrants. The value of the warrants was calculated using the Black-Scholes option pricing model.

11. SHARE CAPITAL *(continued)*

(iii) The weighted average number of common shares outstanding used to calculate basic and diluted loss per share is 44,653,648 for the year ended December 31, 2018 (2017 – 42,957,057). The Corporation excluded all convertible notes, stock options from the calculation of diluted income per share for the years ended December 31, 2018 and December 31, 2017, as they would be anti-dilutive.

12. CONTRIBUTED SURPLUS & WARRANTS

Contributed surplus includes the fair value of stock options granted. When options are subsequently exercised, the fair value of such options is removed from contributed surplus and is credited to share capital. Refer to note 12 for further details on the stock option plan.

	$
Balance, December 31, 2016	**2,745,425**
Stock-based compensation expense	22,582
Warrants expired	409,098
Balance, December 31, 2017	**3,177,105**
Stock-based compensation expense	3,641
Balance, December 31, 2018	**3,180,746**

Warrants includes the value of warrants grants to support financings. When warrants are subsequently exercised, the fair value of such warrants is credited to the share capital account. When warrants expire, their value is credited to contributed surplus. Refer to notes 8 and 12 for further details on warrant transactions.

	$
Balance, December 31, 2016	424,021
Warrants granted	38,057
Warrants expired	(409,098)
Balance, December 31, 2017	52,980
Warrants granted	183,599
Equity issuance cost	(4,293)
Balance, December 31, 2018	232,286

13. STOCK-BASED COMPENSATION & WARRANT TRANSACTIONS

(a) 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 other providing services to the Corporation, non-transferable options to purchase common shares, exercisable for a period of five to seven years from the date of grant.

A summary of the Plan transactions for the year ended December 31, 2018 and December 31, 2017 are as follows:

	For the year ended December 31, 2018		For the year ended December 31, 2017	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding at beginning of year	4,780,000	0.14	4,900,000	0.14
Options granted	-	-	-	-
Options cancelled / forfeited	(150,000)	0.13	(120,000)	0.13
Outstanding at end of year	4,630,000	0.14	4,780,000	0.14
Exercisable at end of year	4,630,000	0.14	4,660,000	0.14

The weighted average remaining life of all options outstanding at December 31, 2018 is 2.19 years (2017 – 2.31 years).

The Corporation recorded stock-based compensation expense for options of $3,641 (December 31, 2017 - $22,582) with an offsetting increase to contributed surplus in respect of the stock options granted to Directors.

No options were granted or exercised during the years ended December 31, 2018 or December 31, 2017.

13. STOCK-BASED COMPENSATION & WARRANT TRANSACTIONS *(continued)*

(b) A summary of warrant transactions is as follows:

	Number of Warrants	Weighted average exercise price	Expiry Date
Outstanding at December 31, 2016	**5,119,555**	**0.29**	
Issued November 22, 2017	200,000	0.20	Nov 21, 2021
Issued November 22, 2017 with convertible debt	250,000	0.20	Nov 21, 2021
Issued December 12, 2017 with convertible debt	1,000,000	0.20	Dec 12, 2021
Issued December 31, 2017 with convertible debt	4,651,150	0.20	Dec 31, 2021
Expired	(5,019,555)	0.30	
Outstanding at December 31, 2017	**6,201,150**	**0.21**	
Issued throughout 2018	4,758,666	0.20	Throughout 2021
Issued March 19, 2018 with convertible debt	1,000,000	0.20	March 19, 2022
Outstanding at December 31, 2018	**11,959,816**	**0.20**	

	Number of Warrants	Weighted average remaining contractual life (Yrs)	Weighted average exercise price $
Outstanding at December 31, 2018	11,959,816	2.79	0.20

The fair value of the warrants used in the input into the bifurcation of units 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 year ended December 31, 2018	For the year ended December 31, 2017
Fair Value of warrants	$0.16	$0.16
Exercise Price	$0.20	$0.21
Share Price	$0.08	$0.06
Dividend Yield	-	-
Forfeiture %	-	-
Risk-free interest rate	2.1%	1.7%
Expected life of warrants	2.79 years	2.37 years
Expected volatility	100%	100%

No warrants were exercised during the year ended December 31, 2018.

14. FINANCE EXPENSE

	2018	2017
Interest on term loan	$ 16,260	$ 46,804
Interest on convertible notes	122,325	23,373
	$ 138,585	$ 70,177

Finance expense includes non-cash interest of $16,260 (2017 - $7,558) on the term loan and $73,636 (2017 - $23,373) on the convertible note.

15. RELATED PARTY TRANSACTIONS

The Corporation considers its key management personnel to be its Chief Executive Officer; Chief Financial Officer; and directors. Key management compensation is composed of payroll, stock based compensation and consulting fees paid to key management and companies controlled by key management. During the year ended December 31, 2018, key management compensation amounted to $110,000 (2017 - $196,976), split between general and administrative, marketing and customer operations, research and development expenses and stock-based compensation based on work performed.

The Corporation incurred interest expense of $24,315 (2017 - $36,328) on term loans and convertible notes held by key management personnel during the year ended December 31, 2018. Key management personnel have accounts payable owing from the Corporation, including interest, payroll and vacation accruals, in the amount of $600,634 at December 31, 2018 (2017 - $476,632) and hold long-term debt and convertible notes payable from the Corporation totaling $567,400 at December 31, 2018 (2017 – $661,443). These notes were issued in the normal course of business.

Total personnel expenses for employees, consultants, directors and management included in expenses in the consolidated statement of loss and comprehensive loss total $1,410,398 (2017 - $1,567,531) for the year ended December 31, 2018, split between general and administrative, sales, marketing and operations, and research and development expenses, based on work performed.

16. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Corporation is committed under a lease on office space, expiring October 2021 for future minimum rental payments exclusive of occupancy costs. These payments are as follows:

	$
2019	37,876
2020	38,618
2021	35,277

17. CAPITAL MANAGEMENT

The Corporation optimizes its capital structure with a view to ensure a strong financial position to support its operations and growth strategies. The Corporation's capital structure is made up items that assist in funding operations and include convertible notes and equity, comprised of share capital, contributed surplus, warrants, accumulated other comprehensive loss, and deficit. The Corporation strives to maximize the value associated with its capital. To maintain or adjust its capital structure, the Corporation may from time to time issue shares and adjust its spending.

The corporation's capital consists of:

	December 31, 2018	**December 31, 2017**
	$	**$**
Convertible notes	710,145	549,564
Common shares	24,405,501	24,018,708
Equity portion of convertible notes	35,690	29,415
Contributed surplus	3,180,746	3,177,105
Warrants	232,286	52,980
Accumulated other comprehensive income	(1,853,091)	(1,697,693)
Deficit	(28,650,884)	(28,234,549)
Total shareholders' deficiency	(2,649,752)	**(2,654,034)**

The Corporation is not subject to externally imposed capital requirements and the Corporation's overall strategy with respect to capital risk management remained unchanged during the years presented.

18. 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 receivable, deposits, bank indebtedness and accounts payable and accrued liabilities, the Corporation determined that the carrying amounts of these financial instruments approximate their fair value. The carrying amounts of the term loans and convertible debentures approximate their fair value due either to the interest rate approximating market rates or because of the short period maturity.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

(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 maximum exposure to credit risk is equal to the carrying value of the Corporation's cash and cash equivalents 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 revenue. 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 fails to pay its obligations in a timely manner. The Corporation considers accounts over 30 days old overdue. As at December 31, 2018, accounts receivable over 30 days old were $19,933 (2017 - $27,682). The Corporation did not record any bad debts during the year ended December 31, 2018 or 2017.

(c) Liquidity risk

Liquidity risk is the risk that the Corporation will incur difficulties meeting its financial obligations as they come due. As at December 31, 2018 the Corporation has cash and equivalents of $87,854 (2017 - bank indebtedness of $2,835). Additionally, as at December 31, 2018 the Corporation has negative net working capital position of $2,210,763 (2017 - $2,104,470). The Corporation also has an accumulated deficit of $28,650,884 (2017 - $28,234,549) as at December 31, 2018. The Corporation will closely monitor its cash and will take the necessary measures to manage its liquidity risk, such as reducing spending, improving profitability or raising funds as needed.

(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 December 31, 2018, the Corporation's exposure to currency risk is limited to cash and equivalents denominated in US dollars in the amount of US $12,776 (2017 - bank indebtedness of US $592), accounts receivable of US $16,970 (2017 – US $118,000), notes payable of US $NIL (2017 – US $NIL), accounts payable and accrued liabilities denominated in US dollars in the amount of US $319,058 (2017 - US $319,002). A 1% change in the exchange rate between the Canadian and US dollar would have a $2,843 (2017 - $2,004) impact on the net loss and cash flows of the Corporation.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

(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. As at December 31, 2018, the Corporation is exposed to this risk as its convertible debentures bear interest at fixed rates.

19. SEGMENTED INFORMATION

The Corporation has two operating segments serving all geographic locations. Substantially all of the Corporation's revenues are generated in the United States, whereas substantially all of the Corporation's assets are located in Canada. The Corporation currently operates two operating segments as follows:

	December 31, 2018		
	Legacy Business $	**Voyent Business $**	**Total $**
Revenue	**1,491,163**	**3,267**	1,494,430
Expenses			
Research & Development	722,659	487,773	1,204,432
General & Administrative	232,687	155,124	387,811
Sales, Marketing, & Operations	89,105	59,403	148,508
Total Expenses	1,044,451	702,300	1,740,751
Net Operating Income (loss)	**446,712**	**(699,033)**	**(246,321)**

Operating segments	**Legacy Business $**	**Voyent Business $**	**Total $**
Current assets	**129,039**	**3,207**	**132,246**
Current liabilities			
Accounts payable and accrued liabilities	786,916	212,071	998,987
Other	1,072,866	-	1,072,866
Current liabilities	**1,859,782**	**212,071**	**2,071,853**

19. SEGMENTED INFORMATION *(continued)*

	December 31, 2017		
	Legacy Business $	**Voyent Business $**	**Total $**
Revenue	1,753,975	-	1,753,975
Expenses			
Research & Development	631,450	614,413	1,245,863
General & Administrative	476,685	68,116	544,801
Sales, Marketing, & Operations	163,433	16,196	179,629
Total Expenses	1,271,568	698,725	1,970,294
Net Operating Income (loss)	**482,408**	**(698,725)**	**(216,318)**

Operating segments	**Legacy Business $**	**Voyent Business $**	**Total $**
Current assets	**166,751**	**10,372**	**177,123**
Current liabilities			
Accounts payable and accrued liabilities	910,648	341,877	1,252,525
Other	1,030,768	-	1,030,768
Current liabilities	**1,941,416**	**341,877**	**2,283,293**

20. SUBSEQUENT EVENTS

On February 15, 2019, the Canadian Securities Exchange conditionally approved ICEsoft Technologies Canada Corp. for listing subject to a) the completion of an equity raise of $350,000 comprised of units at $0.12 per unit with each unit being comprised of one common share and one warrant to purchase one common share at $0.20 per share and b) completion of filing documentation and payment of related fees.

