No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States.

PROSPECTUS

Initial Public Offering August 30, 2018

Nerds on Site Inc.

MINIMUM $4,000,000
11,428,571 UNITS

MAXIMUM $6,000,000
17,142,857 UNITS

PRICE: $0.35 PER UNIT

This prospectus is being filed by Nerds on Site Inc. (the **Corporation**) to qualify the distribution (the **Offering**) of a minimum of 11,428,571 units in the capital of the Corporation (the **Units**) for total gross proceeds to the Corporation of $4,000,000 (the **Minimum Offering**) and a maximum of 17,142,857 Units for total gross proceeds to the Corporation of $6,000,000 (the **Maximum Offering**) at a price of $0.35 per Unit (the **Offering Price**) pursuant to an agency agreement (the **Agency Agreement**) dated August 30, 2018 between the Corporation and Canaccord Genuity Corp. (the **Agent**). Each Unit will consist of one subordinate voting share in the capital of the Corporation (**Subordinate Voting Share**) and one-half of one Subordinate Voting Share purchase warrant (each whole warrant, a **Warrant**), which securities are qualified for distribution by this prospectus. Each whole Warrant will entitle the holder thereof to acquire one Subordinate Voting Share at an exercise price of $0.70 per Subordinate Voting Share, expiring twenty-four (24) months (the **Expiry Date**) following the Listing Date (as defined herein). The Expiry Date is subject to acceleration - see "*Description of Share Capital - Warrants*".

	Price to the Public[1]	**Agent's Commission**[2]	**Net Proceeds to the Corporation**[3]
Per Unit	$0.35	$0.028	$0.322
Minimum Offering (11,428,571 Units)[4]	$4,000,000	$320,000	$3,680,000
Maximum Offering (17,142,857 Units)[5][6]	$6,000,000	$480,000	$5,520,000

Notes:

(1) The Offering Price has been determined by negotiation between the Corporation and the Agent.

(2) Pursuant to the terms and conditions of the Agency Agreement, the Corporation has agreed to pay the Agent, upon the closing of the Offering, a commission (the **Agent's Commission**) equal to 8% of the aggregate gross proceeds realized from the sale of the Units under the Offering. The Agent has the discretion to request that the Agent's Commission be paid in cash, Units (at the issue price) (the **Agent's Commission Units**) or a combination thereof. In addition, the Corporation has agreed to grant to the Agent, as additional compensation, non-transferable agent warrants (each an **Agent's Warrant**) that will entitle the Agent to purchase such number of Units (each an **Agent's Unit**) of the Corporation that is equal to 8% of the aggregate number of Units sold to purchasers under the Offering. Each Agent's Warrant will entitle the Agent to purchase one Agent's Unit at an exercise price of $0.35 per Agent's Unit until the date which is twenty-four (24) months after the Listing Date. This prospectus also qualifies the distribution of the Agent's Commission Units (if any) and the Agent's Warrants. Securities legislation restricts the maximum number of securities issued to the Agent that may be qualified under this prospectus to 10% of the total number of the securities distributed under the prospectus. See *"Plan of Distribution"*. The Corporation has further agreed to pay the Agent a cash corporate finance fee of $40,000 (the **Corporate Finance Fee**), of which $20,000 is a non-refundable fee that has been paid, with the remaining $20,000 payable at the closing of the Offering. See "*Plan of Distribution*". The Corporation will also pay the Agent's expenses, including reasonable legal fees and disbursements. See "*Plan of Distribution*". The Agent's

Commission disclosed in the table is exclusive of the value of the Agent's Warrants, the Corporate Finance Fee and the Agent's expenses.

(3) Before deducting expenses of the Offering, which are estimated at $300,000 (excluding the Agent's Commission, but including the Corporate Finance Fee and the Agent's expenses), which will be paid by the Corporation. See "*Use of Proceeds*".

(4) There will be no closing unless a minimum of 11,428,571 Units are sold. If subscriptions for a minimum of 11,428,571 Units have not been received within 180 days following the date of issuance of a receipt for the final prospectus, or such other date as the regulatory authorities may permit, this Offering may not continue and subscription proceeds will be returned to purchasers, without interest or deduction, unless an amendment to the final prospectus is filed. The proceeds from subscriptions will be received by the Agent or such other registered dealers or brokers as authorized by the Agent pending the closing of the Offering.

(5) The Corporation has granted the Agent an option (the **Over-Allotment Option**) to purchase up to an additional 2,571,428 Units on the same terms and conditions as the Offering, exercisable in whole or in part, at the sole discretion of the Agent, at any time and from time to time until and including 60 days after the date of closing of the Offering, to cover over-allotments, if any. If the Maximum Offering is completed and the Over-Allotment Option is exercised in full, the total "Price to the Public", "Agent's Commission" and "Net Proceeds to the Corporation" (before deducting expenses of the Offering) will be $6,900,000, $552,000 and $6,348,000, respectively. This prospectus qualifies the distribution of the Units issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Over-Allotment Option acquires those securities under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "*Plan of Distribution*". Where the context requires, references to the "Offering" include the Over-Allotment Option.

(6) Assuming no exercise of the Over-Allotment Option. Unless otherwise indicated, all information in this prospectus assumes no exercise of the Over Allotment Option.

There is currently no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "*Risk Factors*".

The CSE (as defined herein) has conditionally approved the listing of the Subordinate Voting Shares. Listing of such Subordinate Voting Shares will be subject to the Corporation fulfilling all of the listing requirements of the CSE.

As at the date of this prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

An investment in the Units is subject to a number of risks that should be considered by a prospective purchaser. An investment in the Units is suitable only for those purchasers who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. See "*Risk Factors*".

The Corporation has two classes of voting shares: Subordinate Voting Shares and Class B special shares. Subordinate Voting Shares are "restricted securities" within the meaning of such term under applicable Canadian securities laws. The Subordinate Voting Shares and the Class B special shares entitle the holder to notice of and to attend at all meetings of the shareholders of the Corporation. Each Subordinate Voting Share is entitled to one vote per Subordinate Voting Share and each Class B special share is entitled to 10 votes per Class B special share on all matters upon which the holders of shares are entitled to vote, and holders of Subordinate Voting Shares and Class B special shares will vote together on all matters subject to a vote of holders of each of those classes of shares as if they were one class of shares, except to the extent that a separate vote of holders as a separate class is required by law. The holders of Subordinate Voting Shares have certain contractual rights in the event of a take-over bid for the Class B special shares. See "*Description of Share Capital*".

The Corporation was a "private issuer" (as defined in Canadian securities laws) prior to the filing of this prospectus.

The Agent offers the Units on a commercially reasonable efforts basis, if, as and when issued by the Corporation in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters on behalf of the Corporation by Norton Rose Fulbright Canada LLP, and on behalf of the Agent by McLeod Law LLP. See "*Plan of Distribution*".

This Offering is not underwritten and is subject to the receipt by the Agent of subscriptions for the Minimum Offering in the amount of $4,000,000. Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The closing of the Offering will occur on such date as the Corporation and the Agent may agree upon (the **Closing Date**), but in any event not later than the date that is 90 days after the date on which the Corporation receives a receipt for a final prospectus. The distribution of the Units will not continue for a period of more than 90 days after the date on which the Corporation receives a final receipt for a final prospectus, unless an amendment to the final prospectus is filed and a receipt obtained therefor by the Corporation in accordance with applicable securities laws; provided that the total period of distribution under the Offering will in any event not exceed 180 days from the date of the final receipt for the prospectus. The Corporation has appointed the Agent to hold in trust all subscription funds received until the Minimum Offering has been raised. If the Minimum Offering is not raised on or before the day that is 90 days after the date a final receipt is issued for the prospectus, or such later date as the Corporation and the Agent may agree upon and as may be permitted under applicable securities laws (subject to the filing of any required amendment to the prospectus and the regulator issuing a receipt for the amendment), the Agent must return such funds to the subscribers without interest, set-off or deductions. See "*Use of Proceeds*" and "*Plan of Distribution*".

The following table sets forth the number of Units that may be issued by the Corporation to the Agent:

Agent's Position	**Maximum Size or Number of Securities Available**(2)	**Exercise Period or Acquisition Date**	**Exercise Price or Average Acquisition Price**
Over-Allotment Option	Up to 2,571,428 Units, if the Maximum Offering is completed and the Over-Allotment is exercised in full	Any time until and including 60 days after the Closing Date	$0.35 per Unit
Agent's Commission Units(1)	Up to 1,577,142 Units, if the Maximum Offering is completed and the Over-Allotment is exercised in full	Closing Date	$0.35 per Unit
Agent's Warrants	Up to 1,577,142 Agent's Warrants, if the Maximum Offering is completed and the Over-Allotment is exercised in full	Any time until and including 24 months after the Listing Date	Each Agent's Warrant will entitle the Agent to purchase one Agent's Unit at an exercise price of $0.35 per Agent's Unit

Notes:

(1) The Agent has the discretion to request that the Agent's Commission be paid in cash, Units (at the issue price) or a combination thereof.

(2) This prospectus also qualifies the distribution of the Agent's Commission Units (if any) and the Agent's Warrants. Securities legislation restricts the maximum number of securities issued to the Agent that may be qualified under this prospectus to 10% of the total number of the securities distributed under the prospectus. See *"Plan of Distribution"*.

Except in certain limited circumstances, no certificates representing Units, Subordinate Voting Shares or Warrants will be issued to purchasers in the Offering. Instead, on the Closing Date, the purchasers of Units will have the component parts of their Units, namely the Subordinate Voting Shares and Warrants, registered in the name of CDS Clearing and Depository Services Inc. (**CDS**) or its nominee and electronically deposited with CDS. Purchasers of the Units will receive only a customer confirmation from the Agent or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the underlying Subordinate Voting Shares and Warrants is acquired.

Ms. Nicole Holden and Mr. Kevin Ernst reside outside of Canada and will be providing a certificate under Part 5 of National Instrument 41-101 - *General Preliminary Prospectus Requirements*. Although Ms.

Holden and Mr. Ernst have appointed the Corporation at 131 Wharncliffe Road South, London, Ontario, N6J 2K4, as their agent for service of process in Canada it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

The head office of the Corporation is located at 131 Wharncliffe Road South, London, Ontario, N6J 2K4. The registered office of the Corporation is located at 450 Talbot Street, London, Ontario N6A 4K3.

The Agent:
Canaccord Genuity Corp.
Centennial Place – East Tower
520 3rd Avenue SW Suite 2400
Calgary, AB T2P 0R3
Tel: (403)508-3841 Fax: (403)508-3866

MARKETING MATERIALS

A “template version” of the following “marketing materials” (each such term as defined in NI 41-101) for the Offering has been filed with the securities commissions in each of the provinces of British Columbia, Alberta and Ontario and are specifically incorporated by reference into this prospectus:

1. the investor presentation filed on SEDAR on August 30, 2018 (the **Investor Presentation**); and

2. the indicative term sheet filed on SEDAR on August 30, 2018 (the **Term Sheet**).

The Investor Presentation and Term Sheet referred to above are available under the Corporation’s profile on SEDAR at www.sedar.com. In addition, any template version of any other marketing materials filed with the securities commissions in connection with this Offering, after the date hereof but prior to the termination of the distribution of the securities under this prospectus (including any amendments to, or an amended version of, any template version of any marketing materials), is deemed to be incorporated by reference herein. Any template version of any marketing materials utilized in connection with this Offering are not part of this prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this prospectus.

FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus may constitute “forward-looking” statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this prospectus, such statements use such words as “may”, “would”, “could”, “will”, “intend”, “expect”, “believe”, “plan”, “anticipate”, “estimate” and other similar terminology. These statements reflect the Corporation’s current expectations regarding future events and operating performance and speak only as of the date of this prospectus. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed below and under “Risk Factors”. Although the forward-looking statements contained in this prospectus are based upon what management of the Corporation believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this prospectus and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, neither the Corporation, nor the Agent assume any obligation to update or revise them to reflect new events or circumstances.

In particular, this prospectus contains forward-looking statements pertaining to the following:

- the expenses and timing of Closing of the Offering;
- expectations regarding the conversion of the Convertible Unsecured Debentures into Subordinate Voting Shares at Closing;
- the execution of the Warrant Indenture, Escrow Agreement and Coattail Agreement at Closing;
- expectations regarding the timing of repayment of the related party loans;
- expectations regarding industry trends, overall market growth rates and the Corporation’s growth rate and growth strategy;

- the Corporation's business plans and strategies, including expectations regarding the U.S. expansion, the incorporation of a U.S. subsidiary and the growth in the number of new Consultants;

- the Corporation's competitive position in the industry;

- expectations regarding future director and executive compensation levels and plans;

- the Corporation's investment objectives and strategies;

- the Corporation's expected results from operations, including the expected cash flows from operations for the year ended May 31, 2018, future capital and other requirements and expenditures (including the amount, nature and resources of funding thereof);

- business prospects and opportunities;

- dependence on key personnel; and

- expectations regarding market prices and costs.

With respect to forward-looking statements contained in this prospectus, the Corporation has made assumptions regarding, among other things, the Corporation's ability to:

- attract a sufficient number of qualified Consultants;

- drive sales growth and increase revenues;

- innovate its service offering to maintain and grow its target customer base;

- retain key management and personnel;

- expand and grow its brand in the United States;

- obtain additional financing on satisfactory terms;

- manage the impact of competition; and

- adapt to changes in the IT services industry.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this prospectus, including:

- a failure to successfully implement its growth strategies, including the U.S. expansion;

- a failure to identify, recruit and contract with a sufficient number of qualified Consultants;

- the Consultants' failure to be profitable initially or at all;

- a failure to manage the U.S. expansion effectively;

- a failure to support the expanding franchise system;

- a limited influence over the operations of the Consultants and on-going required cooperation;

- changes in tax laws in Canada and the U.S.;
- increased costs and regulatory burden as a result of being a public company;
- an inability to meet future financing requirements;
- changes to governmental and regulatory requirements;
- unfavourable fluctuations in exchange rates;
- an inability to compete in the IT services market; and
- a market for the Subordinate Voting Shares may not develop.

ELIGIBILITY FOR INVESTMENT

In the opinion of Norton Rose Fulbright Canada LLP, counsel to the Corporation, based on the provisions of the Tax Act in force as of the date hereof, the Subordinate Voting Shares and Warrants comprising the Units, and the Subordinate Voting Shares issuable on exercise of Warrants, as applicable, will be a qualified investment under the Tax Act for a trust governed by a registered retirement savings plan (**RRSP**), a registered retirement income fund (**RRIF**), a deferred profit sharing plan, a registered education savings plan (**RESP**), a registered disability savings plan (**RDSP**) or a tax-free savings account (**TFSA**, and collectively with RRSP, RRIF, RESP and RDSP, the **Registered Plans**), each as defined in the Tax Act, at a particular time, provided that, at such time:

(a) in the case of the Subordinate Voting Shares that comprise part of a Unit, and the Subordinate Voting Shares that are to be issued on exercise of a Warrant, such Subordinate Voting Shares, as the case may be, are listed on a "designated stock exchange" for purposes of the Tax Act (which currently includes the CSE) or the Corporation is a "public corporation" as defined in the Tax Act; and

(b) in the case of the Warrants, (i) either the Subordinate Voting Shares are listed on a "designated stock exchange" for purposes of the Tax Act (which currently includes the CSE) or the Corporation is a "public corporation" as defined in the Tax Act, and (ii) the Corporation is not a "connected person" (as defined in the regulations to the Tax Act) under the governing plan of the trust.

Notwithstanding that the Subordinate Voting Shares (including Subordinate Voting Shares issued on exercise of Warrants) and Warrants may be a qualified investment for a trust governed by a Registered Plan, the holder of a TFSA or RDSP, the annuitant under a RRSP or RRIF or the subscriber of an RESP that holds Subordinate Voting Shares or Warrants will be subject to a penalty tax if such Subordinate Voting Shares or Warrants, as the case may be, are a "prohibited investment" for purposes of the Tax Act for the TFSA, RDSP, RRSP, RRIF or RESP, as the case may be. Subordinate Voting Shares and Warrants will generally be a "prohibited investment" if the holder of the TFSA or RDSP, the annuitant under the RRSP or RRIF or the subscriber of the RESP, as the case may be, (i) does not deal at arm's length with the Corporation for the purposes of the Tax Act or (ii) has a "significant interest" (within the meaning of the Tax Act) in the Corporation. Prospective purchasers should consult their own tax advisors regarding their particular circumstances.

While the Corporation has received conditional listing approval from the CSE to list the Subordinate Voting Shares, there is no certainty that the Subordinate Voting Shares will be listed at the time of Closing. See "*Risk Factors – Risks Relating to the Offering*".

CURRENCY

Dollar references in this prospectus are in Canadian dollars unless otherwise indicated.