On March 29, 2019, the Corporation converted $120,000 of a possible $193,146 worth of term loans outstanding held by a member of management into 1,000,000 units at $0.12 per unit. Each unit consists of one common share in the Corporation and one purchase warrant. Each warrant allows the purchase of one common share at an exercise price of $0.20 per share. The warrants expire three years after issuance. As part of the transaction, the remaining $73,146 unconverted term loans were consolidated into a single term loan from the lender to the Corporation. The term loan is unsecured, bears interest at 6% per annum, and matures on July 1, 2021.

On March 31, 2019, the Corporation extended maturity dates of all outstanding convertible notes as at December 31, 2017 one year. All convertible notes now expire on dates throughout 2021 (2017 – 2020). As part of each issuance, the debenture holder was entitled to warrants which can be converted to common shares. The warrant expiry date was also extended one year. All warrants expire on dates throughout 2022 (2017 – 2021). No other terms of the convertible debt agreements were amended.

20. SUBSEQUENT EVENT *(continued)*

Between January 1, 2019 and April 15, 2019, the Corporation issued 2,921,249 units at $0.12 per unit for gross proceeds of $350,550. Each unit consists of one common share in the Corporation and one purchase warrant. Each warrant allows the purchase of one common share at an exercise price of $0.20 per share. The warrants expire three years after issuance.

ICEsoft Technologies Canada Corp.

Consolidated Financial Statements

For the years ended December 31, 2017 and 2016

($CDN)

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Independent Auditors' Report

To the Shareholders
ICEsoft Technologies Canada Corp.

We have audited the accompanying consolidated financial statements of ICEsoft Technologies Canada Corp. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' deficiency and consolidated statements of cash flows for the years ended December 31, 2017 and December 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of ICEsoft Technologies Canada Corp. and its subsidiaries as at December 31, 2017 and December 31, 2016, and their financial performance and their cash flows for the years ended December 31, 2017 and December 31, 2016 in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to note 2(c) to the consolidated financial statements which describes conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Collins Barrow Calgary LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Calgary, Canada
April 30, 2018

ICEsoft Technologies Canada Corp.
Consolidated Statements of Financial Position
(in CAD)
As at

	December 31, 2017 $	December 31, 2016 $
ASSETS		
Current Assets		
Cash and cash equivalents	-	67,578
Accounts receivable (note 15(b))	158,986	142,566
Prepaid expenses and deposits	18,137	24,688
TOTAL ASSETS	177,123	234,832
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Bank indebtedness	2,835	-
Accounts payable and accrued liabilities (notes 5, 15)	1,252,525	1,110,876
Deferred revenue	799,229	1,219,345
Term loans (note 6)	227,004	567,354
Total Current Liabilities	2,281,593	2,897,575
Convertible notes (note 7)	549,564	-
Total Liabilities	2,831,157	2,897,575
Shareholders' Deficiency		
Share capital (Note 9)	24,018,708	24,012,256
Equity portion of convertible notes (note 7)	29,415	-
Warrants (note 6, 7, 10 &11)	52,980	424,021
Contributed surplus (note 10)	3,177,105	2,745,425
Accumulated other comprehensive loss	(1,697,693)	(1,766,153)
Deficit	(28,234,549)	(28,078,292)
Total Shareholders' Deficiency	(2,654,034)	(2,662,743)
TOTAL LIABILITIES AND EQUITY	177,123	234,832

Going concern (note 2(c))
Commitments and contingencies (note 13)
Segmented Information (note 16)
Subsequent event (note 17)

Approved by the Board of Directors

______________________, Director
BRIAN McKINNEY

The accompanying notes are an integral part of the consolidated financial statements.

ICEsoft Technologies Canada Corp.

Consolidated Statements of Loss and Comprehensive Loss

($CDN)

For the years ended

	December 31, 2017 $	December 31, 2016 $
Revenues		
Subscription income	1,628,557	1,751,708
Consulting services	64,703	77,556
License fees	60,715	92,759
Total Revenue	**1,753,975**	**1,922,023**
Expenses		
Research & Development (notes 12 & 16)	1,245,863	1,402,248
General & Administrative (notes 12 & 16)	544,801	671,394
Sales, Marketing, & Operations (note 12 & 16)	179,629	434,120
Total Expenses	**1,970,293**	**2,507,762**
Net Operating Loss	**(216,318)**	**(585,739)**
Other Income (Expense)		
Other income	4,781	6,635
Finance expense	(70,177)	(45,856)
Foreign exchange	246	(8,054)
Stock based compensation (notes 10 and 11)	(22,582)	(60,924)
Gain on debt forgiveness (note 6)	147,793	-
Gain on conversion of convertible notes (note 7)	-	259,037
Accretion of convertible notes (note 7)	-	(38,668)
Gain on fair value of derivative liability	-	20,568
Total Other Income	**60,061**	**132,738**
Net Loss	**(156,257)**	**(453,001)**
Other Comprehensive Loss		
Exchange gain (loss) on translation of foreign operations	68,460	(77,641)
Comprehensive loss	**(87,797)**	**(530,642)**
Loss per share - basic and diluted (note 9)	**(0.00)**	**(0.01)**

The accompanying notes are an integral part of the consolidated financial statements.

	Share Capital	Equity component of convertible rates	Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total
Balance December 31, 2015	22,420,905	-	54,473	2,684,501	(27,625,291)	(1,688,512)	(4,153,924)
Conversion of CDN Note to Shares (notes 7 & 9)	50,000						50,000
Conversion of US Note to Shares (notes 7 & 9)	52,130						52,130
Conversion of Convertible US Note to Shares (notes 7 & 9)	821,321						821,321
Issuance of Shares (note 9)	1,037,448						1,037,448
Financing Warrants Issued (notes 6, 9, 10 & 11)	(369,548)		369,548				-
Stock Based Compensation (notes 10 & 11)				60,924			60,924
Net Loss and Comprehensive Loss					(453,001)	(77,641)	(530,642)
Balance December 31, 2016	**24,012,256**	**-**	**424,021**	**2,745,425**	**(28,078,292)**	**(1,766,153)**	**(2,662,743)**
Issuance of Units (note 9)	6,452		3,548				10,000
Warrants expired in the year			(409,098)	409,098			-
Convertible debentures issued (note 7)		29,415					29,415
Financing Warrants Issued (notes 7, 9, 10 & 11)			34,509				34,509
Stock based compensation (notes 10 & 11)				22,582			22,582
Net Loss and Comprehensive Loss					(156,257)	68,460	(87,797)
Balance December 31, 2017	**24,018,708**	**29,415**	**52,980**	**3,177,105**	**(28,234,549)**	**(1,697,693)**	**(2,654,034)**

The accompanying notes are an integral part of the consolidated financial statements.

	December 31, 2017 $	December 31, 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$(156,257)	$ (453,001)
Add back (deduct) items not involving cash:		
Accretion of convertible notes (note 7)	-	38,668
Gain on conversion of convertible notes (note 7)	-	(259,037)
Gain on fair value of derivative liability (note 7)	-	(20,568)
Gain on debt forgiveness (note 6)	(147,793)	-
Stock-based compensation (note 10)	22,582	60,924
Unrealized foreign exchange	30,931	(29,625)
	(250,537)	(662,639)
Changes in non-cash working capital items:		
Accounts receivable	(16,420)	46,877
Prepaid expenses and deposits	6,551	(20,337)
Accounts payable and accrued liabilities	141,649	45,360
Deferred revenue	(420,116)	(120,817)
Net cash used in operating activities	**(538,873)**	**(711,556)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units (notes 9 & 11)	10,000	812,448
Repayment of notes payable	-	(328,779)
Proceeds from issuance of term loans	60,000	333,969
Proceeds from issuance of convertible notes	330,000	-
Net cash generated by financing activities	**400,000**	**817,638**
Effect of change in foreign exchange rates on cash	68,460	(77,641)
Net increase (decrease) in cash and cash equivalents for the year	(70,413)	28,441
Cash and cash equivalents, beginning of the year	67,578	39,137
Cash and cash equivalents (Bank indebtedness), end of the year	**(2,835)**	**67,578**

The accompanying notes are an integral part of the consolidated financial statements.

Non-cash transactions

During the year ended December 31, 2017, term loans of $260,170 were exchanged for convertible notes (Note 7). During the year ended December 31, 2016, $50,000 of a revolving credit facility (note 6(iii)), $52,130 of notes payable (note 6(iv)) and $200,000 of accounts payable (note 9(iv)) were exchanged for common shares.

1. NATURE OF OPERATIONS

ICEsoft Technologies Canada Corp. (the "Corporation" or "ICEsoft"), was incorporated on May 10, 2002 under the Canada Business Corporations Act.

ICEsoft and its subsidiaries are commercial Java open source technology companies and providers of mobile rich Internet applications development solutions for desktop and mobile enterprise. ICEsoft's head office is located at 370, 3553 31st Street NW, Calgary, Alberta, Canada, T2L 2K7.

The consolidated financial statements of the Corporation as at and for the years ended December 31, 2017 and 2016 consist of the Corporation and its wholly owned subsidiaries. ICEsoft wholly owns ICEsoft Technologies Holdings Ltd, which acts as the Corporation's main Canadian operating entity; and wholly owns ICEsoft Technologies Inc, incorporated in the State of Delaware, which acts as the United States operating entity.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were approved and authorized for issue by the Board of Directors on April 30, 2018.

(b) Basis of preparation

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

The consolidated financial statements have been prepared under the historical cost convention, except as noted in Notes 3(e) and (i).

2. BASIS OF PRESENTATION *(continued)*

(c) Going concern

These 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 December 31, 2017 the Corporation has bank indebtedness of $2,835 (December 31, 2016 - cash and cash equivalents of $67,578). Additionally, as at December 31, 2017 the Corporation has negative net working capital position of $2,104,470 (December 31, 2016 - $2,662,743). The Corporation also has an accumulated deficit of $28,234,549 (December 31, 2016 - $28,078,292) as at December 31, 2017. The Corporation has not yet been able to generate the transaction volumes required to create positive cash flows from operations. 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 December 31, 2017 is uncertain. Until this time, management may have to raise funds by way of debt or equity issuances. The Corporation will closely monitor its cash and will take the necessary measures to preserve cash, such as reducing spending as needed until the Corporation succeeds in gathering sufficient sales volumes to consistently achieve profitable operations and generate positive cash flows from operations.

These 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.

(d) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars ("CAD") which is the functional currency of the Corporation and ICEsoft Technologies Holdings Ltd. The functional currency of ICEsoft Technololgies Inc. is U.S. dollars ("USD").

(e) Basis of consolidation

These consolidated financial statements include the accounts of the Corporation and its subsidiaries. All intercompany transactions have been eliminated in these 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 have been applied consistently to all periods presented in these consolidated financial statements.

(a) 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) Subscription income and license fees are deferred when received and recognized evenly over the term of the agreement.

(ii) Consulting services and royalty fees are recognized when the service occurs or the royalty is earned.

(b) 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. The Corporation did not have any development costs that met the capitalization criteria for the years ended December 31, 2017 or 2016.

(c) Leases

Leases are classified as either finance or operating leases. Leases that effectively transfer substantially all 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Foreign currency translation

Foreign currency transactions are initially recorded in the individual company's functional currency at the transaction date exchange rate. At year end, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the year end exchange rate. All 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 year end exchange rate and all earnings and expense accounts and cash flow statement items are translated at average exchange rates for the year. The resulting translation gains and losses are recorded as foreign currency translation adjustments in other comprehensive.

(e) 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 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 and deposits 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.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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 December 31, 2017 or 2016.

(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 bank indebtedness, accounts payable and accrued liabilities, term loans and convertible notes 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 and warrants are classified as equity. Incremental costs directly attributable to the issue of share capital and warrants are recognized as a deduction from equity.

(f) Stock-based compensation

The Corporation uses the fair value method for valuing stock-based compensation. Under this method, the cost attributed to stock options and warrants 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 and warrants the previously recognized value is recorded as an increase to share capital.

The Corporation measures stock-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.

(g) 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Impairment

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.

(i) 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 based on 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) 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.

Convertible debentures and warrants with an exercise or conversion price denominated in a foreign currency are recorded as a derivative liability and classified as fair value through profit and loss. The derivative liability is measured at estimated fair value with subsequent changes in fair value recorded as a gain or loss in the statement of loss and comprehensive loss. These derivatives have not been listed on an exchange and therefore do not trade on an active market.

(k) 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 value of cash is based on Level 1 inputs. The fair value of the convertible debentures are based on Level 3 inputs.

(l) 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.

(m) SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the 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 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. Further disclosure is included in note 2(c).

(b) Assumptions and critical estimates

(i) Compound financial instruments

Certain financial instruments are comprised of a liability and an equity component. The determination of the amount allocated to the liability and equity components requires management to estimate various components and characteristics of present value calculations used in determining the fair value of the instrument, including the market interest rates of non-convertible debentures.

(ii) Derivative liability

The initial derivative liability and subsequent revaluations of the derivative liability are 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 of 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 Corporation's shares, risk-free interest rates and dividend yield.

(iii) Stock-based compensation

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 prices, 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 public companies over the preceding period equaling the expected lives of the Corporation's options.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS *(continued)*

(c) Assumptions and critical estimates

(iv) Tax assets and liabilities

Provisions for income taxes are made using the best estimate of the amount expected to be paid or recovered based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rates as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

CHANGES IN ACCOUNTING STANDARDS

The following pronouncements will become effective for fiscal periods subsequent to December 31, 2017:

IFRS 15 – *"Revenue from Contracts with Customers"* provides a comprehensive new standard on revenue recognition. It specifies how and when to recognize revenue as well as requiring entities to provide more informative and relevant disclosure. The new standard is effective for years beginning on or after January 1, 2018. IFRS 15 is being assessed to determine its impact on the Corporation's results and financial position.

IFRS 9 – "Financial Instruments", addresses the classification and measurement of financial assets. IFRS 9 replaces the guidance on "classification and measurement" of financial instruments in IAS 39 - "Financial Instruments – Recognition and Measurement". The new standard requires a consistent approach to the classification of financial assets and replaces the numerous categories of financial assets in IAS 39 with two categories, measured at either amortized cost or at fair value. For financial liabilities, the standard retains most of the IAS 39 requirements, but where the fair value option is taken, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of operations and comprehensive loss, unless this creates an accounting mismatch. It also includes a new general hedge accounting model. IFRS 9 is effective for fiscal periods beginning on or after January 1, 2018. IFRS 9 is being assessed to determine its impact on the Corporation's results and financial position.

IFRS 16 – *"Leases"*, eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead leases are "capitalized" by recognizing the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognizes a financial liability representing its obligation to make future lease payments. IFRS 16 is effective for fiscal periods beginning on or after January 1, 2019. IFRS 16 is being assessed to determine its impact on the Corporation's results and financial position.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31 2017 $	December 31, 2016 $
Trade payables	615,550	649,831
Payroll liabilities	636,975	461,045
	1,252,525	**1,110,876**

Trade accounts payable are non-interest bearing and are normally due on 30 to 60 day terms. As at December 31, 2017, the Corporation has $444,295 (2016 - $521,136) in trade accounts payable beyond 60 days.

6. TERM LOANS

A summary of the term loans outstanding is as follows:

	December 31, 2017 $	December 31, 2016 $
Government royalty financing payable, unsecured, required repayments equal to 1.59% of revenue. (i)	53,661	201,454
Notes payable to officers, directors and shareholders, bearing interest at 12%, secured against assets of ICEsoft, repayable December 31, 2017. Exchanged for convertible notes during the year ended December 31, 2017 (ii)	-	260,170
Notes payable to officers, directors and shareholders, bearing interest at 6%, unsecured with no fixed terms of repayment	173,343	105,730
Total debt outstanding	**227,004**	**567,354**
Less current portion	(227,004)	(567,354)
Long term portion	-	-

(i) During the year ended December 31, 2017, $147,793 of the financing was forgiven, resulting in a gain on the consolidated statement of loss.

(ii) During the year ended December 31, 2017, the Corporation amended three existing notes payables to include conversion features and detachable warrants (note 7)

6. TERM LOANS *(continued)*

(iii) During the year ended December 31, 2016, the Corporation repaid a $410,000 revolving credit facility and the remaining $50,000 was converted into 250,000 units consisting of one common share and one half of a common share purchase warrant. The warrants had an exercise price of $0.24 per share until June 1, 2016 and $0.30 per share thereafter, and expire on December 31, 2017. The warrants have been valued at $10,444 based on the Black Scholes Option Pricing Model with the following assumptions:

Stock price	$0.20
Exercise price	$0.30
Risk-free rate	1.50%
Expected volatility	100%
Expected term	1.91 years
Expected dividends	Nil

(iv) During the year ended December 31, 2016, notes payable plus accrued interest of $52,130 were converted into 260,650 common shares.

7. CONVERTIBLE NOTES

During the year ended December 31, 2017, the Corporation issued four new convertible notes totalling $330,000 and amended three existing notes payable to agreements valued at $260,170 to include conversion features. The notes bear interest at 12% annual interest with a maturity dates of November 21, 2020, December 11, 2020 and December 31, 2019. The notes are convertible to common shares at a conversion price of $0.15 per share. In addition, for each dollar of principal the purchaser received one warrant that can be converted to ten common shares of the Corporation at a purchase price of $0.20 per share. The warrants expire November 21, 2021, December 12, 2021 and December 31, 2021. No notes or warrants were converted during the year ended December 31, 2017.

In accordance with IAS 32, the Company has determined the fair value of the liability and residual equity component of the conversion feature by discounting the expected future cash flows of the liability component using an effective interest rate of 18%.

As the warrants are detachable and have a fixed exercise price they have been accounted for as equity. The fair value of the warrants were determined using the Black Scholes Option Pricing Model on the grant date. On December 31, 2017 the warrants had a value of $34,509 using the following assumptions:

	Warrants
Stock price	$0.06
Exercise price	$0.20
Risk-free rate	1.7%
Expected volatility	100%
Expected term	4 years
Expected dividends	Nil

7. CONVERTIBLE NOTES *(continued)*

At December 31, 2017, the fair value of the debt consisted of the following:

Face value of debt plus accrued interest	$	613,488
Less: Fair value of conversion feature		(29,415)
Less: Fair value of warrants at inception		(34,509)
Carrying value of debt	$	549,564

On January 28, 2016, the Corporation settled derivative liabilities through the issuance of 5,775,527 common shares valued at $821,321 (CAD) upon conversion of the convertible notes outstanding. This transaction is summarized as follows:

		January 28, 2016 (CAD)
Issuance of 5,775,527 common shares	$	821,321
Settlement of convertible notes		(1,045,873)
Settlement of other notes payable		(30,783)
Settlement of accrued interest		(22,595)
Foreign exchange loss		18,893
Gain on conversion of convertible notes	$	(259,037)

8. INCOME TAXES

The income tax provision differs from the amount that would be computed by applying the statutory income tax rates to profit or loss before income taxes.