GLOSSARY

When used in this prospectus, the following terms have the following meanings ascribed thereto:

"**1933 Act**" means the *U.S. Securities Act of 1933*, as amended;

"**Agency Agreement**" means the Agency Agreement between the Corporation and the Agent dated August 30, 2018, with respect to the Offering as more particularly described under the heading "*Plan of Distribution*";

"**Agent**" means Canaccord Genuity Corp.;

"**Agent's Commission**" means that portion of the Agent's compensation, payable pursuant to the Agency Agreement, equal to 8% of all gross proceeds realized from the sale of the Units to purchasers under the Offering, payable in cash, Agent's Commission Units or a combination thereof;

"**Agent's Commission Units**" means the Units, if any, to be issued to the Agent in satisfaction of the Agent's Commission;

"**Agent's Units**" means the Units, if any, to be issued to the Agent on exercise of the Agent's Warrants;

"**Agent's Warrants**" means the Warrants issued to the Agent as compensation under the Agency Agreement, with each Agent's Warrant entitling the Agent to purchase one Agent's Unit at an exercise price of $0.35 per Agent's Unit until the date which is twenty-four (24) months after the Listing Date;

"**associate**" has the meaning ascribed thereto in the *Securities Act* (Ontario);

"**Board**" means the board of directors of the Corporation;

"**Broker Warrant**" has the meaning ascribed thereto under the heading "*Prior Sales*";

"**Business Day**" means a day other than a Saturday, Sunday or other day when banks in the City of Toronto, Ontario are not generally open for business;

"**Closing**" means closing of the Offering, which is expected to occur not later than November 28, 2018;

"**Closing Date**" means the date on which the Closing occurs;

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

"**Class A Redemption Amount**" means the amount, per Class A special share, equal to $1.00, plus accumulated and unpaid dividends;

"**Class B Redemption Amount**" means the amount, per Class B special share, equal to the paid up capital amount of the Class B special shares divided by the number of issued and outstanding Class B special shares then outstanding;

"**Coattail Agreement**" has the meaning ascribed thereto under the heading "*Description of Share Capital – Take-Over Bid Protection*";

"**control**" and related terms including "**controlling**" and "**controlled**", shall mean the possession, directly or indirectly, by or on behalf of a person or group of persons acting jointly or in concert, of the following in respect of another person: (i) in the case where the other person is a corporation, the power to vote more than 50% of the securities having ordinary voting power for the election of directors of such corporation; (ii) in the case where the other person is a limited partnership, the power to control the general partner of the limited partnership; and (iii) in the case where the other person is other than a corporation or limited partnership, any of: (1) the power to exercise more than 50% of the voting rights in such person; or (2) the right to receive more than 50% of the distributions made by that person;

"**Conversion Notice**" has the meaning ascribed thereto under the heading "*Use of Proceeds*";

"**Convertible Unsecured Debentures**" has the meaning ascribed thereto under the heading "*Prior Sales*";

"**Corporate Finance Fee**" means the corporate finance fee payable to the Agent pursuant to the Agency Agreement in the total amount of $40,000, of which $20,000 is a non-refundable fee that has been paid and $20,000 is payable at Closing;

"**Corporation**" means Nerds on Site Inc., a corporation incorporated under the *Business Corporations Act* (Ontario);

"**CRA**" means the Canada Revenue Agency and any successor thereto;

"**Debenture Units**" has the meaning ascribed thereto under the heading "*Prior Sales*";

"**Debenture Warrant**" has the meaning ascribed thereto under the heading "*Prior Sales*";

"**ERP**" has the meaning ascribed thereto under the heading "*Business of the Corporation – General*";

"**Escrow Agent**" means TSX Trust Company;

"**Escrow Agreement**" means the escrow agreement dated as of the Closing Date to be entered into pursuant to NP 46-201 among the Escrowed Shareholders, the Corporation and the Escrow Agent;

"**Escrowed Shareholders**" means the Shareholders who are directors or officers that purchased Subordinate Voting Shares prior to the date of this prospectus (and who are not otherwise excluded pursuant to NP 46-201);

"**Escrow Securities**" means those Subordinate Voting Shares and Warrants required to be escrowed pursuant to NP 46-201;

"**Expiry Date**" means the expiry date of the Warrants, which is the earlier of twenty-four (24) months from the Listing Date or in the event that the Subordinate Voting Shares trade for 10 consecutive trading days at $1.00 or more on the facilities of the CSE, 30 days from the Notice Date;

"**GAAP**" means generally accepted accounting principles;

"**IFRS**" means International Financial Reporting Standards;

"**Listing Date**" means the date on which the Subordinate Voting Shares are listed and commence trading on the CSE;

"**NI 41-101**" means National Instrument 41-101 - *General Prospectus Requirements*;

"**NI 52-110**" means National Instrument 52-110 - *Audit Committees*;

"**Notice Date**" means the date that the Corporation, by way of news release, publicly announces that it is exercising its option to give notice to holders of Warrants that the Warrants will expire 30 days from the day the news release is disseminated;

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

“**Offering Price**” means $0.35 per Unit;

“**Offering**” means the initial public offering of a minimum of 11,428,571 Units and up to a maximum of 17,142,857 Units of the Corporation as described in this prospectus (before giving effect to the Over-Allotment Option);

“**Over-Allotment Option**” means the option, granted by the Corporation to the Agent, to purchase up to an additional 2,571,428 Units on the same terms and conditions as the Offering, exercisable in whole or in part, at the sole discretion of the Agent, at any time and from time to time until and including 60 days after the date of closing of the Offering, to cover over-allotments, if any;

“**person**” includes any individual, partnership, firm, trust, body corporate, government, governmental body, agency or instrumentality, unincorporated body of persons or association and pronouns have a similarly extended meaning;

“**prospectus**” means this long form prospectus of the Corporation dated August 30, 2018;

“**Securities Act**” means the *Securities Act* (Ontario), as amended;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval at www.sedar.com;

“**Shareholder**” means a holder of Subordinate Voting Shares;

“**Subordinate Voting Shares**” means the common shares in the capital of the Corporation;

“**Subscriber**” means a subscriber for Units hereunder;

“**subsidiary**” has the meaning ascribed thereto in the Securities Act (and shall include all trusts or partnerships directly or indirectly owned by the Corporation);

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended;

“**U.S.**” means the United States of America;

“**Units**” means the units of the Corporation offered for sale under this prospectus whereby each unit is comprised of one Subordinate Voting Share and one-half of one Warrant;

“**Warrant**” means the Subordinate Voting Share purchase warrant of the Corporation comprising part of the Units; each Warrant will entitle the holder thereof to acquire one Subordinate Voting Share in the capital of the Corporation at an exercise price of $0.70 until the Expiry Date, subject to accelerated expiry in the circumstances outlined herein;

“**Warrant Agent**” means TSX Trust Company, the warrant agent pursuant to the Warrant Indenture; and

“**Warrant Indenture**” means the warrant indenture to be entered into between the Corporation and the Warrant Agent.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this Offering and should be read together with the more detailed information and financial data and statements appearing elsewhere in this prospectus. Certain capitalized terms used but not defined in this summary are defined elsewhere in this prospectus.

The Corporation:

The Corporation was incorporated under the *Business Corporations Act* (Ontario) on June 26, 1997. See "*The Corporation - General*".

The Corporation provides mobile IT support for small to medium-sized businesses. Its services include computer set up, network installation, tailored software services and IT support.

The Corporation operates a network of technically proficient and specially trained independent IT consultants to help clients on site by providing effective, consistent and customized IT solutions. The rise of cloud computing and the increasing complexity of computer networks has created a large market for IT solutions and maintenance. For small to medium sized businesses, it is expensive and ineffective to support an in-house IT department. The Corporation offers a mobile and flexible IT solution that can be tailored to individual client needs.

The Offering:

The Corporation is offering to the public, through the Agent, a minimum of 11,428,571 Units and up to a maximum of 17,142,857 Units at a price of $0.35 per Unit for aggregate gross proceeds of a minimum of $4,000,000 and up to a maximum of $6,000,000. Each Unit is comprised of one Subordinate Voting Share and one-half of one Warrant (which are qualified for distribution by this prospectus), and each whole Warrant will entitle the holder thereof to acquire one Subordinate Voting Share at an exercise price of $0.70 per Subordinate Voting Share until the Expiry Date, subject to accelerated expiry. See "*Plan of Distribution*" and "*Description of Share Capital - Warrants*".

Subordinate Voting Shares:

The Subordinate Voting Shares are "restricted securities" within the meaning of such term under applicable Canadian securities laws because each Subordinate Voting Share is entitled to only one vote per share, whereas each Class B special share is entitled to 10 votes per share. Assuming the issuance of the maximum of 17,142,857 Units (and assuming no exercise of the Over-Allotment Option), the Subordinate Voting Shares will collectively represent 98.1% of the Corporation's total issued and outstanding shares and 88.2% of the votes attached to all of the Corporation's issued and outstanding shares, and the Class B special shares will collectively represent 1.3% of the Corporation's total issued and outstanding shares and 11.8% of the votes attached to all of the Corporation's issued and outstanding shares.

Other than with respect to voting rights, the Subordinate Voting Shares are akin to common shares of the Corporation. The Class B special shares are non-participating securities and are not entitled to receive dividends and on wind-up of the Corporation, are not entitled to receive out of the assets and property of the Corporation.

The holders of Subordinate Voting Shares have certain contractual rights in the event of a take-over bid for the Class B special shares. In the event of a take-over bid, the holders of Subordinate Voting Shares are entitled to participate on an equal footing with holders of Class B special shares. At Closing, the holder of all the outstanding Class B special shares will enter into the Coattail Agreement with the Corporation and TSX Trust, as trustee. The

	Coattail Agreement contains provisions customary for dual-class, listed corporations designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares of rights under applicable Canadian securities laws to which they would have been entitled if the Class B special shares had been Subordinate Voting Shares. See "*Description of Share Capital*".
Agent's Compensation:	The Agent will be paid the Agent's Commission in the amount of 8% of all gross proceeds realized from the sale of Units to purchasers under the Offering, payable in cash, Agent's Commission Units or a combination thereof. The Corporation will also grant Agent's Warrants, entitling the Agent to purchase that number of Agent's Units equal to 8% of the number of Units sold to Subscribers under the Offering. The Agent's Warrants will be exercisable at an exercise price equal to the Offering Price for twenty-four (24) months from the Listing Date. The Agent will also receive the Corporate Finance Fee of $40,000, of which $20,000 is a non-refundable fee that has been paid, with the remaining $20,000 payable at Closing. The Corporation will also pay the Agent's expenses, including reasonable legal fees. See "*Plan of Distribution*".
Qualification for Distribution:	In addition to the Units and its component parts, this prospectus also qualifies the Agent's Compensation Units (if any) and the Agent's Warrants issued to the Agent. See "*Plan of Distribution*".
Use of Proceeds:	Assuming the issuance of the minimum of 11,428,571 Units, the estimated net proceeds to be received by the Corporation will be $3,340,000 after the deduction of the Agent's Commission of $320,000, the Corporate Finance Fee of $40,000 and the estimated expenses of the Offering of $300,000. Assuming the issuance of the maximum of 17,142,857 Units (excluding the Over-Allotment Option), the estimated net proceeds to be received by the Corporation will be $5,180,000 after the deduction of the maximum Agent's Commission of $480,000, the Corporate Finance Fee of $40,000 and the estimated expenses of the Offering of $300,000. Subject to certain conditions, the net proceeds payable to the Corporation will be primarily used to fund the Corporation's expansion into the United States. See "*Use of Proceeds*".
Eligibility for Investment:	See "*Eligibility for Investment*".
Risk Factors:	Some of the major risks and uncertainties that may materially and adversely affect the Corporation include: • a failure to successfully implement its growth strategies, including the U.S. expansion; • a failure to identify, recruit and contract with a sufficient number of qualified Consultants;

- a failure to support the expanding franchise system;
- an inability to meet future financing requirements; and
- an inability to compete in the IT services market.

There is currently no market through which the Subordinate Voting Shares and Warrants may be sold and Subscribers may not be able to resell securities purchased under this prospectus. While the Corporation has received conditional approval to list the Subordinate Voting Shares distributed under this prospectus on the CSE, the listing is subject to the Corporation fulfilling all of the listing requirements of the CSE. An investment in the Units involves a high degree of risk and should be considered highly speculative due to the nature of the Corporation's business and its relatively early stage of development and should only be considered by persons who can afford to lose all or some of their investment. Other risk factors associated with an investment in the Units are listed under the heading "*Risk Factors*".

Selected Financial Information: The following tables set out selected financial information for the Corporation for the period and as at the date indicated. This financial information is qualified in its entirety by the Corporation's audited financial statements, which are included as Appendix A attached to this prospectus. See "*Management's Discussion and Analysis*".

The following tables set out selected financial information concerning the Corporation before and after giving effect to the Offering.

<u>Statement of Operations and Comprehensive Loss</u>

	Year Ended May 31, 2017	**May 31, 2017 After Giving Effect to the Minimum Offering[(1)]**	**May 31, 2017 After Giving Effect to the Maximum Offering[(2)]**
	(audited)	**(unaudited)**	**(unaudited)**
Revenue	8,667,162	8,667,162	8,667,162
Net and comprehensive loss for the year	(21,098)	(21,098)	(21,098)
Basic and diluted loss per share	(0.0004)	(0.0003)	(0.0003)

Notes:

(1) Assuming minimum gross proceeds of $4,000,000.

(2) Assuming maximum gross proceeds of $6,000,000.

Balance Sheet

	year ended May 31, 2017 (audited)	May 31, 2017 After Giving Effect to the Minimum Offering(1) (unaudited)	May 31, 2017 After Giving Effect to the Maximum Offering(2) (unaudited)
Total assets	2,506,053	5,846,053	7,686,053
Total liabilities	2,572,582	2,572,582	2,572,582
Shareholders' equity	(66,529)	3,273,471	5,113,471

Notes:

(1) Assuming minimum gross proceeds of $4,000,000.

(2) Assuming maximum gross proceeds of $6,000,000.

THE CORPORATION

General

The Corporation was incorporated under the *Business Corporations Act* (Ontario) on June 26, 1997.

The head office of the Corporation is located at 131 Wharncliffe Road South, London, Ontario, N6J 2K4. The registered office of the Corporation is located at 450 Talbot Street, London, Ontario N6A 4K3.

The Corporation has no material subsidiaries.

BUSINESS OF THE CORPORATION

General

The Corporation provides mobile information technology (**IT**) support for small to medium-sized enterprises. Its services include computer set up, network installation, tailored software services, and IT support. The Corporation does not view its competitors as computer repair companies; rather, it believes it occupies an unique space as a "business-to-business" mobile IT support company.

The Corporation oversees and retains a network of technically proficient and specially trained independent IT consultants (**Consultants**) to help clients by providing on site, effective, consistent, and customized IT solutions. The rise of cloud computing, which means data and programs are stored and accessed over the internet instead of a computer's local hard drive, and the increasing complexity of computer networks, has created a large market for IT solutions and maintenance services. It is increasingly expensive and ineffective for small to midsize businesses to maintain an in-house IT department. In today's environment, a small business office may have several hundred devices running on its network. Each device runs its own operating system and has distinct security protocols and installation needs. Accordingly, employing an individual IT employee, or even a small IT department in-house, is no longer effective, as it is very difficult to learn and keep up to date with the variety of different operating systems, protocols, and software applications required to maintain an effective IT program. Likewise, protecting the critical data of a business from hacking and ransomware attacks, and other critical cybersecurity issues of such networks, are becoming increasingly complicated. The Corporation offers to small and medium sized businesses a solution to these challenges via a mobile and flexible IT solutions team. Solutions and support can be tailored to individual client needs by the Consultants. The Corporation's internal research, which is based on feedback the Issuer has received from its existing customers, shows that companies that close their internal IT departments and switch to the services of the Corporation save, on average, 27% in annual IT costs.

The Corporation currently has 128 Consultants operating in the following Canadian cities:

Location	Number of Consultants
London, ON	45
Toronto, ON	20
Ottawa, ON	20
Montreal, QC	5
Halifax, NS	5
St. John, NL	5
Regina, SK	3
Edmonton, AB	10
Calgary, AB	5
Lethbridge, AB	10
TOTAL	**128**

The Consultants operate in their specific geographic areas, sourcing client leads through marketing guidelines provided by the Corporation. The Corporation is also marketing its services through digital and online marketing platforms. Each time a new service call or client lead comes directly to the Corporation, it is made available to be serviced by the Consultants operating in the subject area. In order to speed up the administration process and create a highly scalable business model, the Corporation developed a centralized Electronic Record Processing (**ERP**) system called "IamAnerd". This highly secure system is available online at www.IamAnerd.com and on mobile devices. IamAnerd handles marketing, invoicing, inventory, continuing education courses, payment processing, client database management and most other day to day administrative tasks for each Consultant. The Corporation believes that its ERP system is unique to the market, and that there are no similar systems being used by its competitors.

The Corporation's revenues are principally derived from: (i) service fees charged for consulting services performed by the Consultants under written service contracts with customers; and (ii) sale of off-the-shelf software, hardware and related support which are specifically charged on the Corporation's invoices. Software, hardware and related services are part of what the Corporation provides to small and medium size enterprises when providing consulting. Software, hardware and related service items are priced and billed separately from IT service charges. Approximately 54% of revenues are derived from consulting service fees and 39% is derived from hardware and software sales. The remaining revenues are derived from miscellaneous fees charged to customers, including software licensing fees, shipping fees, cloud storage fees, web hosting fees and fees for other miscellaneous services.

All Consultants are independent contractors and each Consultant is responsible for their own costs relating to client origination and development. The majority of the Consultants lease and operate fully branded red-colored vehicles with the Corporation's branding (**Nerdmobiles**). A Consultant retains 37%-50% of revenues from each client contract, with the balance of the revenue being provided to the Corporation. The revenue split is determined by whether or not the Consultant leases or purchases a Nerdmobile: without the Nerdmobile, the Consultant retains 37% of revenues; with the Nerdmobile, the Consultant retains 50% of revenues. The average duration of a Consultant contract is seven years.

When recruiting new Consultants, the Issuer has established a very thorough, but also efficient vetting process. The process begins with an online application that includes a technical skills assessment. Next, candidates are screened through a video interview during which personality and personal skills are assessed, along with technical skills. Thereafter the local team lead meets with a candidate for a face-to-face assessment after which, if passed, the candidate will job-shadow the team lead where his interpersonal and technical skills will continue to be assessed. Before acceptance, each candidate must also complete a police record check.

The Corporation intends to grow its Canadian business by hiring a designated sales force to increase brand awareness and improve client sales and origination.

The Corporation also intends to expand its business into the United States (**U.S.**) through licensing and franchising agreements, building a network of U.S. based IT consultants that operate under the "Nerds on Site" brand. The Company's vision is to become a leading North American provider of mobile IT services for small and medium sized businesses by replicating its Canadian model in the U.S. market. The Corporation will implement its U.S. expansion by incorporating a new U.S. subsidiary.

The Corporation has identified five cities for the initial phase of the U.S. expansion, being: (i) Orlando, FL; (ii) Cape Coral, FL; (iii) Scottsdale, AZ; (iv) Gilbert, AZ, and (v) Tampa, FL. All of these cities share three common characteristics: (a) major post-secondary IT campuses, providing a constant potential supply of new Consultants; (b) a population under 500,000 people, allowing for faster brand recognition; and (c) a geographic location next to major metropolitan areas, which provide opportunity for further expansion of the Corporation's services. Using its web-based interface to interact with its Consultants, the Corporation anticipates that most of its expansion costs will be associated with recruiting and training new Consultants, marketing the Corporation's services, and leasing vehicles.

Following the initial phase of the U.S. expansion, the Corporation plans to expand to the following cities in calendar 2019: (i) Port St. Lucie, FL; (ii) Tempe, AZ; (iii) Mesa, AZ; (iv) Cary, NC; and (v) Raleigh, NC.

The Corporation will seek to implement a franchise model to facilitate its U.S. expansion and has begun entering into franchise agreements with U.S.-based Consultants.

U.S. Expansion Plans and Strategies

The Corporation is planning a U.S. expansion because the IT services market in the U.S. is the largest in the world, currently accounting for approximately one third of the global IT services market.

The IT services industry in the U.S. is dominated by small and medium-sized businesses. Out of the approximately 375,000 IT businesses registered in United States, approximately 374,000 have fewer than 500 employees.[1] This situation creates an opportunity for the Corporation. Besides organic market growth, the Corporation's ERP and business model may allow for growth through consolidation of multiple small businesses under the Corporation's umbrella.

The Corporation has begun the first phase of its U.S. expansion in Florida. Subject to the availability of sufficient capital resources, the Corporation intends to expand to 5 U.S. cities by the end of the 2018 calendar year, at which time the Corporation expects the new U.S.-based Consultants to be fully trained and operational. The Corporation intends to enter into franchise agreements with 10-15 Consultants per city. Once trained, each Consultant will launch an intensive marketing campaign to raise brand awareness and establish a presence in the local IT services market.

The Corporation will offer certain franchisee Consultants exclusivity over certain geographic areas for a pre-defined area franchise license fee. The exclusivity period will range from 5 to 7 years and the area franchise license fee, payable by the Consultant to the Corporation, will be equal to approximately $5-$7 per registered business in the area. These franchisee Consultants, called "Area Developers", will promote, market and conduct business development activities in their area and will receive up to 20% of the aggregate revenue generated by all the Consultants in their area.

Specialized Skills and Knowledge

The Corporation requires each Consultant to have specialized IT skills and knowledge. The advantage to the Corporation's platform is that it offers clients access to the collective IT acumen of all of the Consultants through the Corporation's ERP "IamAnerd" system. The Consultants communicate with each other through this system, which allows Consultants to share information and collectively trouble-shoot innovative solutions for clients. This synergy gives the Corporation an advantage over its competitors, because instead of relying on the acumen of one IT consultant, with his/her inherent IT service limitations,

[1]Source: http://www.ironpaper.com/webintel/articles/it-market-statistics-and-trends/.

the client has access to and can rely on the collective skill-set of all the Consultants. Due to the collegial and team-based culture of the Corporation's Consultant network, communicating directly through the IAMaNerd system, the Consultants can cover more competencies than a small IT in-house team.

Employees

The Corporation currently has seven full-time employees at its head office in London, Ontario.

Related Parties

The Corporation has a number of commercial relationships with and outstanding loans to related parties.

1. DNSthingy Inc. (**DNSthingy**)

DNSthingy is a security software company that has developed an internet security system (the **DNSthingy Software**). DNSthingy Software is currently being commercialized as a white-label product and will be installed in the new servers being produced by a leading open-source platform provider. The Corporation has contributed to the development of the DNSthingy Software by providing interest-free loans to DNSthingy. As at February 28, 2018, the Corporation recorded a $914,690 receivable from DNSthingy. In exchange for the interest-free loans, the Corporation acquired a distribution interest in the DNSthingy Software. The distribution interest entitles the Corporation to receive 20% of the revenues that DNSthingy receives from the commercialization of the DNSthingy Software.

Charles Regan, David Redekop and John Harbarenko collectively hold a 66% equity interest in DNSthingy.

*2. Ready Aim Fire Enterprising Inc. (**RAF**)*

RAF is a software development company, developing fully integrated enterprise management and administrative tools that can be custom fit to businesses of any size. "TimeWellScheduled" (**TWS**) and "My Business OS" and are the flagship software products made by RAF. TWS is an employee payroll (time and schedule management) software. The Canadian Tire stores that are clients of the Corporation manage their employee scheduling and payroll through the TWS application. The Corporation believes that TWS has a great untapped market potential in Canada and the U.S., and that cross promotion between the Corporation and RAF will benefit the Corporation.

MyBusinessOS is a business management software that is also being commercialized. RAF is currently working on an integration project with a large American public company to create a fully tailored business logics platform which is fully integrated. If successful, RAF expects to license its software solution to the company. RAF has a similar arrangement with a private Canadian company.

The Corporation has contributed to the development of TWS and MyBusinessOS by providing interest-free loans to RAF. As at February 28, 2018, the Corporation recorded a $816,744 receivable from RAF. RAF is income producing and the Corporation believes that its receivable from RAF is collectible.

RAF is a wholly-owned subsidiary of Nerds On Site Holdings Ltd., an entity controlled by Charles Regan, John Harbarenko and David Redekop.

3. Nerds On Site Computer Services (Pty) Ltd. (**NOS SA**)

NOS SA provides mobile IT support for small to medium-sized businesses in South Africa. Its business model mirrors that of the Corporation and through a network of independent IT consultants, provides customers with computer set up, network installation, tailored software services and IT support services. The Corporation provided NOS SA with interest-free loans to facilitate its development and growth in exchange for the right to receive 3.5% of NOS SA's gross annual service revenue. As at February 28, 2018, the Corporation recorded a receivable of $279,926. Payments from NOS SA to the Corporation under this agreement have not yet commenced, but are expected to begin in the first quarter of the current financial year. NOS SA has a network of 34 IT consultants and in its financial year ended May 31, 2018, had revenues of approximately $1 million (unaudited).

NOS SA and the Corporation also share a knowledge database, allowing Canadian and South African consultants to share and benefit from each other's technical expertise.

NOS SA is a wholly-owned subsidiary of Nerds On Site Holdings Ltd., an entity controlled by Charles Regan, John Harbarenko and David Redekop.

The Corporation has no current plans to provide additional funding to any related party. At Closing, the Corporation will adopt a related party lending policy, pursuant to which any new related party loan in excess of $5,000 must be approved by a majority of the independent directors, and any such loan must demonstrate a direct financial benefit to the Corporation.

History

Development of the Business

From incorporation to 2001, the Corporation focused its business on the residential IT services market in London, Ontario. Following the election of Charles Regan to the board of directors, the Corporation switched its business focus from serving residential clients to serving small to medium-sized businesses. The Corporation concurrently adopted a sub-contractor business model and expanded across Canada. By January 2003, the Corporation had 100 Consultants under contract and had expanded to 17 cities across Canada.

Fiscal Years Ended May 31, 2017 and May 31, 2016

Over the last two years, the Corporation has operated in a steady fashion, preparing and planning its U.S. expansion strategy. The Corporation's revenue was $9.0 million for the 2016 fiscal year and $8.7 million for the 2017 fiscal year, which change the management considers flat.

The Corporation has a business relationship with Canadian Tire Corporation, Limited (**Canadian Tire**), and is currently providing IT support services to 175 Canadian Tire stores across Canada.

Expected Changes for the Fiscal Year Ending May 31, 2018 and Beyond

The Corporation plans to begin its U.S. expansion in the second half of the 2018 calendar year. The Corporation plans to expand to a maximum of 10 U.S. cities, with 10-15 new Consultants in each city. The U.S. expansion will require a substantial capital investment. Management's current estimate is that the full expansion program into 10 U.S. cities will require a minimum of $1.766 million in costs related to marketing, operations, recruiting and the day to day management of the Corporation.

USE OF PROCEEDS

Following the completion of the Offering, the Corporation will have funds available to it as follows:

	Maximum Offering	Minimum Offering
Gross Proceeds of Offering	$6,000,000	$4,000,000
LESS Agent's Commission	$480,000	$320,000
LESS Corporate Finance Fee	$40,000	$40,000
LESS Offering Expenses	$300,000	$300,000
Net proceeds to the Corporation	**$5,180,000**	**$3,340,000**

The Corporation intends to use the net proceeds of the Offering over the next 12 months as described below. However, there may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. The actual amount that the Corporation spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified below, and will depend on a number of factors, including what percentage of Convertible Unsecured Debentures are converted into Debenture Units. See "*Risk Factors*". The Convertible Unsecured Debentures can at the option of the holder be converted into Debenture Units at a deemed conversion price of $0.25 per Debenture Unit. Each Debenture Unit consists of one Subordinate Voting Share and one Debenture Warrant. The Corporation has reached out to the Convertible Unsecured Debenture holders and has asked them to execute irrevocable conversion notices, pursuant to which their Convertible Unsecured Debentures will convert into Debenture Units 15 days after the Subordinate Voting Shares begin trading on the CSE (**Conversion Notice**). To date, the Corporation has received executed Conversion Notices representing approximately $1.5 million, or 50% of the outstanding Convertible Unsecured Debentures. The Convertible Unsecured Debentures have a conversion price that is below the Offering Price. See "*Prior Sales*".

USE OF PROCEEDS

	Maximum Offering	Minimum Offering
Net Proceeds to the Corporation	$5,180,000	$3,340,000
Repay Convertible Unsecured Debentures(1)	$1,573,275	$1,573,275
U.S. NerdMobiles Leasing	$1,105,000	$825,000
U.S Marketing Expenses	$916,000	$264,000
U.S. City Set-Up Budget	$1,500,000	$600,000
Operating Capital and Contingency Funds	**$85,725**	**$77,725**

Notes:

(1) Assuming that 50% of the outstanding Convertible Unsecured Debentures will convert into Debenture Units and 50% will be repaid on the maturity date.

The Corporation had negative cash flows from operations for the year ended May 31, 2018 of approximately $520,000 (unaudited). As at May 31, 2018, the Corporation had a working capital deficiency of approximately $3 million (unaudited). As at July 31, 2018, the Corporation had a working capital deficiency of approximately $3.1 million (unaudited). The working capital deficiency is primarily due to the $2.9 million outstanding in Convertible Unsecured Debentures, which are included in current liabilities. The first tranche of Convertible Unsecured Debentures are due on October 27, 2018, and the second tranche of Convertible Unsecured Debentures are due on November 20, 2018.

As at July 31, 2018, the Corporation had a cash balance of approximately $900,000 (unaudited). Together with the net proceeds from the Offering, this amount represents the total funds available to the Corporation to achieve its business objectives set out herein. Other than funds from operations, the Corporation currently has no additional sources of capital.

The Corporation will scale its U.S. expansion plans to match the liquidity available to it. Other than for the repayment of the Convertible Unsecured Debentures, the Corporation does not intend to use the proceeds from the Offering to fund current liabilities and negative cash flows. The Corporation does not intend to use any of the proceeds from the Offering to repay loans payable, capital leases payable or related party debt.

If the Corporation closes on the Maximum Offering and more than 50% of the Convertible Unsecured Debenture holders exercise their conversion rights, the Corporation expects that it will be able to fully implement its U.S. expansion plans without the need to raise additional capital.

Business Objectives and Milestones

The Corporation's primary objective following completion of the Offering is to implement its expansion program in 10 select cities in the U.S; however the timing of the U.S. expansion will depend on the success of the expansion in the first five cities in calendar 2018.

Specifically, the Corporation has set forth the following timelines:

- Launch in the first U.S. city by September 30, 2018;

- Launch in the next four U.S. cities by December 31, 2018; and

- Launch in the next five U.S. cities by September 30, 2019.

The Corporation anticipates that the average total expansion cost per city is between $150,000 and $350,000, and the tables above summarize the Corporation's anticipated costs to facilitate the expansion into the first ten U.S. cities. Each of the line items above includes the following costs:

- *U.S. NerdMobiles Leasing*: this line item includes all of the anticipated costs to the Corporation associated with leasing vehicles for the Consultants, including leasing costs, insurance, fuel, maintenance and parking fees. If the Maximum Offering is raised, the Corporation anticipates leasing approximately 150 new cars over the next 12-24 months, and if the Minimum Offering is raised, the Corporation anticipates leasing approximately 100 new cars.

- *U.S. Marketing Expenses*: the Corporation anticipates rolling-out a digital and conventional marketing strategy as a part of its U.S. expansion. If the Maximum Offering is raised, the marketing budget will be up to $68,000 per month, and if the Minimum Offering is raised, the marketing budget will be $34,000 per month. The allocations of the marketing budget among the U.S. expansion cities will be determined by the management of the Corporation based on need and expected return.

- *U.S. City Set-Up Budget*: this line item includes all other anticipated costs associated with launching in each new city, including costs associated with recruiting, hiring and training 10 new Consultants. The Corporation anticipates these costs to be approximately $100,000 per city, allocated as follows:

U.S. City Set-Up Budget Item	Average Expected Cost
Recruiting and Hiring	$5,000
Consultant Training	$25,000[(1)]
IT and Communication Devices	$5,000
Management Travel and Accommodations	$10,000
First year city manager (salary)	$55,000
TOTAL	**$100,000**

Notes:

(1) The training cost per consultant is approximately $2,500. This cost is exclusive of IT training and industry knowledge, which is a pre-requisite for each Consultant.

If the initial U.S. expansion into the first five cities in calendar 2018 is not as successful as anticipated, the Corporation will re-evaluate its U.S. expansion strategy and the proposed allocation of its use of proceeds from the Offering. See "*Risk Factors*". If the Maximum Offering is raised, the Corporation expects to recruit 15 Consultants in each expansion city and to devote additional resources to Consultant training, increasing the U.S. City Set-Up Budget to a maximum of $150,000 per city.

DIVIDEND POLICY

Holders of Class A special shares are entitled to receive fixed preferential cumulative cash dividends at the rate of 7.25% per annum, payable quarterly, on the Class A Redemption Amount of each Class A special share. If on any dividend payment date the dividend is not paid in full on all of the Class A special shares then issued and outstanding, such dividends or the unpaid part thereof shall be paid on a subsequent date or dates, determined by the Board, on which the Corporation has sufficient monies properly applicable to the payment of the same. The holders of Class A special shares shall not be entitled to any dividends other than or in excess of the cash dividend described above. To date, the Corporation has not paid any dividends to the holders of Class A special shares.

Further, the Corporation has neither declared nor paid any dividends on the Subordinate Voting Shares since incorporation. The payment of dividends in the future will depend on the earnings and financial condition of the Corporation and such other factors as the Board may consider appropriate. The Corporation does not foresee paying dividends in the near future.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The amended and restated management's discussion and analysis dated June 20, 2018 amending and restating the management's discussion and analysis dated March 20, 2018 for the financial years ended May 31, 2017 and 2016 (**Annual MD&A**) is attached to this prospectus as Appendix B. The management's discussion and analysis dated June 20, 2018 for the three and nine month period ended February 28, 2018 (**Interim MD&A**) is attached to this prospectus as Appendix C. The Interim MD&A should be read in conjunction with the unaudited financial statements of the Corporation for the three and nine month period ended February 28, 2018 and related notes included therein, and the Interim MD&A and Annual MD&A should be read in conjunction with the audited financial statements of the Corporation for the financial years ended May 31, 2017 and 2016, and related notes included therein. The financial statements are attached as Appendix A to this prospectus.

DESCRIPTION OF SHARE CAPITAL

Pursuant to the Articles of the Corporation, the Corporation is authorized to issue an unlimited number of Subordinate Voting Shares, 1,000,000 Class A special shares and 1,000,000 Class B special shares.

Subordinate Voting Shares

The Corporation has two classes of voting shares: Subordinate Voting Shares and Class B special shares. Subordinate Voting Shares are "restricted securities" within the meaning of such term under applicable Canadian securities laws. The Subordinate Voting Shares and the Class B special shares entitle the holder to notice of and to attend at all meetings of the shareholders of the Corporation. Each Subordinate Voting Share is entitled to one vote per Subordinate Voting Share and each Class B special share is entitled to 10 votes per Class B special share on all matters upon which the holders of shares are entitled to vote, and holders of Subordinate Voting Shares and Class B special shares will vote together on all matters subject to a vote of holders of each of those classes of shares as if they were one class of shares, except to the extent that a separate vote of holders as a separate class is required by law. The holders of Subordinate Voting Shares have certain contractual rights in the event of a take-over bid for the Class B special shares. See "*Take-Over Bid Protection*".

After giving effect to the Offering (assuming the Maximum Offering and no exercise of the Over-Allotment Option), the Subordinate Voting Shares will collectively represent 98% of the total issued and outstanding shares and 87% of the votes attached to all of the issued and outstanding shares. The Class B special shares will collectively represent 1.4% of the total issued and outstanding shares and 13% of the votes attached to all of the issued and outstanding shares.

Other than with respect to voting rights, the Subordinate Voting Shares are akin to common shares of the Corporation. Subject to the preferences accorded to holders of any other shares of the Corporation ranking senior to the Subordinate Voting Shares, Shareholders are entitled to dividends if, as and when declared by the Board. In the event of the liquidation, dissolution or winding up of the Corporation, the holders of Subordinate Voting Shares, after payment of all amounts to be paid to the holders of Class A special shares, shall participate equally, on a per share basis, in any further distribution of the property or assets of the Corporation.

Warrants

The Warrants qualified for distribution under this prospectus will be issued under the terms of the Warrant Indenture to be entered into between the Corporation and TSX Trust Company as Warrant Agent on or before the closing of the Offering. The Corporation will appoint the principal transfer office of the Warrant Agent in Toronto as the location at which the Warrants may be surrendered for exercise or exchange.

The Warrant Indenture will provide that the Expiry Date of the Warrants may be accelerated if, on any 10 consecutive trading days occurring following the closing of the Offering, the closing price of the Subordinate Voting Shares on the CSE (or the closing bid, if no sales were reported on a trading day) is greater than $1.00. The decision to accelerate the Expiry Date is at the sole discretion of the Corporation. The accelerated Expiry Date shall occur on the 30th day after the date on which the Corporation gives notice to the Subscribers in accordance with the Warrant Indenture of such acceleration.

The Warrant Indenture will provide for adjustment in the number of Subordinate Voting Shares issuable upon the exercise of the Warrants and/or the exercise price per Subordinate Voting Share upon the occurrence of certain events, including:

(i) the issuance of Subordinate Voting Shares or securities exchangeable for or convertible into Subordinate Voting Shares at no additional cost to all or substantially all of the holders of the Subordinate Voting Shares by way of a stock dividend or other distribution (other than dividends paid in the ordinary course);

(ii) the subdivision, redivision or change of the Subordinate Voting Shares into a greater number of shares;

(iii) the consolidation, reduction or combination of the Subordinate Voting Shares into a lesser number of shares;

(iv) the issuance to all or substantially all of the holders of the Subordinate Voting Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Subordinate Voting Shares, or securities exchangeable for or convertible into Subordinate Voting Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, for the Subordinate Voting Shares on such record date; and

(v) the issuance or distribution to all or substantially all of the holders of the Subordinate Voting Shares of securities of the Corporation including rights, options or warrants to acquire shares of any class of securities exchangeable or convertible into any such shares or property or assets and including evidences of indebtedness, or any property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events:

(i) reclassification of the Subordinate Voting Shares (other than as described above);

(ii) consolidations, amalgamations, arrangements or mergers of the Corporation with or into any other corporation or other entity (other than consolidations, amalgamations, arrangements or mergers which do not result in any reclassification of the outstanding Subordinate Voting Shares or a change of the Subordinate Voting Shares into other shares); or

(iii) the transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the prevailing exercise price.

The Corporation will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to each registered holder of Warrants (each, a **Warrantholder**) of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Subordinate Voting Shares issuable upon exercise of the Warrants, at least 10 Business Days prior to the record date or effective date, as the case may be, of such event.

No fractional Subordinate Voting Shares will be issuable upon the exercise of any Warrants and no cash or other consideration will be paid in lieu thereof. Warrantholders will not have any voting or pre-emptive rights or any other rights which a Shareholder would have.

From time to time, the Corporation and the Warrant Agent, without the consent of the Warrantholders, may amend or supplement the Warrant Indenture for certain purposes, including correcting or rectifying any ambiguities, defects or inconsistencies or making any change that does not prejudice the rights of any Warrantholder. Any amendment or supplement to the Warrant Indenture that would prejudice the interests of the Warrantholders may only be made by "extraordinary resolution", which is defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the Warrantholders at which there are Warrantholders present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Warrants (unless such meeting is adjourned to a prescribed later date due to a lack of quorum, at which adjourned meeting the Warrantholders present in person or by proxy shall form a quorum) and passed by the affirmative vote of Warrantholders representing not less than 66

2/3% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution, or (2) adopted by an instrument in writing signed by the Warrantholders representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants.

The Warrants and the Subordinate Voting Shares issuable upon exercise thereof have not been registered under the 1933 Act or the laws of any state of the U.S. The Warrants may not be exercised in the U.S. or by or on behalf of a U.S. person (as defined in Regulation S under the 1933 Act) unless an exemption is available from the registration requirements of the 1933 Act and any applicable state securities laws and the holder has delivered an opinion of counsel satisfactory to the Corporation to such effect.