The reconciliation of the differences is as follows:

	December 31, 2017 $	December 31, 2016 $
Loss before income taxes	**(156,257)**	(453,001)
Weighted average statutory income tax rate	**31.27%**	31.27%
Expected income tax recovery	**(48,862)**	(141,653)
Change in valuation allowance	**33,963**	(660,954)
Stock-based compensation	**7,061**	19,051
Other	**7,838**	783,556
Income tax recovery	**-**	-

The net deferred tax asset is comprised of the following temporary differences:

	December 31, 2017 $	December 31, 2016 $
Non-capital losses	**5,767,060**	(5,727,814)
Property and equipment	**(2,197)**	(3,086)
Valuation allowance	**5,764,863**	5,730,900
Deferred tax asset	**-**	-

As at December 31, 2017, the Corporation has Canadian non-capital loss carry forwards of approximately $6,205,278 (2016 - $5,875,653) and US non-capital loss carry forwards of approximately US $1,646,491 (2016 – US $1,803,371). The non-capital loss carry forwards expire at various dates from 2017 to 2037. The Corporation also has tax deductible balances of $8,138 (2016 - $11,430), relating to property and equipment, which have not been recognized on the consolidated statement of financial position.

9. SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Preferred Shares without nominal or par value and an unlimited number of Common Shares without nominal or par value.

The Corporation has the following Common Shares issued and outstanding:

	Number of Shares #	Share Capital $
Balance, December 31, 2015	**31,467,722**	**22,420,905**
Conversion of CDN Note to Equity (note 6(iii))	250,000	39,556
Conversion of US Note to Equity (note 6(iv))	260,650	52,130
Conversion of Convertible US Note to Equity (note 7)	5,775,527	821,321
Feb 8, 2016 Private Placement (i)	1,462,240	231,360
March 9, 2016 Private Placement (ii)	350,000	55,842
June 30, 2016 Private Placement (iii)	2,379,685	270,244
September 30, 2016 Private Placement (iv)	1,000,000	120,898
Balance, December 31, 2016	**42,945,824**	**24,012,256**
Issuance of shares for cash (v)	100,000	6,452
Balance, December 31, 2017	**43,045,824**	**24,018,708**

(i) On February 8, 2016, the Corporation issued 1,462,240 units to officers and directors at a price of $0.20 per unit for gross proceeds of $292,448. Each unit consisted of one common share and one half of a common share purchase warrant. The warrants had an exercise price of $0.24 per share until June 1, 2016 and $0.30 thereafter. The warrants were valued at $61,088 based on the Black Scholes Option Pricing Model. The warrants expired December 31, 2017.

(ii) On March 9, 2016, the Corporation issued 350,000 units of which 5,000 units were issued to a director, at a price of $0.20 per unit for gross proceeds of $70,000. Each unit consisted of one common share and one half of a common share purchase warrant. The warrants had an exercise price of $0.24 per share until June 1, 2016 and $0.30 thereafter. The warrants were valued at $14,158 based on the Black Scholes Option Pricing Model. The warrants expired December 31, 2017.

9. SHARE CAPITAL *(continued)*

(iii) On June 30, 2016, the Corporation issued 2,379,685 units of which 1,729,685 were issued to directors, at a price of $0.20 per unit for gross proceeds of $475,000. Each unit consisted of one common share and one common share purchase warrant. The warrants had an exercise price of $0.24 per share until December 31, 2016 and $0.30 thereafter and expire on July 1, 2018. The warrants have been valued at $204,756 based on the Black Scholes Option Pricing Model.

(iv) On September 30, 2016, the Corporation issued 875,000 units for cash and 125,000 units to satisfy an account payable to a director at a price of $0.20 per unit for gross proceeds of $200,000. Each unit consisted of one common share and one common share purchase warrant. The warrants had an exercise price of $0.24 per share until December 31, 2016 and $0.30 thereafter and expire on July 1, 2018. The warrants have been valued at $79,102 based on the Black Scholes Option Pricing Model.

(v) On November 22, 2017, the Corporation issued 100,000 units at a price of $0.10 per unit for gross proceeds of $10,000. Each unit consisted of one common share and two common share purchase warrants. The warrants had an exercise price of $0.20 per common share and expire on November 21, 2021. The warrants have been valued at $3,548 based on the Black Scholes Option Pricing Model.

(vi) The weighted average number of common shares outstanding used to calculate basic and diluted loss per share is 42,957,057 for the year ended December 31, 2017 (2016 – 40,145,926). The Corporation excluded all convertible notes, stock options from the calculation of diluted income per share for the years ended December 31, 2017 and December 31, 2016, as they would be anti-dilutive.

10. CONTRIBUTED SURPLUS & WARRANTS

Contributed surplus is used to recognize the fair value of stock options granted. When options are subsequently exercised, the fair value of such options in contributed surplus is credited to share capital. Refer to note 11 for further details on the stock option plan.

	$
Balance, December 31, 2015	**2,684,501**
Stock-based compensation expense	60,924
Balance, December 31, 2016	2,745,425
Stock-based compensation expense	22,582
Warrants expired	409,098
Balance, December 31, 2017	3,177,105

Warrants are used to recognize the fair value of warrants grants to support financings. When warrants are subsequently exercised, the fair value of such warrants is credited to the share capital account. Refer to note 11 for further details on warrant transactions.

	$
Balance, December 31, 2015	**54,473**
Warrants granted	369,548
Balance, December 31, 2016	424,021
Warrants granted	38,057
Warrants expired	(409,098)
Balance, December 31, 2017	52,980

11. STOCK-BASED COMPENSATION & WARRANT TRANSACTIONS

(a) 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 other providing services to the Corporation, non-transferable options to purchase common shares, exercisable for a period of five to seven years from the date of grant.

A summary of the Plan transactions for the year ended December 31, 2017 and December 31, 2016 are as follows:

	For the year ended December 31, 2017		For the year ended December 31, 2016	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding at beginning of year	4,900,000	0.14	4,570,000	0.13
Options granted	-	-	600,000	0.25
Options cancelled / forfeited	(120,000)	0.13	(270,000)	0.13
Outstanding at end of year	4,780,000	0.14	4,900,000	0.14

During the year ended December 31, 2016, the Corporation issued 600,000 options to its directors which vest over 5 years.

The weighted average remaining life of all options outstanding at December 31, 2017 is 2.31 years (2016 – 3.31 years).

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 year ended December 31, 2016
Fair Value of options	$0.14
Exercise Price	0.25
Share Price	0.20
Dividend Yield	-
Forfeiture %	-
Risk-free interest rate	1.5%
Expected life of options	3.5 years
Expected volatility	100%

The Corporation's shares were not traded publicly during the year ended December 31, 2017 or 2016 and, as a result, the Corporation does not have necessary trading history to compute its expected volatility using historical volatility; therefore, the Corporation has used the historical volatilities of certain members of its peer group for input into the Black-Scholes Option Pricing Model.

11. STOCK-BASED COMPENSATION & WARRANT TRANSACTIONS *(continued)*

The Corporation recorded stock-based compensation expense for options of $22,582 (December 31, 2016 - $60,924) with an offsetting increase to contributed surplus in respect of the stock options granted to Directors.

No options were exercised during the years ended December 31, 2017 or December 31, 2016.

(b) A summary of warrant transactions for the year ended December 31, 2017 is as follows:

	Number of Warrants	Weighted average exercise price	Expiry Date
Outstanding at December 31, 2015	708,750	0.20	
Issued February 8, 2016	856,120	0.30	Dec 31, 2017
Issued March 9, 2016	175,000	0.30	Dec 31, 2017
Issued June 30, 2016	2,379,685	0.30	July 1, 2018
Issued September 30,2 016	1,000,000	0.30	July 1, 2018
Exercised during the period	-		
Outstanding at December 31, 2016	5,119,555	0.29	
Issued November 22, 2017	200,000	0.20	Nov 21, 2021
Issued November 22, 2017 with convertible debt	250,000	0.20	Nov 21, 2021
Issued December 12, 2017 with convertible debt	1,000,000	0.20	Dec 12, 2021
Issued December 31, 2017 with convertible debt	4,651,150	0.20	Dec 31, 2021
Cancelled/forfeited	(1,439,870)	0.30	
Outstanding at December 31, 2017	9,780,835	0.21	

11. STOCK-BASED COMPENSATION & WARRANT TRANSACTIONS *(continued)*

	Number of Warrants	Weighted average remaining contractual life (Yrs)	Weighted average exercise price $
Outstanding at December 31, 2017	9,580,835	2.37	0.21

The fair value of the warrants 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 year ended December 31, 2017	For the year ended December 31, 2016
Fair Value of warrants	$0.16	$0.08
Exercise Price	$0.21	$0.30
Share Price	$0.06	$0.20
Dividend Yield	-	-
Forfeiture %	-	-
Risk-free interest rate	1.7%	1.5%
Expected life of warrants	2.37 years	1.9 years
Expected volatility	100%	100%

No warrants were exercised during the year ended December 31, 2017.

12. RELATED PARTY TRANSACTIONS

The Corporation considers its key management personnel to be its Chief Executive Officer; Chief Financial Officer; and directors. Key management compensation is composed of payroll, stock based compensation and consulting fees paid to key management and companies controlled by key management. During the year ended December 31, 2017, key management compensation amounted to $196,976 (2016 - $312,638), split between general and administrative, marketing and customer operations, research and development expenses and stock-based compensation based on work performed.

The Corporation incurred interest expense of $36,328 (2016 - $18,496) on term loans and convertible notes held by key management personnel during the year ended December 31, 2017. Key management personnel have accounts payable owing from the Corporation, including interest, payroll and vacation accruals, in the amount of $476,632 at December 31, 2017 (2016 - $394,722) and hold long-term debt and convertible notes payable from the Corporation totaling $661,443 at December 31, 2017 (2016 – $365,970). These notes were issued in the normal course of business.