Class A special shares

The Class A special shares are non-voting shares. Holders of Class A special shares are entitled to receive fixed preferential cumulative cash dividends at the rate of 7.25% per annum, payable quarterly, on the Class A Redemption Amount of each Class A special share. If on any dividend payment date the dividend is not paid in full on all of the Class A special shares then issued and outstanding, such dividends or the unpaid part thereof shall be paid on a subsequent date or dates, determined by the Board, on which the Corporation has sufficient monies properly applicable to the payment of the same. The holders of Class A special shares shall not be entitled to any dividends other than or in excess of the cash dividend described above. The Class A special shares shall rank, both as regards to dividends and repayment of capital, in priority to the Subordinate Voting Shares and Class B special shares.

In the event of the liquidation, dissolution or winding up of the Corporation, the holders of Class A special shares shall be entitled to receive out of the assets and property of the Corporation, before any amount is paid or any property or assets of the Corporation are distributed to the holders of Subordinate Voting Shares, the aggregate Class A Redemption Amount for all Class A special shares, together with all accrued and unpaid preferential cumulative cash dividends.

A holder of Class A special shares may require the Corporation to redeem any or all Class A special shares held by such holder at the Class A Redemption Amount per share, together with an amount equal to all dividends accrued thereon and remaining unpaid.

The Corporation may, at any time, purchase for cancellation all or any part of the outstanding Class A special shares, for a price not to exceed the Class A Redemption Amount per share, plus costs of purchase, and an amount equal to all dividends accrued thereon and remaining unpaid. The Corporation may also redeem all or any part of the outstanding Class A special shares on payment of the Class A Redemption Amount for each share, together with an amount equal to all dividends accrued thereon and remaining unpaid.

Class B Special Shares

Holders of Class B special shares are entitled to notice of and to attend and to cast 10 votes for each Class B special share held by them at all meetings of Shareholders of the Corporation.

Holders of Class B special shares are not entitled to receive any dividends and in the event of the liquidation, dissolution or winding up of the Corporation, the holders of Class B special shares shall not be entitled to received out of the assets and property of the Corporation.

A holder of Class B special shares may require the Corporation to redeem any or all Class B special shares held by such holder at the Class B Redemption Amount per share.

The Corporation may, at any time, purchase for cancellation all or any part of the outstanding Class B special shares, for a price not to exceed the Class B Redemption Amount plus costs of purchase. The

Corporation may also redeem all or any part of the outstanding Class B special shares on payment of the Class B Redemption Amount for each share.

Take-Over Bid Protection

Under applicable Canadian law, an offer to purchase Class B special shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares; however, in accordance with the policies of the CSE, in the event of a take-over bid, the holders of Subordinate Voting Shares will be entitled to participate on an equal footing with holders of Class B special shares. At Closing, the holder of all the outstanding Class B special shares will enter into a customary coattail agreement with the Corporation and TSX Trust, as trustee (the **Coattail Agreement**). The Coattail Agreement contains provisions customary for dual-class, listed corporations designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares of rights under applicable Canadian securities laws to which they would have been entitled if the Class B special shares had been Subordinate Voting Shares.

The undertakings in the Coattail Agreement do not apply to prevent a sale by the holder of Class B special shares if concurrently an offer is made to purchase Subordinate Voting Shares that:

(a) offers a price per Subordinate Voting Share at least as high as the highest price per share to be paid pursuant to the take-over bid for the Class B special shares;

(b) provides that the percentage of outstanding Subordinate Voting Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of Class B special shares to be sold (exclusive of the Class B special shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);

(c) has no condition attached other than the right not to take up and pay for Subordinate Voting Shares tendered if no shares are purchased pursuant to the offer for Class B special shares; and

(d) is in all other material respects identical to the offer for Class B special shares.

In addition, the Coattail Agreement does not prevent the transfer of Class B special shares by a holder to an affiliate, provided such transfer is not or would not have been subject to the requirements to make a take-over bid, or constitutes or would constitute an exempt take-over bid (as defined in applicable securities legislation). A redemption or retraction of Class B special shares, as contemplated in the Articles of the Corporation, does not constitute a disposition of Class B special shares for the purposes of the Coattail Agreement. Under the Coattail Agreement, any disposition of Class B special shares (including a transfer to a pledgee as security) by a holder of Class B special shares party to the agreement will be conditional upon the transferee or pledgee becoming a party to the Coattail Agreement.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the Subordinate Voting Shares. The obligation of the trustee to take such action is conditional on the Corporation or holders of the Subordinate Voting Shares, as the case may be, providing such funds and indemnity as the trustee may require. No holder of Subordinate Voting Shares has the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the outstanding Subordinate Voting Shares and reasonable funds and indemnity have been provided to the trustee. The Corporation has agreed to pay the reasonable costs of any action that may be taken in good faith by holders of Subordinate Voting Shares pursuant to the Coattail Agreement.

The Coattail Agreement may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the CSE and any applicable securities regulatory authority in Canada and (b) the approval of at least 66-2/3% of the votes cast by holders of Subordinate Voting Shares at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to Subordinate Voting Shares, if any, held by the holders of Class B special shares, their affiliates and any persons who have an agreement to purchase Class B special shares on terms which would constitute a sale or disposition for purposes of the Coattail Agreement other than as permitted thereby.

CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of the Corporation at February 28, 2018, before giving effect to the Offering, and as of the date of the prospectus, both before and after giving effect to the Minimum Offering and the Maximum Offering.

Authorized Capital	As at February 28, 2018 before giving effect to the Offering (unaudited)	As at February 28, 2018 after giving effect to the Minimum Offering (unaudited)	As at February 28, 2018 after giving effect to the Maximum Offering (unaudited)
Long-term debt	$269,198	$269,198	$269,198
Subordinate Voting Shares (unlimited)	$415,151 (57,795,000 shares)	$4,415,151 (69,223,571 shares)	$6,415,151 (74,937,857 shares)
Class A special shares (1,000,000)	$470,100 (470,000 shares)	$470,100 (470,000 shares)	$470,100 (470,000 shares)
Class B special shares (1,000,000)	$nil (1,000,000 shares)	$nil (1,000,000 shares)	$nil (1,000,000 shares)

OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES

The Corporation currently has no outstanding stock options to purchase Subordinate Voting Shares. The Corporation expects to adopt an Option Plan following the Closing of the Offering. See *Executive Compensation – Compensation Discussion and Analysis – Option Plan* for additional information.

PRIOR SALES

In the 12 months preceding the date of this prospectus, the Corporation has not issued any Units, Subordinate Voting Shares, Warrants, Agent's Units or securities convertible into any of the foregoing, other than the following:

Date	Price or Deemed Price per Security	Class of Security	Number of Securities
October 27, 2017	$1,000	Convertible Unsecured Debentures(1)	$2,140,500 aggregate principal amount
October 27, 2017	$0.25	Broker Warrants(2)	561,440
November 8, 2017	$0.25	Subordinate Voting Shares	100,000(3)
November 20, 2017	$1,000	Convertible Unsecured Debentures(1)	$720,000 aggregate principal amount
November 20, 2017	$0.25	Broker Warrants(2)	194,560
December 18, 2017	$0.02	Subordinate Voting Shares	7,500,000(4)

Note:

(1) The outstanding convertible unsecured debentures (**Convertible Unsecured Debentures**) bear interest at a rate of 10% per annum and mature one year after the closing date of the Convertible Unsecure Debenture offering (October 27, 2018 and November 20, 2018, respectively). The

Convertible Unsecured Debentures are convertible into units at the option of the holder at a deemed conversion price of $0.25 per unit (**Debenture Units**). Each Debenture Unit consists of one Subordinate Voting Share and one Subordinate Voting Share purchase warrant (a **Debenture Warrant**), which has an exercise price of $0.30 and expires two years after the closing date of the Convertible Unsecure Debenture offering (October 27, 2019 and November 20, 2019, respectively), subject to acceleration. If all of the Convertible Unsecured Debentures are converted, the Corporation will issue an additional 11,442,000 Subordinate Voting Shares and 11,442,000 Debenture Warrants. The Corporation has received executed Conversion Notices representing over 50% of the Convertible Unsecured Debentures, which will convert into Debenture Units 15 days after the Subordinate Voting Shares start trading on the CSE.

(2) The Corporation issued broker warrants to the agents in connection with the sale of Convertible Unsecured Debentures (**Broker Warrants**). Each Broker Warrant has an exercise price of $0.25 and entitles the holder thereof to receive one Subordinate Voting Share.

(3) These shares were issued to third-parties for cash consideration and to settle outstanding debt.

(4) These shares were issued to pay an outstanding $150,000 debt, owed to related parties for services.

PRINCIPAL SHAREHOLDERS

As at the date of this prospectus, other than as disclosed in the table below, there are no persons who beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

			After giving effect to the Minimum Offering		**After giving effect to the Maximum Offering**	
Shareholder	**Number of Subordinate Voting Shares**	**Number of Class B special shares**	**Percentage of Subordinate Voting Shares(1)(2)**	**Percentage of Class B special shares(1)(2)**	**Percentage of Subordinate Voting Shares(1)(2)**	**Percentage of Class B special shares(1)(2)**
Nerds On Site Holdings Ltd.(3)	39,000,000	1,000,000	56.3%	100%	52.0%	100%

Notes:

(1) Before giving effect to the exercise of the Agent's Warrants. Assuming no exercise of the Over-Allotment Option.
(2) Assuming that no Units are purchased by Nerds On Site Holdings Ltd. under this prospectus.
(3) Charles Regan, John Harbarenko and David Redekop are the three shareholders of Nerds On Site Holdings Ltd., holding interests of 50%, 25% and 25% of Nerds On Site Holdings Ltd., respectively.

DIRECTORS AND OFFICERS

The Board of the Corporation consists of Kevin Ernst, John Harbarenko, Nicole Holden, Eugene Konaryev, David Redekop, Charles Regan and Jack Smit. Additionally, the following persons have been appointed officers of the Corporation: Charles Regan as Chief Executive Officer, Rakesh Malhotra as Chief Financial Officer and David Redekop as Chief Operating Officer.

The following are the names, municipalities of residence, shareholdings and principal occupations within the previous five years of the directors and officers of the Corporation, and their principal position with the Corporation.

Name and Municipality of Residence	Position Presently Held	Director Since[4]	Number of Voting Securities Beneficially Owned Directly or Indirectly as at the Date Hereof	Number of Voting Securities Beneficially Owned Directly or Indirectly after the Offering [2][3]	Principal Occupation for past 5 years
Kevin Ernst [1] New Jersey, USA	Director	December 12, 2017	1,000,000 Subordinate Voting Shares (1.7%)	1,000,000 Subordinate Voting Shares (1.4%)	Managing Director at Ocean Capital, a New York and Hong Kong based merchant banking firm
John Harbarenko Ontario, Canada	Co-Founder, Director	June 26, 1997	39,000,000[5] Subordinate Voting Shares (67.5%) 1,000,000 Class B special shares (100%)	39,000,000[5] Subordinate Voting Shares (56.3%) 1,000,000 Class B special shares (100%)	Secretary of the Corporation
Nicole Holden[1] Virginia, USA	Director	December 12, 2017	Nil	Nil	Technical Director of Professional Practice at the Center for Audit Quality in Washington, DC, an autonomous, nonpartisan, nonprofit public policy advocacy organization affiliated with the American Institute of CPAs
Eugene Konaryev[1] Ontario, Canada	Director	November 8, 2017	1,247,500 Subordinate Voting Shares (2.2%)	1,247,500 Subordinate Voting Shares (1.8%)	Partner at Go Capital Inc., a Toronto based private equity firm
Rakesh Malhotra Ontario, Canada	Chief Financial Officer	N/A	Nil	Nil	Mr. Malhotra acts as the Chief Financial Officer of two public companies, Security Devices International, Inc., a TSX Venture Exchange listed issuer; and Infrastructure Materials Corp.
David Redekop Ontario, Canada	Co-Founder, Vice President and Chief Technology Officer, Secretary and Director	June 26, 1997	39,000,000[5] Subordinate Voting Shares (67.5%) 1,000,000 Class B special shares (100%)	39,000,000[5] Subordinate Voting Shares (56.3%) 1,000,000 Class B special shares (100%)	President of the Corporation
Charles Regan[1] Ontario, Canada	Chief Executive Officer, Director	March 15, 2003	39,000,000[5] Subordinate Voting Shares (67.5%)	39,000,000[5] Subordinate Voting Shares (56.3%)	Chief Executive Officer of the Corporation

Name and Municipality of Residence	Position Presently Held	Director Since(4)	Number of Voting Securities Beneficially Owned Directly or Indirectly as at the Date Hereof	Number of Voting Securities Beneficially Owned Directly or Indirectly after the Offering (2)(3)	Principal Occupation for past 5 years
			1,000,000 Class B special shares (100%)	1,000,000 Class B special shares (100%)	
Jack Smit Ontario, Canada	Director	December 12, 2017	Nil	Nil	Retired

Notes:

(1) Member of the audit committee. The Corporation has no other standing committees at this time.

(2) Assuming the minimum Offering of 11,428,571 Units and before giving effect to the exercise of the Agent's Warrants.

(3) Assuming no Units are purchased by the above Shareholders under this prospectus.

(4) Each director is appointed to serve until the next annual meeting of the Corporation or until his or her successor is elected or appointed.

(5) Represents the 39,000,000 Subordinate Voting Shares owned by Nerds On Site Holdings Ltd., which is controlled by Charles Regan, David Redekop and John Harbarenko.

The following is a brief description of the background of the directors and executive officers of the Corporation:

Kevin Ernst – Independent Director (Age 53)

Mr. Ernst has over 28 years of finance experience, including senior positions at Merrill Lynch, UBS, the American Stock Exchange (AMEX) and the New York Stock Exchange. He has led and completed over 150 initial public offerings and is an experienced private equity investor. Mr. Ernst holds an MBA from the Rutgers School of Business.

John Harbarenko – Co-Founder and Non-Independent Director (Age 47)

Mr. Harbarenko is a co-founder of the Corporation and handles all aspects of the operations and development of the company, including training, marketing and client development. Mr. Harbarenko holds a degree in Business Information Systems from Fanshawe College in London, Ontario.

Nicole Holden – Independent Director (Age 44)

Ms. Holden was the Technical Director of Professional Practice at the Center for Audit Quality (**CAQ**) in Washington, DC from April 2015 to January 2017. Prior thereto she was the Assistant Chief Auditor at CAQ from September 2009 until April 2015. Ms. Holden has extensive U.S. accounting and auditing experience and holds a degree in Accounting & Information Systems from the Kogod School of Business at American University in Washington, DC.

Eugene Konaryev – Independent Director (Age 35)

Mr. Konaryev is an experienced business developer and private entrepreneur. Mr. Konaryev holds a Bachelor of Science degree in Computer Science from the University of Toronto. He has handled several hundred financial transactions since early 2000's, ranging from small private mortgage transactions, to complex development financing transactions and corporate debt and equity transactions. Mr. Konaryev is a partner with Go Capital Inc.

Rakesh Malhotra – Chief Financial Officer (Age 61)

Mr. Malhotra is an accountant, holding CPA (Illinois, USA) and CA, CPA (Canada) designations. Mr. Malhotra has over 12 years of experience in GAAP/IFRS financial statement preparation and compliance, interaction with auditors and regulators, accounting research, implementing cost savings, improving internal controls and positioning companies for growth and increased profitability. Mr. Malhotra is a consultant with the Corporation and will spend up to 20% of his time as the Chief Financial Officer of the Corporation, and will be overseeing the administration of the financials, financial controls, and preparation of the periodic filings.

David Redekop – Co-Founder, Vice President and Chief Technology Officer, Secretary and Non-Independent Director (Age 46)

Mr. Redekop is a co-founder of the Corporation and handles all aspects of the operations and development of the company, including IT infrastructure and operations management, training, client management and interactions with contractors. Mr. Redekop studied computer and actuarial science at the University of Waterloo.

Charles Regan – Chief Executive Officer and Non-Independent Director (Age 62)

Mr. Regan is the Chief Executive Officer of the Corporation. Mr. Regan is also a business coach and guest lecturer in the MBA Co-op program at the University of Windsor. He was a founding partner with OneExtraGuy, a moving company in London, Ontario and has operated a Dale Carnegie Training Franchise.

Jack Smit – Independent Director (Age 69)

Mr. Smit is the retired President and Chief Executive Officer of Libro Credit Union, a position he held for 23 Years. He has extensive governance experience. He is a past director of NEI Investments, Central 1 Credit Union, Credit Union Central of Canada and the London Chamber of Commerce. He is currently a director of London Hydro Inc. Mr. Smit is a graduate of the Queens University Executive Program and holds a CPA, CGA designation.

CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Except for Mr. Malhotra, no director or executive officer of the Corporation has, within the ten years prior to the date of this prospectus been a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity: (a) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days or (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 order or similar order or an order that denied the company access to an exemption under securities legislation for a period of more than 30 consecutive days.

On October 28, 2008, Pacific Copper Corp. (**Pacific Copper**), a U.S. SEC filer received a cease-trade order from the British Columbia Securities Commission (the **BCSC**). The cease-trade order was issued for not filing a technical report under National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* (**NI 43-101**). On May 8, 2009, the BCSC revoked its cease-trade order against Pacific Copper. In order to comply with legislation, Pacific Copper filed technical reports under NI 43-101.

On March 8, 2012, Pacific Copper Corp. received an additional cease-trade order from the BCSC, the effect of which was limited to the Province of British Columbia. The cease-trade order was issued for failure to file annual financial statements for its financial year ended October 31, 2011. Pacific Copper filed its annual financial statements for its financial year ended October 31, 2011. As a result, on March 15, 2012, the BCSC revoked the cease-trade order issued on March 8, 2012. Mr. Malhotra was the Chief

Financial Officer at the time the cease-trade order was issued. Mr. Malhotra is no longer the CFO of Pacific Copper.

Bankruptcies

No director or executive officer of the Corporation has, within the ten years prior to the date of this prospectus been a director or executive officer of any company that, while that person was acting in that capacity, or 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.

Personal Bankruptcies

No director or executive officer of the Corporation has within the past ten years, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 that person.

Penalties and Sanction

During the ten years preceding the date of this prospectus, no proposed director, officer or promoter of the Corporation, nor any securityholder anticipated to hold sufficient number of securities of the Corporation to materially affect the control of the Corporation has, to the knowledge of the Corporation, been subject to any (i) penalties or sanctions imposed by a courts relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a courts or regulatory body, including a self-regulatory body, that would likely be considered important to a reasonable securityholder making a decision about the Offering.

CONFLICTS OF INTEREST

Certain officers and directors of the Corporation are also officers and/or directors of other entities engaged in information technology businesses generally. As a result, situations may arise where the interest of such directors and officers conflict with their interests as directors and officers of other companies. The resolution of such conflicts is governed by applicable corporate laws, which require that directors act honestly, in good faith and with a view to the best interests of the Corporation. Conflicts, if any, will be handled in a manner consistent with the procedures and remedies set forth in the OBCA. The OBCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the OBCA.

Other Reporting Issuer and Public Corporation Experience

The following table sets out details in respect of the directors or executive officers of the Corporation that are, or have been within the five years prior to the date hereof, directors, executive officers or promoters of other reporting issuers:

Name	Corporation	Jurisdiction	Trading Market	Position	Term
Rakesh Malhotra	Security Devices International, Inc.	Delaware	TSX-V	Chief Financial Officer	January 2007 to present
	Infrastructure Materials Corp.	Delaware	N/A	Chief Financial Officer	September 2010 to present
	Pacific Copper Corp.	Delaware	OTC	Chief Financial Officer	April 2007 to November 2013

SHAREHOLDINGS OF DIRECTORS AND OFFICERS

The number and percentage of Subordinate Voting Shares and Class B special shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers as a group, as at the date of this prospectus, is 41,247,500 (71.4%) and 1,000,000 (100%), respectively. Following the Offering, the number and percentage of Subordinate Voting Shares and Class B special shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers as a group for the Minimum Offering is expected to be 41,247,500 (60.0%) and 1,000,000 (100%), respectively, and for the Maximum Offering is 41,247,500 (55.0%) and 1,000,000 (100%), respectively. The figures in the foregoing sentence do not give effect to the exercise of any of the Agent's Warrants and assume that the Over-Allotment Option is not exercised.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

The purpose of this Compensation Discussion and Analysis (**CD&A**) is to provide information about the Corporation's proposed philosophy, objectives and processes regarding compensation for the President and Chief Executive Officer (**CEO**), the Chief Financial Officer (**CFO**) and the Chief Operating Officer (each a **Named Executive Officer** or a **NEO**) assuming closing of the Offering. It explains how decisions regarding executive compensation are made and the reasoning behind these decisions and discusses the key elements of the Corporation's compensation program.

Following the closing of the Offering, it is expected that the Corporation will have three Named Executive Officers:

- Charles Regan – President and CEO;
- Rakesh Malhotra – CFO; and
- David Redekop – Chief Operating Officer

Compensation Governance

Given the stage of the Corporation's development, it is anticipated that the Board, as a whole, will fulfil the oversight responsibilities with respect to human resources policies and compensation, directly.

The Board's expected mandate with respect to executive compensation will be to: (a) review and determine the Corporation's key human resources policies; (b) review and determine the executive compensation philosophy and remuneration policy for the Corporation; (c) review and determine employment agreements relating to the CEO, CFO and any other executive officers; (d) evaluate annually the performance of the CEO, CFO and any other executive officers and review the annual compensation package and performance objectives for such executives; (e) annually determine any bonuses to be paid; (f) review and determine if any significant changes to the overall compensation program; (g) review the adequacy and form of compensation of directors periodically to determine if the compensation realistically reflects the responsibilities and risks involved in being an effective director; (h) review and determine the grants of options to purchase shares of the Corporation; and (i) perform any other activities consistent with its mandate, the Corporation's by-laws and governing laws as deemed necessary or appropriate.

The Board has the authority to engage outside consultants and advisors, including independent counsel.

The Board believes it has the knowledge, experience and background required to fulfil its proposed mandate.

The Elements of the Corporation's Compensation Program

The Corporation's compensation program is expected to consist of two principal elements, a base salary and options granted under the Option Plan, which is expected to be approved by the Board and implemented following the Closing of the Offering. In exceptional circumstances, cash bonuses may be paid.

The Objective of the Corporation's Compensation Program

The objective of the Corporation's compensation program is to attract and retain highly qualified and committed senior management by providing appropriate compensation and incentives intended to align the interests of senior management with those of the Corporation's shareholders in order to provide incentives for senior management to enhance shareholder value.

What the Corporation's Compensation Program is Designed to Reward

The Corporation's proposed compensation program is designed to reward senior management for achieving the Corporation's business objectives as well as increases in shareholder value resulting from increased value or potential value in the Corporation's technology prospects.

Why the Corporation Chooses to Pay Each Element of its Compensation Program

Following the Offering, the Corporation intends to pay a base salary as part of its compensation program to: (i) provide each NEO with sufficient, regularly-paid income; (ii) recognize each NEOs unique value and contribution to the success of the Corporation; and (iii) reflect each NEOs position and level of responsibility.

The Corporation also intends to grant Options as part of its compensation program in order to: (i) align NEOs' interests with the interests of the Corporation's shareholders; (ii) reward long-term performance by allowing NEOs to participate in any long-term market appreciation of the Corporation's shares; and (iii) ensure the Corporation is competitive with its comparable industry peers from a total remuneration standpoint and to encourage executive officer retention, commitment and focus on long-term growth.

How the Corporation Determines the Amount for Each Element and How Each Element Affects Decisions About Other Elements and Fits into the Corporation's Overall Compensation Objectives

The Board will determine the amount of each element of the Corporation's compensation program for NEOs. The two principal elements of the compensation program will be weighted equally and fit into the Corporation's overall compensation strategy, as described below.

Base Salaries

The Board will consider some or all of the following factors when determining the base salary of each NEO: (i) the overall performance of the Corporation and the particular NEO; (ii) base salaries and overall compensation paid to senior management of comparable industry peers (without specific benchmarking); (iii) the relationship among base salaries paid within the Corporation and individual experience and contribution; (iv) general market conditions and the Corporation's financial condition; (v) other compensation received by the NEO; and (vi) competition for qualified personnel. The intent is to fix base salaries at levels that are consistent with the Corporation's compensation program objective.

Option Plan

The Corporation expects to adopt an option plan (the **Option Plan**) following the Closing of the Offering pursuant to which the Board may, from time to time, grant options to directors, officers, employees and consultants of the Corporation. The number of Subordinate Voting Shares granted under each option and the vesting terms thereof are in the discretion of the Board. Options granted under the Option Plan must have a term of no more than five years from the date of grant. The exercise price of each option granted under the Option Plan is in the discretion of the Board, provided that the exercise price cannot be lower than the greater of the closing market price of the Subordinate Voting Shares on the CSE on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options. Any outstanding options granted under the Option Plan expire on a date not exceeding 90 days following the date that the holder ceases to be an officer, director, employee or consultant of the Corporation, as the case may be, except in the case of death in which case the options expire one year from the date of death. Options granted under the Option Plan are non-assignable and non-transferable. The number of Subordinate Voting Shares that may be optioned under the Option Plan, unless otherwise approved by shareholders, is limited to 10% of the outstanding Subordinate Voting Shares from time to time; provided, that any one participant under the Option Plan shall not be entitled to receive options to acquire an aggregate of greater than 5% (2% in the case of consultants) of the outstanding Subordinate Voting Shares in any 12 month period.

Hedging Activities

The Corporation has no plans to implement a formal hedging policy with respect to purchases of securities by NEOs or directors to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such individuals. To the Corporation's knowledge, no NEO or director has plans to hedge the economic value of his direct or indirect interests in the market value of the Subordinate Voting Shares so held or granted as compensation.

Risk Assessment and Oversight

The Board is keenly aware of the fact that compensation practices can have unintended risk consequences. The Board will continually review the Corporation's compensation policies to identify any practice that might encourage an employee to expose the Corporation to unacceptable risks. At the present time, the Board is satisfied that the current executive compensation program does not encourage the Corporation's executives to expose the business to inappropriate risk. The Board takes a conservative approach to executive compensation, rewarding individuals for the success of the Corporation once that success has been demonstrated and incenting them to continue that success through the grant of Options. The Option Plan limits the number of Options a particular NEO is entitled to receive.

Summary Compensation Table

Based on the information available at the date hereof, the following table sets out information concerning the total compensation amounts expected to be paid, accrued or otherwise expensed by the Corporation with respect to calendar 2018, for each of the NEOs (assuming the continued employment of each NEO):

					Non-equity incentive Plan Compensation ($)				
Name and Principal Position	**Year[(1)]**	**Salary ($)**	**Share-based Awards ($)**	**Option-based Awards ($)**	**Annual Incentive Plans**	**Long-term Incentive Plans**	**Pension Value ($)**	**All Other Compensation ($)**	**Total Compensation ($)**
Charles Regan CEO	2018	120,000	nil	nil	nil	nil	nil	nil	120,000
Rakesh Malhotra CFO	2018	80,000	nil	nil	nil	nil	nil	nil	80,000
David Redekop COO	2018	120,000	nil	nil	nil	nil	nil	nil	120,000

Note:

(1) Represents actual amounts estimated to be paid to the NEOs for the balance of calendar 2018 after the closing of the Offering. Amounts have not been annualized.

Executive Employment Agreements

None of the executive officers of the Corporation have employment agreements.

Director Compensation

Following the Closing, the Board will establish the compensation arrangements for each director that is not an employee of the Corporation or one of its affiliates. The directors' compensation program will be designed to attract and retain the most qualified individuals to serve on the Board. Directors will be reimbursed for their reasonable out-of-pocket expenses incurred in serving as directors. Directors who are employees of, and who receive a salary from, the Corporation or one of its affiliates will not be entitled to receive any remuneration for serving as directors, but will be entitled to reimbursement of their reasonable out-of-pocket expenses incurred in serving as directors.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

As at the date of this prospectus, there is not and has not been since the beginning of the Corporation's last financial year, any indebtedness owing to the Corporation by the directors, executive officers of the Corporation, or any of their associates or affiliates.

AUDIT COMMITTEE

Audit Committee Disclosure

The Corporation's audit committee is composed of Ms. Holden (Chair) and Messrs. Ernst, Konaryev and Regan. All of the directors on the Audit Committee, other than Mr. Regan, may be considered independent (as determined under NI 52-110), and all Audit Committee members are financially literate.

Ms. Holden is an accountant and has held the positions of Technical Director of Professional Practice and Assistant Chief Auditor at the Center for Audit Quality (**CAQ**) in Washington, DC. Ms. Holden has extensive U.S. accounting and auditing experience and holds a degree in Accounting & Information Systems from American University in Washington, DC.

Mr. Ernst has extensive public company experience and is proficient in accounting. He is knowledgeable about public company reporting obligations, gained through 20 years of experience in the financial sector. Mr. Ernst has held senior positions at Merrill Lynch, UBS, the American Stock Exchange (AMEX) and the New York Stock Exchange.

Mr. Konaryev is an experienced financial consultant, commercial broker and partner at Go Capital Inc. He is proficient in Canadian private accounting format IFRS, U.S. GAAP and accounting due diligence.

The charter of the Corporation's audit committee is set out in Appendix E to this prospectus.

As a company applying for listing on the CSE, the Corporation is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110, and is relying on the exception contained in section 6.1 of that instrument.

Pre-Authorization of Non-Audit Services

The audit committee has not pre-authorized any amount for non-audit services from the Corporation's auditors.

Fees Charged by External Auditors

The following table sets out the aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for the category of fees described:

	May 31, 2016	May 30, 2017
Audit Fees	$39,000	$61,000
Audit-Related Fees	$0	$0
Tax Fees	$0	$0
All Other Fees	$0	$0
Total	$39,000	$61,000

CORPORATE GOVERNANCE

The Corporation's Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of its shareholders but also promotes effective decision making at the Board level. The Board is of the view that its approach to corporate governance is appropriate for the size of the Corporation and its present stage of development. Appendix "E" to this prospectus sets forth the corporate governance disclosure required to be made by the Corporation herein pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices*.

Timely Disclosure, Confidentiality and Insider Trading

The Corporation will adopt a policy in respect of timely disclosure, confidentiality and insider trading to govern the conduct of the Corporation's directors, officers, employees and other insiders with respect to the proper maintenance and disclosure of confidential information and the trading of the Corporation's securities, particularly in the context of material information concerning the Corporation and its affairs. Among other matters, the policy will: (i) establish a disclosure committee to be chaired by the CEO; (ii) establish a procedure for the designation of individuals authorized to speak on behalf of the Corporation; (iii) establish rules and procedures for the disclosure of material information and the maintenance of confidential information; (iv) set out prohibited trading activities, including regular and special black-out periods; and (v) describe reporting requirements applicable to insiders.

PLAN OF DISTRIBUTION

The Offering consists of a minimum of 11,428,571 Units and a maximum of 17,142,857 Units at a price of $0.35 per Unit.

Pursuant to the Agency Agreement, the Agent has agreed to act as, and has been appointed as, the sole lead manager and sole bookrunner to offer the Units for sale to the public on a commercially reasonable best efforts basis. The Offering Price was established by negotiation between the Agent and the Corporation. The Agent will be paid, upon the closing of the Offering, the Agent's Commission equal to (i) 8% of all gross proceeds realized from the sale of the Units under the Offering. The Agent has the discretion to request that the Agent's Commission be paid in cash, Units (at the issue price) or a combination thereof. In addition, the Corporation has agreed to grant to the Agent, as additional compensation, Agent's Warrants that will entitle the Agent to purchase such number of Agent's Units as is equal to 8% of the aggregate number of Units sold to purchasers under the Offering. Each Agent's Warrant will entitle the Agent to purchase one Agent's Unit at an exercise price of $0.35 per Agent's Unit until the date which is 24 months after the Listing Date. This prospectus also qualifies the distribution of the Agent's Commission Units (if any) and the Agent's Warrants. The Corporation has further agreed to pay the Agent the Corporate Finance Fee of $40,000, of which $20,000 is a non-refundable fee that has been paid, and $20,000 is payable at the closing of the Offering. The Corporation will also pay the Agent's expenses, including reasonable legal fees and disbursements.

Subsection 11.2 of NI 41-101 restricts the maximum number of securities issued to the Agent that may be qualified under a prospectus to 10% of the total number of the securities distributed under the prospectus. For the purposes of this Offering, any combination of Agent's Commission Units and Agent's Warrants totalling up to 10% of the number of Units sold are qualified compensation securities (**Qualified Compensation Securities**) and are qualified for distribution by this prospectus. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Units sold, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this prospectus, and will be subject to a four month hold period in accordance with applicable securities laws.

The Corporation has granted the Agent an Over-Allotment Option to purchase up to an additional 2,571,428 Units on the same terms and conditions as the Offering, exercisable in whole or in part, at the sole discretion of the Agent, at any time and from time to time until and including 60 days after the date of closing of the Offering, to cover over-allotments, if any. This prospectus also qualifies the distribution of the Units issuable upon exercise of the Over-Allotment Option.

Under the terms of the Agency Agreement, the Agent may, at its discretion on the basis of its assessment of the state of the financial markets and upon the occurrence of certain stated events, including the presence of a material adverse change in the affairs of the Corporation, or a breach by the Corporation of the Agency Agreement, among others, terminate the Agency Agreement. Subscriptions for Units will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. Closing will occur not later than 90 days after a receipt for the final prospectus or not later than the expiration date of any extension thereof granted by the applicable regulatory authorities.

The Offering is subject to a minimum offering of 11,428,571 Units at the Offering Price of $0.35 per Unit for minimum gross proceeds of $4,000,000. The Corporation must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Quebec, to hold in trust all funds received from subscriptions until the minimum offering has been raised. If the minimum offering is not raised within the distribution period, the trustee will return the funds to the subscribers without interest or deduction.

The Agent has agreed to use commercially reasonable best efforts to secure subscriptions for the Units offered pursuant to the Offering in the provinces of British Columbia, Alberta and Ontario. This prospectus qualifies the distribution of the Units to the Subscribers in the provinces of British Columbia, Alberta and Ontario. The Agent may, in connection with the Offering and in its sole discretion, retain one or more licensed dealers, brokers and investment dealers (referred to herein as the **Selling Firms**) as sub-agents and may receive subscriptions for the Units from such Selling Firms. The Agent is not obligated to purchase any of the Units in connection with the Offering.

This Offering is not underwritten and is subject to the receipt by the Agent of subscriptions for the Minimum Offering in the amount of $4,000,000. Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering will occur on such date as the Corporation and the Agent may agree upon (the **Closing Date**), but in any event not later than the date that is 90 days after the date on which the Corporation receives a receipt for a final prospectus. The distribution of the Units will not continue for a period of more than 180 days after the date on which the Corporation receives a final receipt for a final prospectus, unless an amendment to the final prospectus is filed and a receipt obtained therefor by the Corporation in accordance with applicable securities laws; provided that the total period of distribution under the Offering will in any event not exceed 180 days from the date of the final receipt for the prospectus. The Corporation has appointed the Agent to hold in trust all subscription funds received until the Minimum Offering has been raised. If the Minimum Offering is not raised on or before the day that is 90 days after the date a final receipt is issued for the prospectus, or such later date as the Corporation and the Agent may agree upon and as may be permitted under applicable securities laws (subject to the filing of any required amendment to the prospectus and the regulator issuing a receipt for the amendment), the Agent must return such funds to the subscribers without interest, set-off or deductions. See "*Use of Proceeds*" and "*Plan of Distribution*".

There is currently no public market for the Subordinate Voting Shares. The Corporation has received conditional approval to list the Subordinate Voting Shares distributed under this prospectus on the CSE. Listing of such Subordinate Voting Shares will be subject to the Corporation fulfilling all of the listing requirements of the CSE.

As at the date of this prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

For a period of one (1) year from the Closing Date, the Corporation has agreed to provide the Agent with the exclusive right and opportunity to act as agent up to a maximum economic syndicate position of 100%, or any offering of securities of the Corporation to be issued and sold in Canada by private placement or public offering, or to provide professional, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer. If the Corporation is intending to proceed with any such issuance or has received a proposal for any such issuance, the Corporation shall provide to the Agent notice of the proposed terms thereof (including the commission payable to that agent) and the Agent shall have an opportunity to respond to the Corporation that they are desirous of acting as agent, or participating as the case may be, in such offering on behalf of the Corporation on the terms and conditions contained therein. If the Agent declines, in writing, the Corporation may proceed with such offering through another agent or underwriter, provided the arrangements with such agent or underwriter are entered into within 30 days thereafter (it being acknowledged and agreed by the Agent that if the Corporation issues any securities to which the foregoing would apply, but does not retain or utilize a registered dealer as agent therefore, the foregoing shall not apply to such issuance, unless any of the subscribers to the issuance of such securities is a subscriber or beneficial purchaser of Units pursuant to the Offering.

ESCROWED SECURITIES

NP 46-201 requires that securities held by a "principal" of an issuer be held in escrow. A "principal" of an issuer is: (i) a person or company who acted as a promoter of the issuer within two years before the date of the prospectus; (ii) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the prospectus; (iii) a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's initial public offering; and (iv) a person or company that holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's initial public offering and who has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries. In addition, the CSE may impose hold periods which apply where seed shares have been issued to non-principals prior to an initial public offering. The Escrowed Shareholders for the purposes of this prospectus are the principals who are not otherwise excluded from the escrow requirements of NP 46-201 and those who have purchased securities for less than the Offering Price within 12 months preceding the date of this prospectus.

In accordance with NP 46-201 and pursuant to the Escrow Agreement to be entered into among the Escrowed Shareholders, the Corporation and the Escrow Agent, and assuming no Subordinate Voting Shares offered hereunder are purchased by the Escrowed Shareholders, a total of 41,274,500 Subordinate Voting Shares will be deposited into escrow with the Escrow Agent on Closing of the Offering. The following table discloses the Escrow Securities of the Corporation which will be held in escrow pursuant to the Escrow Agreement or that are otherwise subject to a contractual restriction on transfer:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class (after giving effect to the Minimum Offering)	Percentage of class (after giving effect to the Maximum Offering)
Ordinary Voting Shares	41,274,500	60%	55%
Class B special shares	1,000,000	100%	100%

The Escrow Securities are held by the following shareholders:

Escrowed Shareholder Name	Number of Ordinary Voting Shares
Kevin Ernst	1,000,000
Eugene Konaryev	1,247,500
Nerds On Site Holdings Ltd.(1)	39,000,000
TOTAL	**41,247,500**

Notes:

(1) Charles Regan, John Harbarenko and David Redekop are the three shareholders of Nerds On Site Holdings Ltd., holding interests of 50%, 25% and 25% of Nerds On Site Holdings Ltd., respectively.