Total personnel expenses for employees, consultants, directors and management included in expenses in the consolidated statement of loss and comprehensive loss total $1,567,531 (2016 - $1,903,472) for the year ended December 31, 2017, split between general and administrative, sales, marketing and operations, and research and development expenses, based on work performed.

13. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Corporation is committed under a lease on office space, expiring October 2021 for future minimum rental payments exclusive of occupancy costs. These payments are as follows:

	$
2018	34,163
2019	37,876
2020	38,618
2021	35,277

14 CAPITAL MANAGEMENT

The Corporation optimizes its capital structure with a view to ensure a strong financial position to support its operations and growth strategies. The Corporation's capital structure is made up of its equity, which includes share capital, contributed surplus, warrants, accumulated other comprehensive loss, and deficit. The Corporation strives to maximize the value associated with its capital. To maintain or adjust its capital structure, the Corporation may from time to time issue shares and adjust its spending.

The corporation's capital consists of:

	December 31, 2017 $	**December 31, 2016** $
Common shares	24,018,708	24,012,256
Equity portion of convertible notes	29,415	-
Contributed surplus	3,177,105	2,745,425
Warrants	52,980	424,021
Accumulated other comprehensive income	(1,697,693)	(1,766,153)
Deficit	(28,234,549)	(28,078,292)
Total shareholders' deficiency	**(2,654,034)**	**(2,662,743)**

The Corporation is not subject to externally imposed capital requirements and the Corporation's overall strategy with respect to capital risk management remained unchanged during the years presented.

15. 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:

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

(a) Fair value

Due to the short-term nature of cash, accounts receivable, deposits, bank indebtedness and accounts payable and accrued liabilities, the Corporation determined that the carrying amounts of these financial instruments approximate their fair value. The carrying amounts of the term loans and long-term debt approximate their fair value due either to the interest rate approximating market rates or because of the short period maturity.

(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, accounts receivable and deposits. The maximum exposure to credit risk is equal to the carrying value of the Corporation's cash and cash equivalents, accounts receivable and deposits.

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 revenue. 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 fails to pay its obligations in a timely manner. The Corporation considers accounts over 30 days old overdue. As at December 31, 2017, accounts receivable over 30 days old were $27,682 (2016 - $16,589). The Corporation did not record any bad debts during the year ended December 31, 2017 or 2016.

(c) Liquidity risk

Liquidity risk is the risk that the Corporation will incur difficulties meeting its financial obligations as they come due. As at December 31, 2017 the Corporation has bank indebtedness of $2,835 (2016 - cash and cash equivalents of $67,578). Additionally, as at December 31, 2017 the Corporation has negative net working capital position of $2,104,470 (2016 - $2,662,743). The Corporation also has an accumulated deficit of $28,234,549 (2016 - $28,078,292) as at December 31, 2017. The Corporation will closely monitor its cash and will take the necessary measures to manage its liquidity risk, such as reducing spending as needed.

(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 December 31, 2017, the Corporation's exposure to currency risk is limited to bank indebtedness denominated in US dollars in the amount of US $592 (2016 - cash and cash equivalents of US $397), accounts receivable of US $118,000 (2016 – US $98,205), notes payable of US $NIL (2016 – US $120,000), accounts payable and accrued liabilities denominated in US dollars in the amount of US $319,002 (2016 - US $266,526). A 1% change in the exchange rate between the Canadian and US dollar would have a $2,004 (2016 - $2,879) impact on the net loss and cash flows of the Corporation.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

(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. As at December 31, 2017, the Corporation is exposed to this risk as its convertible debentures bear interest at fixed rates.

16. SEGMENTED INFORMATION

The Corporation has two operating segments serving all geographic locations. Substantially all of the Corporation's revenues are generated in the United States, whereas substantially all of the Corporation's assets are located in Canada. The Corporation created the Voyent operating segment in 2017 and currently operates two operating segments as follows:

	December 31, 2017		
	Legacy Business $	**Voyent Business $**	**Total $**
Revenue	1,753,975	-	1,753,975
Expenses			
Research & Development	631,450	614,413	1,245,863
General & Administrative	476,685	68,116	544,801
Sales, Marketing, & Operations	163,433	16,196	179,629
Total Expenses	1,271,568	698,725	1,970,294
Net Operating Income (loss)	**482,408**	**(698,725)**	**(216,318)**

Operating segments	**Legacy Business $**	**Voyent Business $**	**Total $**
Current assets	**166,751**	**10,372**	**177,123**
Current liabilities			
Accounts payable and accrued liabilities	910,648	341,877	1,252,525
Other	1,030,768	-	1,030,768
Current liabilities	**1,941,416**	**341,877**	**2,283,293**

17. SUBSEQUENT EVENT

On March 18, 2018, the Company issued additional convertible debentures in the amount of $100,000 bearing interest at 12% per annum with the option to convert the principal and interest balance on the convertible debenture to common shares at the rate of $0.15 per common share before maturity on March 19, 2021. In addition, as part of the issuance, the debenture holder is entitled to 1,000,000 warrants which can be converted to common shares at the exercise price of $0.20 per common share. The warrants expire four years after issuance.

ICEsoft Technologies Canada Corp.

Consolidated Financial Statements

(in Canadian Dollars)

For the years ended December 31, 2016 and 2015

Management's Responsibility

To the Shareholders of ICEsoft Technologies Canada Corp.:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board, through the Audit Committee, is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Board also has the responsibility of recommending the appointment of the Corporation's external auditors and to meet with the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues.

Collins Barrow Calgary LLP is appointed by the shareholders to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

April 25, 2017

"Brian McKinney"

Brian McKinney
President and CEO

"David Gordon"

David Gordon
Chief Financial Officer

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Independent Auditors' Report

To the Shareholders
ICEsoft Technologies Canada Corp.

We have audited the accompanying consolidated financial statements of ICEsoft Technologies Canada Corp. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2016 and December 31, 2015, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' deficiency and consolidated statements of cash flows for the years ended December 31, 2016 and December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of ICEsoft Technologies Canada Corp. and its subsidiaries as at December 31, 2016 and December 31, 2015, and their financial performance and cash flows for the years ended December 31, 2016 and December 31, 2015 in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to note 2(c) to the consolidated financial statements which describes conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Collins Barrow Calgary LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Calgary, Canada
April 25, 2017

ICEsoft Technologies Canada Corp.
Consolidated Statements of Financial Position
($ CAD)
As at

	December 31, 2016 $	December 31, 2015 $
ASSETS		
Current assets		
Cash	67,578	39,137
Accounts receivable	142,566	195,839
Prepaid expenses and deposits	24,688	4,351
Total assets	234,832	239,327
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (notes 6 and 13)	1,110,876	1,301,412
Deferred revenue	1,219,345	1,359,044
Current portion of long-term debt (note 7)	567,354	554,186
Convertible notes (note 8)	-	488,215
Derivative liability (note 8)	-	506,531
Total current liabilities	2,897,575	4,209,388
Long-term debt (note 7)	-	183,863
Total liabilities	2,897,575	4,393,251
Equity		
Share capital (note 10)	24,012,256	22,420,905
Contributed surplus (note 11)	2,745,425	2,684,501
Warrants (note 11)	424,021	54,473
Accumulated other comprehensive loss	(1,766,153)	(1,688,512)
Deficit	(28,078,292)	(27,625,291)
Total shareholders' deficiency	(2,662,743)	(4,153,924)
Total liabilities and shareholders' deficiency	234,832	239,327

Going concern (note 2(c))
Commitments and contingencies (note 14)
Segmented Information (note 17)

Approved by the Board of Directors

'Brian McKinney', Director 'Mark Francis', Director

The accompanying notes are an integral part of the consolidated financial statements.

ICEsoft Technologies Canada Corp.
Consolidated Statements of Loss and Comprehensive Loss
($ CDN)
For the years ended

	December 31, 2016 $	December 31, 2015 $
Revenues		
Subscription income	1,751,708	1,840,116
Professional services	77,556	133,638
License fees	92,759	126,886
Total revenue	**1,922,023**	**2,100,640**
Expenses		
Research and development (note 13)	1,402,248	1,456,173
General and administrative (note 13)	671,394	675,009
Sales, marketing and customer operations (note 13)	434,120	449,527
Total expenses	**2,507,762**	**2,580,709**
Loss from operations	**(585,739)**	**(480,069)**
Other income (expenses)		
Other income	6,635	31,699
Gain on conversion of convertible notes (note 8)	259,037	-
Finance expense	(45,856)	(243,846)
Reverse takeover and listing expenses	-	(381,858)
Foreign exchange	(8,054)	(2,144)
Stock-based compensation (note 11)	(60,924)	(765,542)
Accretion of convertible notes (note 8)	(38,668)	(309,453)
Gain on fair value of derivative liability (note 8)	20,568	91,589
Total other income (expenses)	**132,738**	**(1,579,555)**
Net loss	**(453,001)**	**(2,059,624)**
Exchange loss on translation of foreign operations	(77,641)	(430,881)
Comprehensive loss	**(530,642)**	**(2,490,505)**
Loss per share - basic and diluted (note 10)	**(0.01)**	**(0.23)**

The accompanying notes are an integral part of the consolidated financial statements.

ICEsoft Technologies Canada Corp.

Consolidated Statements of Changes in Shareholders' Deficiency

($ CDN)

For the years ended

	Share Capital $	Contributed Surplus $	Warrants $	Accumulated Deficit $	Accumulated Other Comprehensive Loss $	Total $
Balance, December 31, 2014	22,129,556	1,973,432	-	(25,565,667)	(1,257,631)	(2,720,310)
Shares issued on acquisition (note 5)	129,461	-	-	-	-	129,461
Issuance of shares (note 10)	161,888	-	-	-	-	161,888
Stock based compensation (note 11)	-	711,069	-	-	-	711,069
Financing warrants issued (notes 11 and 12)	-	-	54,473	-	-	54,473
Net loss and comprehensive loss	-	-	-	(2,059,624)	(430,881)	(2,490,505)
Balance, December 31, 2015	**22,420,905**	**2,684,501**	**54,473**	**(27,625,291)**	**(1,688,512)**	**(4,153,924)**
Conversion of CDN note to shares (notes 7 and 10)	50,000	-	-	-	-	50,000
Conversion of US note to shares (notes 7 and 10)	52,130	-	-	-	-	52,130
Conversion of convertible US note to shares (notes 8 and 10)	821,321	-	-	-	-	821,321
Issuance of shares (note 10)	1,037,448	-	-	-	-	1,037,448
Stock based compensation (note 11)	-	60,924	-	-	-	60,924
Financing warrants issued (notes 11 and 12)	(369,548)	-	369,548	-	-	-
Net loss and comprehensive loss	-	-	-	(453,001)	(77,641)	(530,642)
Balance, December 31, 2016	**24,012,256**	**2,745,425**	**424,021**	**(28,078,292)**	**(1,766,153)**	**(2,662,743)**

The accompanying notes are an integral part of the consolidated financial statements.