Escrowed Shareholder Name	Number of Class B special shares
Nerds On Site Holdings Ltd.(1)	1,000,000
TOTAL	**1,000,000**

Notes:

(1) Charles Regan, John Harbarenko and David Redekop are the three shareholders of Nerds On Site Holdings Ltd., holding interests of 50%, 25% and 25% of Nerds On Site Holdings Ltd., respectively.

An escrow restricts the ability of certain holders to deal with their Escrow Securities while they are in escrow. The Escrow Agreement sets out these restrictions and provides that, except to the extent permitted thereunder, the principals cannot sell, transfer, assign, mortgage, enter into a derivative transaction concerning, or otherwise deal in any way with their Escrow Securities or the related share certificates or other evidence of the Escrow Securities. A private company, controlled by one or more principals, that holds Escrow Securities, may not participate in a transaction that results in a change of its control or a change in the economic exposure of the principals to the risks of holding Escrow Securities.

The Escrow Securities shall not be released unless listing of the Subordinate Voting Shares is completed by the Corporation. As the Corporation is an "emerging issuer" as such term is defined in NP 46-201, the original number of the Escrow Securities purchased by principals of the Corporation may be released as follows:

On the date the issuer's securities are listed on a Canadian exchange (the listing date):	1/10 of the Escrow Securities
6 months after the listing date:	1/6 of the remaining Escrow Securities
12 months after the listing date:	1/5 of the remaining Escrow Securities
18 months after the listing date:	1/4 of the remaining Escrow Securities
24 months after the listing date:	1/3 of the remaining Escrow Securities
30 months after the listing date:	1/2 of the remaining Escrow Securities
36 months after the listing date:	The remaining Escrow Securities

Shares Subject to Resale Restrictions

Statutory Hold Periods

In addition to the foregoing escrow provisions, securities legislation imposes certain resale restrictions on securities issued within four months prior to an initial public offering. The legislation which imposes and governs these hold periods is National Instrument 45-102 - *Resale of Securities*.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Units pursuant to this Offering. For purposes of this summary, references to Subordinate Voting Shares include Subordinate Voting Shares comprising part of a Unit and Subordinate Voting Shares issued on exercise of a Warrant, unless otherwise indicated. This summary applies only to a purchaser who is a beneficial owner of Subordinate Voting Shares and Warrants acquired pursuant to this Offering and who, for the purposes of the Tax Act and at all relevant times: (i) deals at arm's length with the Corporation and the Agent and is not affiliated with the Corporation; and (ii) holds the Subordinate Voting Shares and Warrants as capital property (a **Holder**).

Subordinate Voting Shares and Warrants will generally be considered to be capital property of a Holder unless they are held in the course of carrying on a business or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade. A purchaser who is resident in Canada for purposes of the Tax Act and whose Subordinate Voting Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have the Subordinate Voting Shares and every other "Canadian security" (as defined in the Tax Act) owned by such purchaser in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Purchasers should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances. Such election is not available in respect of Warrants.

This summary is not applicable to a Holder: (i) that is a “financial institution” within the meaning of section 142.2 of the Tax Act; (ii) that is a “specified financial institution” as defined in the Tax Act; (iii) that has made a “functional currency” reporting election under section 261 of the Tax Act to report its “Canadian tax results” in a currency other than Canadian currency; (iv) an interest in which is, or for whom an Subordinate Voting Share or Warrant would be, a “tax shelter investment” for the purposes of the Tax Act; or (v) that has entered or will enter into a “derivative forward agreement” or “synthetic disposition arrangement”, as those terms are defined in the Tax Act, in respect of Subordinate Voting Shares or Warrants. Such Holders should consult their own tax advisors.

This summary does not address the possible application of the “foreign affiliate dumping” rules that may be applicable to a Holder that is a corporation resident in Canada (for the purposes of the Tax Act) that is, or that becomes, or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the Subordinate Voting Shares, controlled by a non-resident corporation for purposes of the rules in section 212.3 of the Tax Act.

This summary is based upon: (i) the current provisions of the Tax Act in force as of the date hereof; (ii) all specific proposals to amend the Tax Act that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) and published in writing prior to the date hereof (the **Proposed Amendments**); and (iii) counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (**CRA**) published in writing and publicly available prior to the date hereof. No assurance can be given that the Proposed Amendments will be enacted or otherwise implemented in their current form, if at all. Other than the Proposed Amendments, this summary does not take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, regulatory, administrative, governmental or judicial decision or action, nor does it take into account the tax laws of any province or territory of Canada or of any jurisdiction outside of Canada.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Cost

A Holder who acquires Units pursuant to this Offering will be required to allocate the purchase price paid for each Unit on a reasonable basis between the Subordinate Voting Share and the one-half Warrant comprising each Unit in order to determine their respective costs to such Holder for the purposes of the Tax Act.

The adjusted cost base to a Holder of each Subordinate Voting Share comprising a part of a Unit acquired pursuant to this Offering will be determined by averaging the cost of such Subordinate Voting Share with the adjusted cost base to such Holder of all other Subordinate Voting Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder of a Warrant upon the exercise of such Warrant. When a Warrant is exercised, the Holder's cost of the Subordinate Voting Share acquired thereby will be equal to the adjusted cost base of the Warrant to such Holder, plus the amount paid on the exercise of the Warrant. For the purpose of computing the adjusted cost base to a Holder of each Subordinate Voting Share acquired on the exercise of a Warrant, the cost of such Subordinate Voting Share must be averaged with the adjusted cost base to such Holder of all other Subordinate Voting Shares (if any) held by the Holder as capital property immediately prior to the exercise of the Warrant.

Holders Resident in Canada

This portion of the summary applies to a Holder who, at all relevant times, is, or is deemed to be, resident in Canada for the purposes of the Tax Act (a **Resident Holder**).

Dividends

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Subordinate Voting Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations. Taxable dividends which are designated as “eligible dividends” will be subject to the enhanced gross-up and dividend tax credit regime in the Tax Act.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances a dividend or deemed dividend received by a Resident Holder that is a corporation may be treated as a capital gain or proceeds of disposition. Resident Holders should contact their own tax advisors in this regard.

A Resident Holder that is a “private corporation” or a “subject corporation”, as defined in the Tax Act, will generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received on the Subordinate Voting Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the year. A “subject corporation” is generally a corporation (other than a private corporation) controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts).

Dispositions of Subordinate Voting Shares and Warrants

A Resident Holder who disposes of or is deemed to have disposed of a Subordinate Voting Share or Warrant (other than on the exercise of a Warrant) will generally realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of the Subordinate Voting Share or Warrant immediately before the disposition or deemed disposition.

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay a refundable tax on its “aggregate investment income” (as defined in the Tax Act) for the year, including taxable capital gains.

Generally, the expiry of an unexercised Warrant will give rise to a capital loss equal to the adjusted cost base to the Resident Holder of such Warrant.

Taxable Capital Gains and Losses

A Resident Holder will generally be required to include in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a **taxable capital gain**) realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will be required to deduct one-half of the amount of any capital loss (an **allowable capital loss**) against taxable capital gains realized in the taxation year of disposition. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may generally be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years.

The amount of any capital loss realized on the disposition or deemed disposition of a Subordinate Voting Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Subordinate Voting Shares. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Subordinate Voting Shares or where a partnership or trust, of which a corporation is a member or a beneficiary, is a member of a partnership or a beneficiary of a trust that owns Subordinate Voting Shares. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Minimum Tax

A Resident Holder who is an individual (other than certain trusts) and receives or is deemed to have received taxable dividends on the Subordinate Voting Shares or realizes a capital gain on the disposition or deemed disposition of Subordinate Voting Shares or Warrants may be liable for alternative minimum tax under the Tax Act. Resident Holders who are individuals should consult their own tax advisors in this regard.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act: (a) is not, and is not deemed to be, resident in Canada; and (b) does not use or hold the Subordinate Voting Shares or Warrants in connection with carrying on a business in Canada (a **Non-Resident Holder**). This portion of the summary does not apply to a Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act) and such Holders should consult their own tax advisors.

Dividends

Dividends paid or credited (or deemed to be paid or credited) by the Corporation to a Non-Resident Holder on the Subordinate Voting Shares will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident. For example, where a Non-Resident Holder is a resident of the United States, is fully entitled to the benefits under the *Canada-United States Tax Convention* (1980), as amended, and is the beneficial owner of the dividend, the applicable rate of Canadian withholding tax is generally reduced to 15%.

Dispositions of Subordinate Voting Shares and Warrants

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of an Subordinate Voting Share or Warrant unless the Subordinate Voting Share or Warrant (as applicable) is, or is deemed to be, “taxable Canadian property” of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, a Subordinate Voting Share or Warrant (as applicable) will not constitute taxable Canadian property of a Non-Resident Holder provided that the Subordinate Voting Shares are listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes the CSE), unless at any time during the 60-month period immediately preceding the disposition, (a) at least 25% of the issued shares of any class or series of the capital stock of the Corporation were owned by or belonged to any combination of: (i) the Non- Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at arm's length, and (iii) partnerships in which the Non-Resident Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships; and (b) at such time, more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists.

If a Non-Resident Holder disposes (or is deemed to have disposed) of a Subordinate Voting Share or Warrant that is taxable Canadian property of that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention, the consequences described above under the headings "*Holders Resident in Canada — Dispositions of Ordinary Shares and Warrants*" and "*Holders Resident in Canada — Taxable Capital Gains and Losses*" will generally be applicable to such disposition. Such Non-Resident Holders should consult their own tax advisors.

PROMOTERS

Mr. David Redekop and Mr. John Harbarenko are each considered to be a promoter of the Corporation in that they took the initiative in founding and organizing the business of the Corporation. Messrs. Redekop and Harbarenko each hold a 25% equity interest in Nerds On Site Holdings Ltd., a corporate entity that holds 39,000,000 Subordinate Voting Shares and 1,000,000 Class B special shares, equal to 67.5% of the current outstanding number of Subordinate Voting Shares and 100% of the outstanding number of Class B special shares.

Messrs. Redekop and Harbarenko are also insiders of DNSthingy, RAF and NOS SA, related parties of the Corporation with which the Corporation has commercial relationships and outstanding loans. See "*Business of the Corporation – Related Parties*".

RISK FACTORS

An investment in Units involves a high degree of risk and should only be considered by persons who can afford to lose their entire investment. The following are certain risk factors relating to an investment in Units which prospective investors should carefully consider before deciding whether to purchase any Units. The following information must be read in conjunction with the detailed information appearing elsewhere in this prospectus. Such risk factors may have a material adverse effect on the financial position or results of operations of the Corporation or the value of the Units.

Risks Related to Our Business and Industry

If the Corporation fails to identify, recruit and contract with a sufficient number of qualified Consultants, our ability to increase revenues could be materially adversely affected.

We may not be able to identify, recruit or contract with suitable Consultants in our target markets on a timely basis or at all. In addition, our Consultants may not ultimately be able to access the financial or management resources that they need to operate the business, or they may elect to cease business development for other reasons. If we are unable to recruit suitable Consultants or if our Consultants are unable or unwilling to continue to act as consultants, our growth may be slower than anticipated, or cease, which could materially adversely affect our ability to increase our revenue and materially adversely affect our business, financial condition and results of operations.

New Consultants may not be profitable initially, and may adversely impact our business.

Historically, many of our new Consultants go through an initial ramp-up period typically lasting six to 12 months, during which time they generate sales and income below the levels at which we expect. This is in part due to the time it takes to build a customer base in a new area and other start-up inefficiencies that are typical of new businesses. It may also be difficult for us and our Consultants to attract a customer base, or otherwise overcome the higher costs associated with a new business. New Consultants may not have results similar to existing Consultants or may not be profitable. If new Consultants remain unprofitable for a prolonged period of time, we may jointly decide to terminate the franchise relationship. The termination of a franchise agreement could have a negative impact on our business and operating results.

The Corporation has a history of negative cash flow from operating activities.

The Corporation had negative cash flow from operating activities in its financial year ended May 31, 2016 and may have negative cash flow from operating activities in the future. Some or all of the net proceeds of the Offering may be used to fund any negative operating cash flow.

Our expansion into new markets in the United States may present increased risks due to lower customer awareness of our brand, our unfamiliarity with those markets and other factors.

As of the date of this prospectus, we have 128 Consultants in 6 provinces across Canada. While we intend to expand into the United States, our operating experience in Canada may not be relevant or necessarily translate into similar results in the U.S. market. We anticipate that our U.S. franchise partners will experience lower brand awareness, lower sales and/or transaction counts. As a result, new U.S. consultants may be less successful than their Canadian counterparts. Consultants in new markets may take longer to ramp up and reach expected sales and profit levels, or may never do so, thereby affecting our overall growth and profitability as a result of reduced royalty revenue. To build brand awareness in these new markets, we and our franchise partners may need to make greater investments in advertising and promotional activity than originally planned, which could negatively impact the profitability of our operations in those markets. We may also find it more difficult in these new markets to hire, motivate and keep qualified Consultants who can project our vision, passion and culture. The United States may also have regulatory differences with Canada, which we and our U.S. franchise partners may not be familiar with, or that subject us and our U.S. Consultants to significant additional expense or to which we and our U.S. Consultants are not able to successfully comply with, which may have a particularly adverse impact on their sales or profitability and could in turn adversely impact our revenue and results of operations. If we do not successfully execute our U.S. expansion plans, our business, financial condition and results of operations could be materially adversely affected.

Our proposed expansion into the United States may be scaled back or abandoned and the proceeds from the Offering may be reallocated in a manner that management and the board of directors deem to be in the best interest of the Corporation

While the Corporation intends to proceed with its expansion into the United States in the manner disclosed in the prospectus, the Corporation may scale back or abandon the U.S. expansion and reallocate its capital resources to its Canadian operations if the Corporation is unable to successfully establish itself in the U.S. market.

Our business and results of operations depend in significant part on the future performance of our Consultants, and we are subject to a variety of additional risks associated with our Consultants.

Our business and results of operations are significantly dependent upon the success of our franchise partners and Consultants. Our franchise partners and Consultants may be adversely affected by:

- declining economic conditions;
- increased competition in the IT services industry;
- changes in the IT services industry generally, including the way IT services are delivered to consumers;
- demographic trends;
- customers’ budgeting constraints; and
- our reputation and consumer perception of our market position.

Our revenue comes from royalties generated by our franchise partners and Consultants. We anticipate that franchise royalties will represent a substantial part of our revenue in the future. Accordingly, we are heavily reliant on the performance of our franchise partners and Consultants in successfully operating their businesses and paying royalties to us on a timely basis. Our franchise system subjects us to a number of risks, any one of which may impact our ability to collect royalty payments from our franchise partners, may harm the goodwill associated with our franchise, and/or may materially adversely affect our business and results of operations.

Failure to support our expanding Consultant network could have a material adverse effect on our business, financial condition and results of operations.

Our growth strategy depends significantly on expanding our Consultant network, which will require the implementation of enhanced management information systems, financial controls and other systems and procedures as well as additional management, franchise support and financial resources. We may not be able to manage our expanding Consultant base effectively. Failure to provide our Consultants with adequate support and resources could materially adversely affect both our new and existing Consultants as well as cause disputes between us and our Consultants and potentially lead to material liabilities. This may also lead to fewer qualified persons seeking to become new Consultants. Any of the foregoing could materially adversely affect our business, financial condition and results of operations.

We and our Consultants rely heavily on information technology, and any material failure, weakness, interruption or breach of our security systems could prevent us from effectively operating our business.

Our and our Consultants' operations depend upon our collective ability to protect our computer equipment and systems against damage from physical theft, fire, power loss, telecommunications failure or other catastrophic events, as well as from internal and external security breaches, viruses and other disruptive problems. The failure of these systems to operate effectively, maintenance problems, upgrading or transitioning to new platforms, expanding our systems as we grow or a breach in security of these systems could result in delays in customer service and reduce efficiency in our operations. Remediation of such problems could result in significant and unplanned capital investments.

We have limited influence over the operations of our Consultants and we require their cooperation.

Our success relies in part on the financial success and cooperation of our Consultants, yet we have limited influence over their operations. Our Consultants manage their businesses independently. The revenues we realize from Consultants are largely dependent on the ability of our Consultants to grow their sales or maintain existing sales. Our Consultants may not experience sales growth or maintain existing sales, and our revenues and margins could be negatively affected as a result. If sales trends worsen for Consultants, their financial results may deteriorate, which could result in, among other things, delayed or reduced royalty payments to us.

Our success also depends on the willingness and ability of our Consultants to implement major initiatives, which may include financial investment, and to remain aligned with us on operating, promotional and capital-intensive reinvestment plans. If Consultants do not successfully operate their business in a manner consistent with our required standards, the brand's image and reputation could be harmed, which in turn could hurt our business and results of operations.

Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in information technology. To the extent that such other companies may participate in ventures which the Corporation may participate there exists the possibility for such directors and officers to be in a position of conflict. Such directors and officers have duties and obligations under the laws of Canada to act honestly and in good faith with a view to the best interests of the Corporation and its Shareholders. Accordingly, such directors and officers will declare and abstain from voting on any matter in which such director and/or officer may have a conflict of interest.

If the Corporation is not able to continue to innovate or if the Corporation fails to adapt to changes in the IT services industry, the Corporation's business, financial condition and results of operations would be materially and adversely affected.

The IT services industry is characterized by rapidly changing technology, evolving industry standards, new service and product introductions and changing customer demands. Furthermore, the Corporation's competitors are constantly developing innovations to service options. The Corporation's failure to innovate and adapt to these changes would have a material adverse effect on the Corporation's business, financial condition and results of operations.

Security breaches and attacks against the Corporation's systems and network, and any potentially resulting breach or failure to otherwise protect confidential and proprietary information could damage the Corporation's reputation and negatively impact the Corporation's business, as well as materially and adversely affect the Corporation's financial condition and results of operations.

Although the Corporation intends to employ significant resources to develop the Corporation's security measures against breaches, the Corporation's cybersecurity measures may be unable to detect or prevent all attempts to compromise the Corporation's systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in and transmitted by the Corporation's systems or that the Corporation otherwise maintains. Breaches of the Corporation's cybersecurity measures could result in unauthorized access to the Corporation's systems, misappropriation of information or data, deletion or modification of user information, or a denial-of-service or other interruption to the Corporation's business operations. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against the Corporation, the Corporation may be unable to anticipate, or implement adequate measures to protect against, these attacks.

The Corporation may be subject to material litigation.

In connection with the Corporation's planned U.S. expansion, it may face an increasing number of claims, including those involving higher amounts of damages. The outcome of any claims, investigations and proceedings is inherently uncertain, and in any event defending against these claims could be both costly and time consuming, and could significantly divert the efforts and resources of the Corporation's management and other personnel. An adverse determination in any such litigation or proceedings could cause the Corporation to pay damages as well as legal and other costs, limit the Corporation's ability to conduct business and change the manner in which the Corporation operates.

The Corporation may need additional capital but may not be able to obtain it on favorable terms or at all.

The Corporation may require additional cash resources due to future growth and development of the Corporation's business, including any investments or acquisitions the Corporation may decide to pursue. If the Corporation's cash resources are insufficient to satisfy the Corporation's cash requirements, the Corporation may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. The Corporation's ability to obtain external financing in the future is subject to a variety of uncertainties, including the Corporation's future financial condition, results of operations, cash flows and share price performance. In addition, incurring indebtedness would subject the Corporation to increased debt service obligations and could result in operating and financing covenants that would restrict the Corporation's operations. There can be no assurance that financing will be available in a timely manner or in amounts or on terms acceptable to it, or at all. Any failure to raise needed funds on terms favorable to the Corporation, or at all, could severely restrict the Corporation's liquidity as well as have a material adverse effect on the Corporation's business, financial condition and results of operations. Moreover, any issuance of equity or equity-linked securities could result in significant dilution to the Corporation's existing shareholders.

Risks Relating to the Offering

Our dual class share structure has the effect of concentrating voting control and the ability to influence corporate matters with Nerds On Site Holdings Ltd., a corporation controlled by Charles Regan, John Harbarenko and David Redekop.

Our Class B special shares have 10 votes per share and our Subordinate Voting Shares have one vote per share. Nerds On Site Holdings Ltd., the corporation controlled by our Chief Executive Officer and our founders, will hold all of our Class B special shares and will hold approximately 65% of the voting power of our outstanding voting shares following the Offering (assuming the maximum Offering, but no exercise of the Over-Allotment Option) and will therefore have significant influence over our management and affairs and over all matters requiring shareholder approval, including election of directors and significant corporate transactions. The concentrated voting control of Nerds On Site Holdings Ltd. will limit the ability of the holders of our Subordinate Voting Shares to influence corporate matters for the foreseeable future, including the election of directors as well as with respect to decisions regarding amendments of our share capital, creating and issuing additional classes of shares, making significant acquisitions, selling significant assets or parts of our business, merging with other companies and undertaking other significant transactions.

Each of our directors and officers owes a fiduciary duty to the Corporation and must act honestly and in good faith with a view to the best interests of the Corporation. However, any director and/or officer that is a shareholder, even a controlling shareholder, is entitled to vote its shares in its own interests, which may not always be in the interests of our shareholders generally. The concentration of voting power in Nerds On Site Holdings Ltd. may also have an adverse effect on the price of our Subordinate Voting Shares. Nerds On Site Holdings Ltd. may take actions that our other shareholders do not view as beneficial, which may adversely affect our results of operations and financial condition and cause the value of your investment to decline.

Listing of the Subordinate Voting Shares

The Corporation must rely on the CSE to list the Subordinate Voting Shares prior to the issuance of the Units on the Closing of the Offering and to otherwise proceed in such manner as may be required to result in the Subordinate Voting Shares being listed on the CSE at the time of their issuance on Closing. If the Subordinate Voting Shares are not listed on the CSE at the time of their issuance on the Closing of the Offering and the Corporation is not a "public corporation" at that time, the Subordinate Voting Shares will not be qualified investments for the Registered Plans at that time.

No Market for Securities

Although the Corporation has made application to list its Subordinate Voting Shares on the CSE, there is currently no market through which any of the Corporation's securities, including the Subordinate Voting Shares and Warrants may be sold and there is no assurance that the Subordinate Voting Shares will be listed for trading on the CSE, or any other stock exchange, or if listed, will provide a liquid market for such securities. Until the Subordinate Voting Shares are listed on a stock exchange, holders of Subordinate Voting Shares may not be able to sell their shares. Even if a listing is obtained, there can be no assurance that an active public market for the Corporation's Subordinate Voting Shares will develop or be sustained after completion of the Offering. The Offering Price determined by negotiation between the Corporation and the Agent was based upon several factors, and may bear no relationship to the price that will prevail in the public market. The holding of Subordinate Voting Shares and Warrants involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment.

Subordinate Voting Shares and Warrants should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Management has broad discretion to use the net proceeds from the Offering.

Management will have broad discretion concerning the use of the net proceeds of the Offering, as well as the timing of their expenditure. As a result, investors will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that investors may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the results of the Corporation's business and operations may suffer. See ''*Use of Proceeds*''.

The Corporation currently does not intend to pay cash dividends on its Subordinate Voting Shares.

The Corporation has not declared or paid any cash dividends on the Subordinate Voting Shares to date. The payment of dividends in the future, if any, is dependent on the Corporation's earnings, financial condition, capital requirements, business conditions, corporate law requirements and on such other factors as the Board considers appropriate. Unless and until the Corporation pays dividends, shareholders' ability to achieve a return on their investment will depend upon an appreciation in the price of the Subordinate Voting Shares.

AS A RESULT OF THESE RISK FACTORS, THE OFFERING IS SUITABLE ONLY FOR THOSE SUBSCRIBERS WHO ARE WILLING TO RELY ON THE MANAGEMENT OF THE CORPORATION AND WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT IN THE UNITS.

MATERIAL CONTRACTS

The only material contracts currently in force and effect which have been entered into by the Corporation or will be entered into prior to the Closing of this Offering are:

(a) the Agency Agreement;

(b) the Warrant Indenture;

(c) the Escrow Agreement; and

(d) the Coattail Agreement.

A copy of the material agreements may be examined by prospective Subscribers during normal business hours at the offices of Norton Rose Fulbright Canada LLP, legal counsel to the Corporation, 3700, 400 - 3rd Avenue S.W., Calgary, Alberta, Canada, T2P 4H2 during the period of distribution of the securities offered hereby.

INTERESTS OF MANAGEMENT IN MATERIAL TRANSACTIONS

Management of the Corporation is not aware of any material interest, direct or indirect, of any director or officer of the Corporation, any person beneficially owning, directly or indirectly, more than 10% of the Corporation's voting securities, or any associate or affiliate of such person in any transaction within the three years before the date of this prospectus that has materially affected or is reasonably expected to materially affect the issuer or a subsidiary of the issuer.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are MNP LLP, Chartered Accountants, of Toronto, Ontario. MNP LLP was first appointed as auditors of the Corporation on October 9, 2015.

The Corporation's transfer agent and registrar is TSX Trust Company at its principal offices in Calgary, Alberta.

EXPERTS

Certain legal matters relating to the issue and sale of Units offered hereby will be passed upon by Norton Rose Fulbright Canada LLP on behalf of the Corporation and by McLeod Law LLP on behalf of the Agent. As at the date hereof, the partners and associates of Norton Rose Fulbright Canada LLP, as a group, do not own any of the Subordinate Voting Shares. As at the date hereof, the partners and associates of McLeod Law LLP, as a group, do not own any of the Subordinate Voting Shares.

MNP LLP is independent of the Corporation pursuant to the rules of professional conduct of the Institute of Chartered Accountants of Alberta.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management of the Corporation is not aware of any legal proceedings or regulatory actions outstanding, threatened or pending as of the date hereof by or against the Corporation or relating to the business which would be material to a Subscriber of Units.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain provinces of Canada provides Subscribers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the legislation further provides a Subscriber with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the Subscriber, provided that such remedies for rescission or damages are exercised by the Subscriber within the time limit prescribed by the securities legislation of the Subscriber's province. The Subscriber should refer to any applicable provisions of the securities legislation of the Subscriber's province for the particulars of these rights or consult with a legal advisor.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the Warrant is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE CORPORATION

August 30, 2018

This prospectus (which includes the marketing materials included or incorporated by reference) constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of the provinces of British Columbia, Alberta and Ontario.

On behalf of Nerds on Site Inc.

Charles Regan Chief Executive Officer	Rakesh Malhotra Chief Financial Officer
(Signed) "*Charles Regan*"	(Signed) "*Rakesh Malhotra*"

On behalf of the Board

Eugene Konaryev Director	Kevin Ernst Director
(Signed) "*Eugene Konaryev*"	(Signed) "*Kevin Ernst*"

CERTIFICATE OF THE AGENT

August 30, 2018

To the best of our knowledge, information and belief, this prospectus (which includes the marketing materials included or incorporated by reference) constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of the provinces of British Columbia, Alberta and Ontario.

CANACCORD GENUITY CORP.

Per: (Signed) "*Jamie Brown*"

Name: Jamie Brown, CBV

Title: Vice Chairman, Managing Director
Investment Banking

CERTIFICATE OF THE PROMOTERS

August 30, 2018

This prospectus (which includes the marketing materials included or incorporated by reference) constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of the provinces of British Columbia, Alberta and Ontario.

(signed) "*John Harbarenko*"	(signed) "*David Redekop*"
John Harbarenko	David Redekop

APPENDIX A
FINANCIAL STATEMENTS

Nerds on Site Inc.

Financial Statements
For the Years Ended May 31, 2017 and 2016
(Expressed in Canadian Dollars)

Independent Auditors' Report

To the Shareholders of Nerds on Site Inc.:

We have audited the accompanying financial statements of Nerds on Site Inc., which comprise the statements of financial position as at May 31, 2017, May 31, 2016 and June 1, 2015, and the statements of loss and comprehensive loss, statement of changes in equity (deficiency), and cash flows for the years ended May 31, 2017 and 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of 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 financial statements based on our audits. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nerds on Site Inc. as at May 31, 2017, May 31, 2016 and June 1, 2015, and its financial performance and its cash flows for the years ended May 31, 2017 and May 31, 2016 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on Nerd on Site Inc.'s ability to continue as a going concern.

MNP LLP

Mississauga, Ontario
November 14, 2017

Chartered Professional Accountants
Licensed Public Accountants

Nerds on Site Inc.

Statements of Financial Position as at May 31, 2017, May 31, 2016 and June 1, 2015
(in Canadian dollars)

	May 31, 2017	May 31, 2016 (Note 16)	June 1, 2015 (Note 16)
ASSETS			
CURRENT			
Cash	$ 37,804	$ 67,595	$ 75,325
Restricted cash (Note 3)	29,546	726,440	1,000,000
Accounts receivable (net of allowances) (Note 5)	303,786	381,736	336,791
Due from related parties (Note 11)	-	1,343,364	-
Inventory (Note 6)	59,166	64,937	29,856
Prepaid expenses and other current assets	104,514	99,187	41,199
	534,816	2,683,259	1,483,171
NON-CURRENT			
Due from related parties (Note 11)	1,864,577	-	1,366,355
Intangible assets	63,069	63,069 -	- -
Property and equipment (Note 7)	43,591	22,720	28,013
	1,971,237	22,720	1,394,368
TOTAL ASSETS	**$ 2,506,053**	**$ 2,705,979**	**$ 2,877,539**
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
LIABILITIES			
CURRENT			
Accounts payable	$ 643,800	$ 750,069	$ 795,040
Accrued expenses	3,131	4,668	21,752
Due to a related party (Note 11)	-	111,585	142,520
Deferred revenue	260,944	186,079	52,675
Bank debt (Note 8)	252,391	189,207	240,430
Preferred shares (Note 10)	500,100	1,000,100	-
Dividend payable (Note 10)	24,167	-	-
Current portion of loans and capital leases payable (Note 9)	555,789	358,819	362,101
	2,240,322	2,600,527	1,614,518
NON-CURRENT			
Non-current portion of loans and capital leases payable (Note 9)	208,164	150,883	213,839
Due to a related party (Note 11)	124,096	-	-
Preferred shares (Note 10)	-	-	1,000,100
	332,260	150,883	1,213,939
TOTAL LIABILITIES	2,572,582	2,751,410	2,828,457
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Common stock (Note 10)	1,000	1,000	1,000
Contributed surplus	189,151	189,151	189,151
Accumulated deficit	(256,680)	(235,582)	(141,069)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)	(66,529)	(45,431)	49,082
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	**$ 2,506,053**	**$ 2,705,979**	**$ 2,877,539**

Statement of compliance and going concern (Note 2)
Commitment and contingencies (Note 14)

Approved on behalf of the Board

<Eugene Konarev>

Signed: Director

<David Redekop>

Signed: Director

The accompanying notes are an integral part of these financial statements

Nerds on Site Inc.

Statements of loss and comprehensive loss
For the years ended May 31, 2017 and 2016
(in Canadian dollars)

	2017	2016 (Note 16)
Revenue	$ 8,667,162	$ 9,016,014
Cost of revenue	(6,152,322)	(6,090,506)
Gross Profit	2,514,840	2,925,508
Expenses		
Selling, general and administrative	(2,421,808)	(2,942,415)
Depreciation of property and equipment (Note 7)	(11,699)	(10,573)
Total operating expenses	(2,433,507)	(2,952,988)
Operating profit (loss)	81,333	(27,480)
Interest expense	(78,264)	(67,630)
Dividend payable (Note 10)	(24,167)	-
Loss before income taxes	(21,098)	(95,110)
Provision for income taxes (Note 12)	-	597
Net loss and comprehensive loss	(21,098)	(94,513)
Loss per share - Basic and Diluted	$ (0.0004)	$ (0.0019)
Weighted average number of common shares outstanding - Basic and Diluted	49,995,000	49,995,000

The accompanying notes are an integral part of these financial statements

Nerds on Site Inc.

Statements of Changes in Equity (Deficiency)
For the years ended May 31, 2017 and 2016
(in Canadian dollars)

	Common stock								
	Shares*		Amount		Contributed surplus		Accumulated deficit (Note 16)		Total shareholders' equity (deficiency) (Note 16)
Balance as at June 1, 2015	**49,995,000**	$	**1,000**	$	**189,151**	$	**(141,069)**	$	**49,082**
Net loss for the year	-		-		-		(94,513)		(94,513)
Balance as at May 31, 2016	**49,995,000**	**$**	**1,000**	**$**	**189,151**	**$**	**(235,582)**	**$**	**(45,431)**
Net loss for the year	-		-		-		(21,098)		(21,098)
Balance as at May 31, 2017	**49,995,000**	**$**	**1,000**	**$**	**189,151**	**$**	**(256,680)**	**$**	**(66,529)**

* All references to common shares and per common share amounts have been retroactively adjusted to reflect the five-for-one forward stock split which was effective October 3, 2017, unless otherwise noted.

Nerds on Site Inc.

Statements of Cash Flows
For the years ended May 31, 2017 and 2016
(in Canadian dollars)

	2017	2016 (Note 16)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net loss	$ (21,098)	$ (94,513)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation (Note 7)	11,700	10,573
Changes in working capital:		
Accounts receivable	77,950	(44,945)
Inventory	5,770	(35,081)
Prepaid expenses and other assets	(5,324)	(57,988)
Accounts payable	(106,269)	(44,971)
Accrued expenses	(1,537)	(17,084)
Deferred revenue	74,865	133,404
Dividend payable (Note 10)	24,167	-
Net cash from (used in) operating activities	60,224	(150,605)
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash (Note 3)	696,894	273,560
Payments related to internally generated intangible asset	(63,069)	-
Payments for acquisition of property and equipment (Note 7)	(32,573)	(5,280)
Net cash flows from investing activities	601,252	268,280
CASH FLOWS (USED IN) FROM FINANCING ACTIVITIES		
(Repayments made on) advances from loans and capital leases payable	254,251	(66,238)
(Repayments made on) advances from bank debt	63,184	(51,223)
Payments due to (from) related parties	(508,702)	(7,944)
Redemption of Series A Preferred shares	(500,000)	-
Net cash flows used in financing activities	(691,267)	(125,405)
NET DECREASE IN CASH	(29,791)	(7,730)
CASH, beginning of year	67,595	75,325
CASH, end of year	**$ 37,804**	**$ 67,595**

The accompanying notes are an integral part of these financial statements

1. Nature of operations

Nerds on Site Inc. (the “Company”) was incorporated on June 26, 1996 pursuant to the Ontario Business Corporations Act and is engaged in the business of providing information technology services, hardware, software and related support agreements. The Company’s head office is located at 131 Wharncliffe Road South, London, Ontario, N6J 2K4.

2. Statement of Compliance and Going concern

The Company’s financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value as described in the accounting policies.

These financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material. It is not possible to predict whether the company will be able to raise adequate financing or to ultimately attain profit levels of operations. These conditions indicate the existence of material uncertainties that may cause significant doubt about the Company’s ability to continue as a going concern. Changes in future conditions could require material write downs of the carrying values.

The Company has not yet realized profitable operations and has incurred losses to date resulting in a cumulative deficit of $256,680 as at May 31, 2017 (2016 - $235,582, June 1, 2015 - $141,069). The recoverability of the carrying value of the assets and the Company’s continued existence is dependent upon the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities. As at May 31, 2017, the Company had current assets of $534,816 (2016- $2,683,259, June 1, 2015 - $1,483,171) to cover current liabilities of $2,240,322 (2016- $2,600,527, June 1, 2015 - $1,614,518).

These financial statements were approved by the Company’s board of directors on November 14, 2017.

3. Significant accounting policies

Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise noted.

Functional and presentation currencies

The Company’s functional currency is Canadian dollars and the Company’s presentation currency is also Canadian dollars.

3. Significant accounting policies (continued)

Use of estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenue, costs, expenses and other comprehensive loss that are reported in the financial statements and accompanying disclosures. The estimates and associated assumptions are based on historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Significant areas requiring the use of estimates and assumptions include the determination of useful lives of property and equipment, accounts receivable, valuation allowance and loans.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future period may be significant.

Property and equipment

Property and equipment are carried at historical cost less accumulated depreciation and any accumulated impairment losses. Each component of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Maintenance and repair expenditures that do not improve or extend the life are expensed in the period incurred.

Depreciation is recognized to write off the cost or valuation of assets (other than land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Estimated useful lives for the principal asset categories are as follows:

Computer hardware	3 - 5 years
Computer software	3 years
Furniture and fixtures	3 - 5 years
Vehicles	3 - 5 years
Websites	3 years

Research and development

Research costs are charged to profit or loss in the period in which they are incurred, net of related tax credits. Development costs are charged to profit or loss in the year they are incurred, net of related tax credits, unless they meet the capitalization criteria listed below:

- the technical feasibility of completing the intangible asset so it will be available for use or sale;
- the Company's intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits and ;
- the availability of resources to complete the asset; and
- the ability to measure reliably of the expenditure during development.

3. Significant accounting policies (continued)

Impairment of long-lived assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately.

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

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or other comprehensive income.

Current tax

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in profit or loss, comprehensive income or loss or in equity depending on the item to which the adjustment relates.

3. Significant accounting policies (continued)

Income taxes (continued)

Deferred tax assets are recognized to the extent future recovery is probable. At the end of each reporting period, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Unrecognized deferred tax assets are reviewed at each reporting date and are recorded to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Inventory

Inventory is stated at the lower of cost or net realizable value and valued on a specific identification cost basis.

Preferred shares

Preferred shares with mandatory redemption on a specific date are classified as liabilities. The dividends on these preferred shares are recognized in the statements of (loss) and comprehensive (loss) as interest expense.