ICEsoft Technologies Canada Corp.
Consolidated Statements of Cash Flows
($ CDN)
For the years ended

	December 31, 2016 $	December 31, 2015 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(453,001)	(2,059,624)
Add (deduct) items not involving cash:		
Accretion of convertible notes	38,668	309,453
Gain on fair value of derivative	(20,568)	(91,589)
Stock-based compensation	60,924	765,542
Listing costs	-	176,400
Gain on conversion of debt	(259,037)	-
Unrealized foreign exchange	(29,625)	16,335
	(662,639)	(883,483)
Changes in non-cash working capital items:		
Accounts receivables	46,877	(17,729)
Prepaid expenses and deposits	(20,337)	26,640
Accounts payable and accrued liabilities	(154,640)	685,976
Deferred revenue	(120,817)	206,516
Changes in non-cash working capital items	(248,917)	901,403
Net cash provided by (used in) operating activities	**(911,556)**	**17,920**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,012,448	161,888
Proceeds from issuance of long-term debt	333,969	25,727
Repayment of notes outstanding	(328,779)	-
Proceeds from issuance of convertible notes	-	230,748
Cash acquired on acquisition	-	151
Net cash provided by financing activities	**1,017,638**	**418,514**
Effect of change in foreign exchange rates on cash	(77,641)	(430,881)
Net increase in cash	28,441	5,553
Cash, beginning of the year	39,137	33,584
Cash, end of the year	**67,578**	**39,137**
Supplemental cash flow information:		
Interest paid	**-**	**150,401**

The accompanying notes are an integral part of the consolidated financial statements.

1. NATURE OF OPERATIONS

ICEsoft Technologies Canada Corp. (the "Corporation" or "ICEsoft"), was incorporated on May 10, 2002 under the Canada *Business Corporations Act.*

ICEsoft and its subsidiaries are commercial Java open source technology companies and providers of mobile rich Internet applications development solutions for desktop and mobile enterprise. ICEsoft's head office is located at 370, 3553 31st Street NW, Calgary, Alberta, Canada, T2L 2K7.

The consolidated financial statements of the Corporation as of and for the years ended December 31, 2016 and 2015 consist of the Corporation and its 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.

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. The transaction constitutes a reverse acquisition of Stinton and has been accounted for at the fair value of the equity instruments granted by the shareholders of ICEsoft to the shareholders of Stinton. The results of operations of Stinton are included in the consolidated financial statements of ICEsoft from the date of the reverse acquisition (note 5).

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were approved and authorized for issue by the Board of Directors on April 25, 2017.

(b) Basis of preparation

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

The consolidated financial statements have been prepared under the historical cost convention, except as noted in Notes 3(e) and (k).

2. BASIS OF PRESENTATION *(continued)*

(c) Going concern

These 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 December 31, 2016 the Corporation has cash and cash equivalents of $67,578 (2015 - $39,137). However, as at December 31, 2016 the Corporation has negative net working capital position of $2,662,743 (2015 - $3,970,061). The Corporation also has an accumulated deficit of $28,078,292 (2015 - $27,625,291) as at December 31, 2016 and incurred a net loss during the year ended December 31, 2016 of $453,001 (2015 - $2,059,624). The Corporation has not yet been able to generate the transaction volumes required to create positive cash flows from operations. 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 December 31, 2016 is uncertain. Until this time, management may have to raise funds by way of debt or equity issuances. The Corporation will closely monitor its cash and will take the necessary measures to preserve cash, such as reducing spending as needed until the Corporation succeeds in gathering sufficient sales volumes to consistently achieve profitable operations and generate positive cash flows from operations.

These 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.

(d) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars ("CAD") which is the functional currency of the Corporation and ICEsoft Holdings Corporation. The functional currency of ICEsoft Inc. is U.S. dollars ("USD").

(e) Basis of consolidation

These consolidated financial statements include the accounts of the Corporation and its subsidiaries. All intercompany transactions have been eliminated in these 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 have been applied consistently to all periods presented in these consolidated financial statements.

(a) 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) Subscription and license contract fees are deferred when received and recognized evenly over the term of the agreement.

(ii) Professional service is recognized when the service occurs.

(b) 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. The Corporation did not have any development costs that met the capitalization criteria for the years ended December 31, 2016 or 2015.

(c) 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) 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. All 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 comprehensive loss.

(e) 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 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 and deposits 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.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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 December 31, 2016 or 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, long-term debt and convertible notes 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.

(f) Stock-based compensation

The Corporation uses the fair value method for valuing stock-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 share capital.

The Corporation measures stock-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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) 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.

(h) 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.

(i) 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

(j) 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.

Convertible debentures and warrants with an exercise or conversion price denominated in a foreign currency are recorded as a derivative liability and classified as fair value through profit and loss. The derivative liability is measured at estimated fair value with subsequent changes in fair value recorded as a gain or loss in the statement of loss and comprehensive loss. These derivatives have not been listed on an exchange and therefore do not trade on an active market.

(k) 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 value of cash is based on Level 1 inputs. The fair value of the convertible notes were based on Level 3 inputs.

(l) 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 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 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. Further disclosure is included in note 2(c).

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS *(continued)*

(ii) Business Combination

Business combinations are accounted for using the acquisition where the acquisition meets the definition of a business under IFRS. Management uses judgment in determining if the acquired entity constitutes a business.

(b) Assumptions and critical estimates

(i) Compound financial instruments

Certain financial instruments are comprised of a liability and an equity component. The determination of the amount allocated to the liability and equity components requires management to estimate various components and characteristics of present value calculations used in determining the fair value of the instrument, including the market interest rates of non-convertible debentures.

(ii) Derivative liability

The initial derivative liability and subsequent revaluations of the derivative liability are 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 of 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.

(iii) 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 prices, 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 public companies over the preceding period equaling the expected lives of the Corporation's options and warrants.

(iv) Tax assets and liabilities

Provisions for income taxes are made using the best estimate of the amount expected to be paid or recovered based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS *(continued)*

Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rates as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

CHANGES IN ACCOUNTING STANDARDS

The following pronouncements will become effective for fiscal periods subsequent to December 31, 2016:

IFRS 15 – *"Revenue from Contracts with Customers"* provides a comprehensive new standard on revenue recognition. It specifies how and when to recognize revenue as well as requiring entities to provide more informative and relevant disclosure. The new standard is effective for years beginning on or after January 1, 2018. IFRS 15 is being assessed to determine its impact on the Corporation's results and financial position.

IFRS 9 – "Financial Instruments", addresses the classification and measurement of financial assets. IFRS 9 replaces the guidance on "classification and measurement" of financial instruments in IAS 39 - "Financial Instruments – Recognition and Measurement". The new standard requires a consistent approach to the classification of financial assets and replaces the numerous categories of financial assets in IAS 39 with two categories, measured at either amortized cost or at fair value. For financial liabilities, the standard retains most of the IAS 39 requirements, but where the fair value option is taken, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of operations and comprehensive loss, unless this creates an accounting mismatch. It also includes a new general hedge accounting model. IFRS 9 is effective for fiscal periods beginning on or after January 1, 2018. IFRS 9 is being assessed to determine its impact on the Corporation's results and financial position.

IFRS 16 – *"Leases",* eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead leases are "capitalized" by recognizing the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognizes a financial liability representing its obligation to make future lease payments. IFRS 16 is effective for fiscal periods beginning on or after January 1, 2019. IFRS 16 is being assessed to determine its impact on the Corporation's results and financial position.

5. ACQUISITIONS

On September 24, 2015, Stinton Exploration Ltd ("Stinton") and ICEsoft closed a business combination transaction pursuant to which Stinton acquired the business assets and liabilities of ICEsoft. In accordance with 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.

The transaction is a reverse acquisition of Stinton and has been accounted for under IFRS 2, Share-based Payments. Accordingly, the transaction has been accounted for at the fair value of the equity instruments granted by the shareholders of ICEsoft to the shareholders and option holders of Stinton. The difference between the net liabilities acquired and the fair value of the consideration paid of $176,400 has been recognized as a listing expense in the statement of loss and comprehensive loss for the year ended December 31, 2015. Costs of the transaction (reverse takeover expenses) of $205,458 were also expensed during the year ended December 31, 2015.

The results of operations of Stinton are included in the consolidated financial statements of ICEsoft from the date of the reverse acquisition, September 25, 2015.

The fair value of the net liabilities of Stinton acquired on September 25, 2015 are as follows:

Cash	$ 151
Other receivables	1,237
Accounts payable	(48,327)
	(46,939)

Purchase price allocation is as follows:	
Fair value of common shares issued	$ 46,165
Fair value of common shares issued to settle directors loans	87,296
Fair value of common shares cancelled on transfer of 25% interest in the Buffalo Nickel Project	(4,000)
	129,461
Listing expense	176,400

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2016 $	December 31, 2015 $
Trade payables	649,831	816,022
Accrued liabilities	-	15,681
Payroll	461,045	469,709
	1,110,876	**1,301,412**

Trade accounts payable are non-interest bearing and are normally settled on 30 to 60 day terms. As at December 31, 2016, the Corporation has $521,136 (2015 - $473,315) in trade accounts payable beyond 60 days.

7. LONG-TERM DEBT

A summary of debt outstanding is as follows:

	December 31, 2016 $	December 31, 2015 $
Government royalty financing payable, unsecured, required repayments equal to 1.59% of revenue. Repayable until October 2017 (i)	201,454	222,363
Notes payable to officers, directors and shareholders, bearing interest at 12%, secured against assets of ICEsoft, repayable December 31, 2017 (note 13)	260,170	-
Notes payable to officers, directors and shareholders, bearing interest at 6%, unsecured with no fixed terms of repayment	105,730	25,727
Revolving credit facility secured by a general security agreement, bearing interest at 18%; matured on November 2016 (ii)	-	460,000
Notes payable to officers, directors and shareholders, bearing interest at 18%, unsecured with no fixed terms of repayment	-	29,959
Total debt outstanding	**567,354**	**738,049**
Less current portion	(567,354)	(554,186)
Long-term debt	**-**	**183,863**

7. LONG-TERM DEBT *(continued)*

(i) During the year ended December 31, 2016, the Corporation was in violation of the payment terms on the loan agreement related to government royalty financing. The Corporation continues to remedy this situation by negotiating with the government prior to the maturity of the loan in 2017.

(ii) During the year ended December 31, 2016, the Corporation repaid $410,000 of the revolving credit facility and the remaining $50,000 was converted into 250,000 units consisting of one common share and one half of a common share purchase warrant. The warrants had an exercise price of $0.24 per share until June 1, 2016 and $0.30 per share thereafter, and expire on December 31, 2017. The warrants have been valued at $10,444 based on the Black Scholes Option Pricing Model with the following assumptions:

Stock price	$0.20
Exercise price	$0.30
Risk-free rate	1.50%
Expected volatility	100%
Expected term	1.91 years
Expected dividends	Nil

(iii) During the year ended December 31, 2016, the notes payable plus accrued interest were converted into 260,000 common shares.

8. CONVERTIBLE NOTES

In March 2015, ICEsoft entered into a two convertible notes payable to a director for $100,000 USD and $310,000 USD respectively. The notes bore interest at 25% annual interest with a maturity date of August 1, 2016. A conversion feature and warrants were added on April 30, 2015. The notes were convertible to common shares at a conversion price of $0.10 USD/share before the maturity date. In association with the notes, 20,000 purchase warrants at a rate of $1.00 USD/share ($0.10 after the share consolidation) were issued. The warrants were only exercisable in the event that the lender elected to convert the debt subsequent to the retirement of all debt facilities. On January 28, 2016, the notes were converted to common shares.

As the convertible notes were issued in US dollars with a conversion feature and warrants denominated in US dollars, the convertible notes were accounted for as a derivative liability whereby the liability was measured at fair value with subsequent changes in fair value accounted for through the consolidated statement of loss. The fair value of these derivatives was determined using the Black Scholes Option Pricing Model. As these derivatives were converted or exercised, the value of the recorded derivative liability was included in the share capital along with the proceeds from the exercise. If these debentures had matured without conversion or the warrants were to have expired, the related derivative liability would have been 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 matured without conversion or if the warrants expire unexercised.

8. CONVERTIBLE NOTES *(continued)*

On December 31, 2015, the carrying value of the derivative liability measured at fair value was $758,943 CAD while at January 28, 2016 the fair value was $485,959 CAD. The following table describes the valuation parameters used in determining the carrying amount of the derivative liability.

	January 28, 2016	December 31, 2015	April 30, 2015 (issuance date)
Stock price	$ 0.20	$ 0.20	$0.20
Conversion price of debentures ($CAD)	$ 0.1422	$ 0.1384	$0.1212
Exercise price of warrants	$ 0.1422	$ 0.1384	$0.1212
Risk-free rate	0.70%	0.70%	0.80%%
Expected volatility	100%	100%	100%
Expected term remaining	0.5 years	0.6 years	1.3 years
Expected dividends	Nil	Nil	Nil

At January 28, 2016, the fair value of the debt and derivative liability consisted of the following:

Face value of debt plus accrued interest in CDN $	$	791,966
Less: Fair value of derivatives at inception		(580,130)
Add: Accretion of discount		348,078
Carrying value of debt		559,914
Fair value of conversion feature		455,926
Fair value of warrants		30,033
Fair value January 28, 2016	$	1,045,873

On January 28, 2016, the Corporation issued 5,775,527 common shares valued at $821,321 (CAD) upon conversion of the convertible notes outstanding. This transaction is summarized as follows:

		January 28, 2016 (CAD)
Issuance of 5,775,527 common shares	$	821,321
Settlement of convertible notes		(1,045,873)
Settlement of other notes payable		(30,783)
Settlement of accrued interest		(22,595)
Foreign exchange loss		18,893
Gain on conversion of convertible notes	$	(259,037)

9. INCOME TAXES

The income tax provision differs from the amount that would be computed by applying the statutory income tax rates to profit or loss before income taxes.

The reconciliation of the differences is as follows:

	December 31, 2016 $	December 31, 2015 $
Loss before income taxes	**(453,001)**	**(2,059,624)**
Weighted average statutory income tax rate	**31.27%**	**29.36%**
Expected income tax recovery	(141,653)	(604,706)
Change in valuation allowance	(660,954)	808,724
Effect of change in rate	-	(339,254)
Stock based compensation	19,051	224,763
Other	783,556	(89,527)
Income tax recovery	**-**	**-**

The net deferred tax asset is comprised of the following temporary differences:

	December 31, 2016 $	December 31, 2015 $
Non-capital losses	(5,727,814)	(6,388,768)
Property and equipment	(3,086)	(3,086)
Valuation allowance	5,730,900	6,391,854
Deferred tax asset	**-**	**-**

As at December 31, 2016, the Corporation has Canadian non-capital loss carry forwards of approximately $9,355,352 (2015 - $7,779,868) and US non-capital loss carry forwards of approximately US $6,404,494 (2015 - US $8,321,463). The non-capital loss carry forwards expire at various dates from 2017 to 2036. The Corporation also has tax deductible balances of $11,430 (2015 - $11,430), relating to capital assets, which have not been recognized on the consolidated statement of financial position.

10. SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Preferred Shares without nominal or par value and an unlimited number of Common Shares without nominal or par value.

10. SHARE CAPITAL *(continued)*

The Corporation has the following Common Shares issued and outstanding:

	Number of Shares #	Share Capital $
Balance at December 31, 2014	**3,000,000**	**$22,129,556**
Issuance of shares, net of issuance costs	66,750	131,888
Elimination of ICEsoft common shares	(3,066,750)	-
Stinton common shares pre amalgamation	3,740,000	-
Stinton issuance of shares	490,680,000	46,165
Issued to settle Directors loans	6,983,665	87,296
Disposal of 25% interest in Buffalo Nickel Project	(320,000)	(4,000)
Balance before share consolidation	501,083,665	22,390,905
16:1 share consolidation	31,317,722	22,390,905
Issuance of shares for cash	150,000	30,000
Balance, December 31, 2015	**31,467,722**	**22,420,905**
Conversion of CDN note to equity (note 7(iii))	250,000	39,556
Conversion of US note to equity (note 7(iv))	260,650	52,130
Conversion of convertible US note to equity (note 8)	5,775,527	821,321
Feb 8, 2016 private placement	1,462,240	231,360
March 9, 2016 private placement	350,000	55,842
June 30, 2016 private placement	2,379,685	270,244
September 30, 2016 private placement	1,000,000	120,898
Balance, December 31, 2016	**42,945,824**	**24,012,256**

On February 28, 2016, the Corporation issued 1,462,240 units to officers and directors at a price of $0.20 per unit for gross proceeds of $292,448. Each unit consisted of one common share and one half of a common share purchase warrant. The warrants had an exercise price of $0.24 per share until June 1, 2016 and $0.30 thereafter, and expire on December 31, 2017. The warrants have been valued at $61,088 based on the Black Scholes Option Pricing Model.

On March 9, 2016, the Corporation issued 350,000 units of which 5,000 units were issued to a director, at a price of $0.20 per unit for gross proceeds of $70,000. Each unit consisted of one common share and one half of a common share purchase warrant. The warrants had an exercise price of $0.24 per share until June 1, 2016 and $0.30 thereafter, and expire on December 31, 2017. The warrants have been valued at $14,158 based on the Black Scholes Option Pricing Model.

On June 30, 2016, the Corporation issued 2,379,685 units of which 1,729,685 were issued to directors, at a price of $0.20 per unit for gross proceeds of $475,000. Each unit consisted of one common share and one common share purchase warrant. The warrants had an exercise price of $0.24 per share until December 31, 2016 and $0.30 thereafter, and expire on July 1, 2018. The warrants have been valued at $204,756 based on the Black Scholes Option Pricing Model.

10. SHARE CAPITAL *(continued)*

On September 30, 2016, the Corporation issued 875,000 units for cash and 125,000 units to satisfy an accounts payable to a director at a price of $0.20 per unit for gross proceeds of $200,000. Each unit consisted of one common share and one common share purchase warrant. The warrants had an exercise price of $0.24 per share until December 31, 2016 and $0.30 thereafter, and expire on July 1, 2018. The warrants have been valued at $79,102 based on the Black Scholes Option Pricing Model.

The weighted average number of common shares outstanding used to calculate basic and diluted loss per share is 40,145,926 for year ended December 31, 2016 (2015 - 8,582,001). The Corporation excluded all convertible notes, stock options and warrants from the calculation of diluted income per share for the years ended December 31, 2016 and December 31, 2015 as they would be anti-dilutive.

11. CONTRIBUTED SURPLUS & WARRANTS

Contributed surplus is used to recognize the fair value of stock options granted. When options are subsequently exercised, the fair value of such options in contributed surplus is credited to share capital. Refer to note 12 for further details on the stock option plan.

	$
Balance, December 31, 2014	1,973,432
Stock-based compensation expense	711,069
Balance, December 31, 2015	2,684,501
Stock-based compensation expense	60,924
Balance, December 31, 2016	2,745,425

Warrants are used to recognize the fair value of warrants grants to support financings. When warrants are subsequently exercised, the fair value of such warrants is credited share capital Refer to note 12 for further details on warrant transactions.

	$
Balance, December 31, 2014	-
Warrants granted	54,473
Balance, December 31, 2015	54,473
Warrants granted	369,548
Balance, December 31, 2016	424,021

12. STOCK-BASED COMPENSATION & WARRANT TRANSACTIONS

(a) 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 other providing services to the Corporation, non-transferable options to purchase common shares, exercisable for a period of five to seven years from the date of grant.

12. STOCK-BASED COMPENSATION & WARRANT TRANSACTIONS *(continued)*

A summary of the Plan transactions for the period ended December 31, 2016 and December 31, 2015 are as follows:

	For the year ended December 31, 2016		For the year ended December 31, 2015	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding and exercisable at beginning of year	4,570,000	0.13	-	-
Options granted during the year	600,000	0.25	4,570,000	0.13
Options cancelled / forfeited	(270,000)	0.13	-	-
Outstanding at end of year	4,900,000	0.14	4,570,000	0.13

During the year, The Corporation issued 600,000 units of options to its directors which vest over 5 years.

The weighted average remaining life of all options outstanding at December 31, 2016 is 3.31 years.

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 year ended December 31, 2016	For the year ended December 31, 2015
Fair value of options	$0.14	$0.15
Exercise price	$0.25	$0.13
Share price	$0.20	$0.13-0.20
Dividend yield	-	-
Forfeiture %	-	-
Risk-free interest rate	1.5%	1.5%
Expected life of options	3.5 Yrs	4.2 Yrs
Expected volatility	100%	100%

The Corporation’s shares were not traded publicly during the year ended December 31, 2016 or 2015 and, as a result, the Corporation does not have necessary trading history to compute its expected volatility using historical volatility; therefore, the Corporation has used the historical volatilities of certain members of its peer group for input into the Black Scholes Option Pricing Model.

The Corporation recorded stock-based compensation expense for options of $60,924 (2015 - $711,069) with an offsetting increase to contributed surplus in respect of the stock options granted.

No options were exercised during the year ended December 31, 2016 or December 31, 2015.

12. STOCK-BASED COMPENSATION & WARRANT TRANSACTIONS *(continued)*

(b) A summary of warrant transactions for the year ended December 31, 2016 is as follows:

	Number of warrants	For the year ended December 31, 2016 Weighted average exercise price	Expiry date
Issued March 11, 2015 with convertible debenture	200,000	0.13	March 10, 2020
Issued September 24, 2015	333,750	0.24	September 23, 2020
Issued October 30, 2015	75,000	0.24	October 29, 2020
Issued October 30, 2015	100,000	0.20	October 29, 2020
Outstanding at December 31, 2015	708,750	0.20	
Converted January 28, 2016 (note 8)	(200,000)	0.13	
Issued February 8, 2016	856,120	0.30	December 31, 2017
Issued March 9, 2016	175,000	0.30	December 31, 2017
Issued June 30, 2016	2,379,685	0.30	July 1, 2018
Issued September 30, 2016	1,000,000	0.30	July 1, 2018
Outstanding at December 31, 2016	4,919,555	0.29	

	Number of warrants	Weighted average remaining contractual life (Yrs)	Weighted average exercise price $
Outstanding at December 31, 2016	5,119,555	1.690	0.29

The fair value of each warrant transaction was estimated on the date of the grant, as determined by the Black Scholes Option Pricing Model with the following weighted average assumptions:

	For the year ended December 31, 2016	For the year ended December 31, 2015
Fair value of warrants	$0.08	$0.10
Exercise price	$0.30	$0.24
Share price	$0.20	$0.20
Dividend yield	-	-
Forfeiture %	-	-
Risk free interest rate	1.50%	1.50%
Expected life of warrants	1.92 years	2.0 years
Expected volatility	100%	100%

The Corporation recorded $369,548 (2015 - $54,473) in respect of the warrants granted during the year ended December 31, 2016. No warrants were exercised during the year ended December 31, 2016.

13. RELATED PARTY TRANSACTIONS

The Corporation considers its key management personnel to be its Chief Executive Officer; Chief Financial Officer; and Directors. Key management compensation is composed of payroll, stock based compensation and consulting fees paid to key management and companies controlled by key management. During the year ended December 31, 2016, key management compensation amounted to $312,638 (2015 - $380,253), split between salary, contractor pay, and stock-based compensation based on work performed.

The Corporation incurred interest expense of $18,496 (2015 - $158,890) on long-term debt and convertible notes held by key management personnel during the year ended December 31, 2016. Key management personnel have accounts payable owing from the Corporation, including interest, payroll and vacation accruals, in the amount of $394,722 at December 31, 2016 (2015 - $455,915) and hold long-term debt and convertible notes payable from the Corporation totaling $365,970 including accrued interest at December 31, 2016 (2015 - $1,066,113). These notes were issued in the normal course of business.

Total personnel expenses for employees, consultants, directors and management included in expenses in the consolidated statement of loss and comprehensive loss total $1,903,472 (2015 - $1,923,136) for the year ended December 31, 2016, split between general and administrative, marketing and customer operations, and research and development expenses, based on work performed.

On September 30, 2016, the Corporation converted accounts payable of $25,000 due to its CEO to shares at a conversion rate of $0.2/share. The Corporation also issued one warrant per one unit of shares issued in conjunction with the September issuance (notes 10 and 12).

The Corporation issued $259,696 in short-term notes payables to various members of its management and board during December 2016, interest payable of $474 has been accrued on these balances as at December 31, 2016.

The Corporation issued $74,273 in notes payables to its CEO during January 2016. Interest payable of $5,730 has been accrued on these balances as at December 31, 2016.

14. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Corporation is committed under a lease on office space, expiring October 2021 for future minimum rental payments exclusive of occupancy costs. These payments are as follows:

	$
2017	30,635
2018	34,163
2019	37,876
2020	38,618
2021	35,277

15. CAPITAL MANAGEMENT

The Corporation optimizes its capital structure with a view to ensure a strong financial position to support its operations and growth strategies. The Corporation's capital structure is made up of its equity, which includes common shares, contributed surplus, warrants, accumulated other comprehensive loss, and deficit. The Corporation strives to maximize the value associated with its capital. In order to maintain or adjust its capital structure, the Corporation may from time to time issue shares and adjust its spending.

The corporation's capital consists of:

	December 31, 2016 $	December 31, 2015 $
Common shares	24,012,256	22,420,905
Contributed surplus	2,745,425	2,684,501
Warrants	424,021	54,473
Accumulated other comprehensive loss	(1,766,153)	(1,688,512)
Deficit	(28,078,292)	(27,625,291)
Total capital	**(2,662,743)**	**(4,153,924)**

The Corporation is not subject to externally imposed capital requirements and the Corporation's overall strategy with respect to capital risk management remained unchanged during the years presented.

16. 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 or demand nature of cash, accounts receivable, deposits, accounts payable and accrued liabilities and long-term debt, the Corporation determined that the carrying amounts of these financial instruments approximate their fair value.

(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, accounts receivable and deposits. The maximum exposure to credit risk is equal to the carrying value of the Corporation's cash and cash equivalents, accounts receivable and deposits.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

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 fails to pay its obligations in a timely manner. As at December 31, 2016, accounts receivable over 30 days old were $16,589 (2015 - $55,630). The Corporation did not record any bad debts during the years ended December 31, 2016 or 2015.

(c) Liquidity risk

Liquidity risk is the risk that the Corporation will incur difficulties meeting its financial obligations as they come due. As at December 31, 2016, the Corporation has cash of $67,578 (2015 - $39,137) and a working capital deficiency of $2,662,743 (2015 - $3,970,061). The Corporation will closely monitor its cash and will take the necessary measures to manage its liquidity risk, such as reducing spending as needed and may need to issue additional notes payables or raise additional equity (note 2(c)).

The Corporation's financial liabilities under obligations that have contractual maturities are summarized below:

	Less than year $	2-5 years $	After 5 years $	Total $
Accounts payable and accrued liabilities	1,110,876	-	-	1,110,876
Deferred revenue	1,219,345	-	-	1,219,345
Long-term debt	567,354	-	-	567,354
	2,897,575	**-**	**-**	**2,897,575**

(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 December 31, 2016, the Corporation's exposure to currency risk is limited to cash and cash equivalents denominated in US dollars in the amount of US $397 (2015 - US $376), accounts receivable of US $98,205 (2015 – US $117,898), notes payable of US $120,000 (2015 – US $21,647), accrued interest payable of US $473 (2015 - US $11,330) and convertible notes payable of US $NIL (2015 – US $718,747) accounts payable and accrued liabilities denominated in US dollars in the amount of US $266,053 (2015 - US $296,163). A 1% change in the exchange rate between the Canadian and US dollar would have a $2,879 (2015 - $9,296) impact on the net loss of the Corporation.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

(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. As at December 31, 2016, the Corporation is exposed to this risk as its long-term debt bears interest at fixed rates.

17. SEGMENTED INFORMATION

The Corporation has two operating segments serving all geographic locations. Substantially all of the Corporation's revenues are generated in the United States, whereas substantially all of the Corporation's assets are located in Canada. Management monitors the operating results of each segment separately for the purpose of making decisions about resource allocations and performance assessment. The Voyent business line is a new endeavor in 2016. Corporate income and expenses have been excluded from this analysis. The following table displays the breakdown of segmented information for the year ended December 31, 2016:

	2016		
	Legacy Business $	**Voyent Business $**	**Total $**
Revenue	1,922,023	-	1,922,023
Expenses			
Research and development	841,349	560,899	1,402,248
General and administrative	402,836	268,558	671,394
Sales, marketing and customer operations	260,472	173,648	434,120
Total expenses	1,504,657	1,003,105	2,507,762
Operating income (loss)	**417,366**	**(1,003,105)**	**(585,739)**

	2016		
Operating segments	**Legacy Business $**	**Voyent Business $**	**Total $**
Current assets	174,832	-	174,832
Current liabilities			
Accounts payable and accrued liabilities	666,526	444,350	1,110,876
Other	1,786,699	-	1,786,699
Current liabilities	**2,453,225**	**444,350**	**2,897,575**