Loss per share

Basic and diluted loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the period. The treasury stock method is used to calculate diluted Income (loss) per common share amounts. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of the diluted per common share amount assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In the Company's case, diluted loss per common share presented is the same as basic loss per common share as the Company has not issued any options or warrants.

Financial instruments

All financial instruments are initially recognized at fair value on the statements of financial position. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss ("FVTPL"), (2) loans and receivables, (3) financial assets available-for-sale, (4) financial assets held-to maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in the statements of (loss) and comprehensive (loss). Financial assets "available-for-sale" are subsequently measured at fair value with changes in fair value recognized in other comprehensive (loss), net of tax.

Financial assets "held-to-maturity", "loans and receivables", and "other financial liabilities" are subsequently measured at amortized cost using the effective interest method. The Company's financial assets and liabilities are recorded and measured as follows:

3. Significant accounting policies (continued)

Financial Instruments (continued)

Asset or Liability	Category	Measurement
Cash and restricted cash	FVTPL	Fair value
Accounts receivable and due from related parties	Loans and receivables	Amortized cost
Accounts payable, accrued expenses, due to a related party, bank debt, loans and capital leases payable and preferred shares	Other liabilities	Amortized cost

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:
- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets is directly reduced by the impairment loss. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Except for available for sale ("AFS") equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized; the previously recognized impairment loss is reversed through profit or loss.

3. Significant accounting policies (continued)

Impairment of financial assets (continued)

On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized

Foreign currency translation

Transactions in foreign currencies are initially translated into the functional currency using rates prevailing at the date of the transaction. Monetary assets and liabilities are translated using the exchange rates in effect at the end of the reporting period and non-monetary assets and liabilities at historical exchange rates. Revenue and expense items are translated using average exchange rates prevailing during the period. Foreign exchange gains and losses are included in profit or loss.

Revenue Recognition

The Company recognizes revenue at the time significant risk and rewards of ownership have been transferred to the customer or the services have been performed, the price is fixed or determinable, collectability is reasonably assured and costs incurred can be measured reliably. Amounts invoiced to customers, primarily deposits that do not meet the revenue recognition criteria are considered ‘deferred’ and are included with the company’s current liabilities for reporting purposes.

The Company’s revenue for the years ended May 31, 2017 and 2016 were principally derived from the following sources:

- Service fees charged for consulting services performed by the Company’s IT Consultants under written service contracts with customers. The service contracts the Company enters into, generally fall into three specific categories: time and materials, fixed-price and prepaid service agreements.

- Sale of off the shelf software, hardware and related support which are specifically charged on the Company’s invoices. Software, hardware and related service are part of what the Company provides to small and medium size enterprises when providing consulting. Software, hardware and related service items are priced and billed separately from IT service charges.

- The Company’s customers may also be charged miscellaneous fees, including software licensing fees, shipping fees, cloud storage fees, web hosting fees and fees for other miscellaneous services.

Revenue is recorded after the recognition criteria mentioned above have been met.

<u>Service fees for consulting services</u>

When a customer enters into a time and materials, fixed-price or a prepaid service contract, the Company recognizes revenue in accordance with the Company’s evaluation of the deliverables in each contract. If the deliverables represent separate units of accounting, the Company then measures and allocates the consideration from the arrangement to the separate units, based on reliable evidence of fair value for each deliverable. Units of accounting from deliverables include specific objectives delineated in the service contract.

Revenue under time and materials contracts is recognized as services are rendered and billed at contractually agreed upon rates. Most contracts are short in duration and revenue recognized on delivery.

3. Significant accounting policies (continued)

Revenue recognition (continued)

If the Company's initial estimates of the resources required or the scope of work to be performed on a fixed-price contract are inaccurate, or the Company does not manage the project properly within the planned time period, a provision for estimated losses on incomplete projects is made. Any known or probable losses on projects are charged to operations in the period in which such losses are determined. Management reviews the estimated total direct costs on each contract to determine if the estimated amounts are accurate, and estimates are adjusted as needed in the period revised estimates are made. No losses were recognized on fixed-price contracts during the years ended May 31, 2017 and 2016.

The Company also performs services on a periodic retainer basis under infrastructure service contracts, which include monthly web hosting and support services. Revenue under periodic retainer-based contracts is recognized rateably over the contract period, as outlined within the respective contract. In the event additional services are required, above the minimum retained or contracted amount, then such services are billed on a time and materials basis. Customer prepayments, even if non-refundable, are deferred (classified as deferred revenue) and recognized over future periods as services are performed.

Restricted cash

In connection with the sale of Series A preferred and common share issuance on January 27, 2015, the Company has segregated the proceeds from this transaction pursuant to agreement that $1,000,000 of the funds are restricted for the short- term needs of the Company in 2017 while the rest of the funds may be used for accounting, auditing, legal, consulting and other costs directly related to gaining a listing.

Future accounting pronouncements

Standards issued but not yet effective up to the date of issuance of these financial statements are listed below. This list is of standards and interpretations issued that the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

Amendments to IFRS 7, Financial Instruments: Disclosures ("IFRS 7"). The Company will be required to adopt amendments to IFRS 7, requiring increased disclosure regarding derecognition of financial assets and the continuing involvement accounting for annual periods beginning on or after December 1, 2016. Management is currently evaluating the potential impact, if any, that the adoption of IFRS 7 will have on the Company's financial statements.

IFRS 9, Financial Instruments, ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective as at January 1, 2018. Management is currently evaluating the potential impact, if any, that the adoption of IFRS 9 will have on the Company's financial statements.

3. Significant accounting policies (continued)

Future accounting pronouncements (continued)

IFRS 15, Revenue from Contracts and Customers ("IFRS 15") was issued by the IASB on May 28, 2014, and will replace IAS 18, revenue, IAS 11, construction contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. Management is currently evaluating the potential impact, if any, that the adoption of IFRS 15 will have on the Company's financial statements.

IFRS 16, Leases ("IFRS 16") was issued by the IASB on January 13, 2016. The Company will be required to adopt IFRS 16 in its financial statements for the annual period beginning on December 1, 2019. The new standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Management is currently evaluating the potential impact, if any, that the adoption of IFRS 16 will have on the Company's financial statements.

4. Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical areas of estimation and judgements in applying accounting policies include the following:

Going concern

These financial statements have been prepared in accordance with IFRS on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment in determining assumptions for cash flow projections, such as anticipated financing, anticipated sales and future commitments to assess the Company's ability to continue as a going concern. A critical judgment is that the Company continues to raise funds going forward and satisfy their obligations as they become due.

4. Critical accounting judgments and key sources of estimation uncertainty (continued)

Useful lives of property and equipment

As described in Note 3, the Company reviews the estimated useful lives of property and equipment with definite useful lives at the end of each year and assesses whether the useful lives of certain items should be shortened or extended, due to various factors including technology, competition and revised service offerings. During the year ended May 31, 2017 and May 31, 2016, the Company was not required to adjust the useful lives of any assets based on the factors described above.

Deferred income taxes

The calculation of deferred income taxes is based on assumptions which are subject to uncertainty as to timing and which tax rates are expected to apply when temporary differences reverse. Deferred tax recorded is also subject to uncertainty regarding the magnitude of non-capital losses available for carry forward and of the balances in various tax pools. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements from changes in such estimates in future period could be material. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets are reviewed at each statement of financial position date and adjusted to the extent that it is no longer probable that the related tax benefit will be realized.

Accounts Receivable

Receivables are stated net of allowance for doubtful accounts of $nil, $nil and $273,000 for May 31, 2017, 2016 and June 1, 2015, respectively. The Company estimates an allowance based on experience with its service providers and judgment as to the likelihood of their ultimate payment. The Company also consider collection experience and make estimates regarding collectability based on trends in the customers' aging.

5. Accounts receivable

Accounts receivable consist of amounts due from customers receiving IT consulting services and equipment. Total net accounts receivable amounted to $303,786, $381,736 and $336,791 at May 31, 2017, 2016 and June 1, 2015, respectively. Allowances for bad debts of $nil, $nil and $273,000 were recorded and recognized as at May 31, 2017, May 31, 2016 and June 1, 2015, respectively.

The Company monitors all accounts receivable and transactions on a monthly basis to ensure collectability and the adequacy of loss provisions. Considerations include payment history, business volume history, financial statements of customers, projections of customers and other standard credit review documentation.

6. Inventory

The Company had $59,166, $64,937 and $29,856 of finished goods inventory purchased for resale as at May 31, 2017, May 31, 2016, and June 1, 2015 respectively. The value of the inventory is equivalent to lower of cost or market value as of the reporting dates above.

(in Canadian dollars)

7. Property and equipment

The following is a roll-forward of property and equipment as at May 31, 2017, 2016 and June 1, 2015:

	Computer Hardware	Computer Software	Furniture and Fixtures	Vehicles	Websites	Total
Cost						
Balance as at June 1, 2015	$ 52,392	$ 15,684	$ 15,000	$ 320,743	$ 1,250	$ 405,069
Additions	5,280	-	-	-	-	5,280
Balance as at May 31, 2016	57,672	15,684	15,000	320,743	1,250	410,349
Additions	4,051	-	-	28,520	-	32,571
Balance as at May 31, 2017	**$ 61,723**	**$ 15,684**	**$ 15,000**	**$ 349,263**	**$ 1,250**	**$ 442,920**
Accumulated Depreciation						
Balance as at June 1, 2015	$ 46,298	$ 14,364	$ 15,000	$ 300,561	$ 833	$ 377,056
Depreciation	3,791	1,320	-	5,045	417	10,573
Balance as at May 31, 2016	50,089	15,684	15,000	305,606	1,250	387,629
Depreciation	2,881	-	-	8,819	-	11,700
Balance as at May 31, 2017	**$ 52,970**	**$ 15,684**	**$ 15,000**	**$ 314,425**	**$ 1,250**	**$ 399,329**
Net Carrying Amounts						
As at June 1, 2015	$ 6,094	$ 1,320	$ -	$ 20,182	$ 417	$ 28,013
As at May 31, 2016	$ 7,583	$ -	$ -	$ 15,137	$ -	$ 22,720
As at May 31, 2017	$ 8,753	$ -	$ -	$ 34,838	$ -	$ 43,591

As at May 31, 2017, the cost and accumulated depreciation of the vehicles under capital lease was $89,074 and $69,868, respectively (2016: $63,763 and $39,737- 2015: $60,626 and $36,943).

8. Bank debt

The Company has a revolving line of credit from Toronto-Dominion Bank ("TD Bank") available for up to $175,000 in order to fund working capital. Interest is charged at TD Bank Prime rate plus 2.25% and repayment is due on demand. In 2017, total interest expense recorded under selling, general and administrative expenses was $ 7,769 (2016: $7,629). The operating line is secured by a general security agreement, assignment of insurance, unlimited guarantee advances executed by the Company and postponement of assignments of creditors' claims.

Balance outstanding was $252,391, $189,207 and $240,430 at May 31, 2017, 2016 and June 1, 2015, respectively, presented as current liability on the statements of financial position.

(in Canadian dollars)

9. Loans and capital leases payable

The carrying values of loans and capital leases payable were as follows:

	May 31, 2017	May 31, 2016	June 1, 2015
Current portion			
Balloon loans payable	$ **300,000**	$ 300,000	$ 300,000
BDC Loans	**54,960**	58,726	54,961
Thinking Capital	**187,760**	-	-
Capital leases	**13,069**	93	7,140
	555,789	358,819	362,101
Non-current portion			
BDC Loans	**176,220**	131,179	186,139
Capital leases	**31,944**	19,704	27,700
	208,164	150,883	213,839
	$ **763,953**	$ 509,702	$ 575,940

Balloon loans payable consist of a $250,000 balloon loan with an original annual interest rate of 25% and maturity date of July 31, 2012 and amended in 2012 to 16% annual interest rate due February 28, 2017. Interest is paid monthly with payments of approximately $3,333. A single balloon payment is due at the end of the term for the principal balance and any unpaid interest.

The Company has a second balloon loan payable for $50,000 with an original annual interest rate of 12% and maturity date of August 1, 2012 and amended in 2012 to 14% interest rate due December 31, 2016. Monthly interest payments are approximately $583.

The Company entered into a loan agreement with Thinking Capital on March 28, 2017 for $225,000. The loan has no maturity and is payable through 9% of daily debit and credit card sales until the principal amount has been paid. The Company expects to pay this amount over the next year and has classified the loan as a current liability.

BDC loans payable were obtained on December 2014 for the two principal amounts of $150,000 and $100,000 with interests charged at BDC floating base rate plus 3.5% and 1% or 8.2% and 5.7%, respectively, and principal plus interest repayable monthly until the years 2020 and 2019, respectively. The BDC loans are secured by a guarantee for a full outstanding amount of the loans and first security interest in all present and after-acquired property except consumer goods, subject only to priority on inventory and receivables to lender extending the line of credit.

Interest expense incurred for the years ended May 31, 2017 and 2016 were $78,264 and $67,630. respectively.

(in Canadian dollars)

9. Loans and capital leases payable (continued)

The aggregate amount of principal payments required in each of the next 5 years to meet the retirement provisions of loans and capital leases payable are as follows:

	May 31, 2017	
Fiscal year	Principal	Interest
2018	$ 555,789	$ 65,514
2019	66,280	61,033
2020	57,668	56,618
2021	24,733	53,980
2022	22,964	53,806
thereafter	36,520	-
	$ 763,953	$ 290,951

10. Preferred shares liability and Common stock

On June 25, 1996, the Company issued 1,550 founder shares to three founding stockholders. Effective with a stock split on January 27, 2015 of 5,031 to 1, the 1,550 shares were adjusted to 7,800,000 common shares outstanding. Effective with stock split on October 3, 2017, these 7,800,000 common shares outstanding were further adjusted to 39,000,000 common shares outstanding. Historical amounts have been adjusted to reflect the stock split.

On February 20, 2013, the Company issued, on a split adjusted basis, 1,199,000 shares of common stock to two consultants in exchange for consulting services to execute certain capital market transactions. Effective with stock split on October 3, 2017, these 1,199,000 common shares outstanding are adjusted to 5,995,000 common shares outstanding. The shares were valued based on the value of services provided and the Company recorded a charge of $191,859 recorded over three years (2013 - 2015) based on term of services provided.

On January 27, 2015, the Company issued 1,000,000 shares of Class B Preferred shares to the three founding shareholders. Each Class B Preferred share is entitled to 10 votes per share. Proceeds to the Company were $nil. Class B Shares were issued to provide the founders with 10 votes per share, do not entitle the holders to interest, dividends, and do not provide assets rights in the event of a liquidation of the Company.

On January 27, 2015, the Company issued 1,000,000 Class A Preferred shares and 1,000,000 Common shares to a certain investor in exchange for $1,000,000. Effective with stock split on October 3, 2017, these 1,000,000 common shares outstanding are adjusted to 5,000,000 common shares outstanding. The Class A shares are non-voting, and entitle the holder to cumulative dividends at a rate of 7.25% per year, paid quarterly, beginning June 30, 2016 and are redeemable upon given notice at any time, the whole or from time to time any part of the outstanding shares, by the Company from the date of issuance in cash for $1 per share together with an amount equal to all dividends accrued and remaining unpaid. The shares are redeemable any time by the shareholder, with 30 days-notice, starting from June 30, 2016. The Class A Preferred shares are not convertible but do have priority in event of liquidation. Preferred shares do not meet the criteria for equity classification due to the cash redemption feature, and have therefore been recorded as a liability. During the year ended May 30, 2017, the Company redeemed $500,000 of the said preference shares.

(in Canadian dollars)

10. Preferred shares liability and Common stock (continued)

As at May 31, 2017, 2016 and June 1, 2015, the Company had the following number of shares outstanding post- split adjustment:

Description	May 31, 2017	May 31, 2016	June 1, 2015
Common A Shares	49,995,000	49,995,000	49,995,00
Class A Preferred Shares	500,000	1,000,000	1,000,000
Class B Preferred Shares	1,000,000	1,000,000	1,000,000

11. Related party balances and transactions

Amounts due from related parties as at May 31, 2017, 2016 and June 1, 2015 included the following. The origin of these related party receivables was to provide start-up costs and cash flow for start-up operations.

		May 31, 2017	May 31, 2016		June 1, 2015
Ready Aim Fire Enterprising Inc. (a)	$	706,758	508,277	$	650,000
Nerds On-Site South Africa (b)		328,459	145,593		288,938
DNSthingy Inc. (a)		662,909	433,252		212,258
Nerds On-Site Australia PTY Ltd. (b)		-	192,389		190,591
Other related parties (b)		166,451	63,853		24,568
	$	1,864,577	1,343,364	$	1,366,355

(a) via same key management personnel
(b) by virtue of common control
(a) and (b) these are due upon demandable and interest-free

The Company had an outstanding payable of $124,096 as at May 31, 2017 (2016: $111,585 - 2015: $142,520) to Nerds On-Site, Inc., Michigan, a related company by virtue of common control, for working capital advances made to the Company. There is no formal repayment plan and the Company repays Nerds On-Site, Inc., Michigan as cash flow permits. As of November 9, 2017, The Company has obtained confirmation that Nerds On-Site, Inc., Michigan will not be requesting payment during the year ended May 31, 2018 and has classified the amounts as a long-term liability.

Key management personnel are comprised of the Company's directors and executive officers. In addition to their salaries, key management personnel also receive share-based compensation. Key management personnel compensation is as follows:

		For the year ended May 31, 2017		For the year ended May 31,2016
Salaries and benefits, including bonuses	$	208,110	$	275,595
Total	$	208,110	$	275,595

(in Canadian dollars)

12. Income taxes

The Company has operations in Canada only and the Company pays income taxes according to the Canadian Income Tax Act. As at May 31, 2017 and 2016, there was no deferred tax asset or liability recognized.

The Company's income tax (recovery) expense is determined as follows:

		2017		2016
Statutory income tax rate		**26.50%**		26.50%
Loss before income taxes	**$**	**(21,098)**	$	(95,110)
Loss before income taxes at statutory income tax rate	**$**	**(5,591)**	$	(25,204)
Decrease in income taxes:				
Non-deductible expenses		**6,487**		7,217
Other adjustments		**(824)**		-
Change in valuation allowance		**(72)**		18,584
	$	**-**	$	597

The temporary differences that give rise to the deferred tax asset or deferred tax liability at the substantively enacted tax rate of 26.5% (2016 – 26.5%) are as follows:

		2017		2016
Deferred tax				
Non-capital losses carried-forward	**$**	**377,397**	$	148,684
Property and equipment with computer software		**-**		10,781
Capital Lease Obligation		**45,014**		-
Valuation allowance		**(422,411)**		(159,465)
Net deferred tax asset (liability)	**$**	**-**	$	-

The deferred tax asset has not been recognized in respect of these items because it is more likely than not that future taxable profit will not be available against which the Company can utilize benefits.

As at May 31, 2017, the Company's Canadian non-capital losses of $395,615 that will expire from 2035 through 2036. The remaining deferred tax assets will carry forward indefinitely.

13. Segment information

The Company has a single reportable segment for mobile IT consulting services.

The Company provides mobile IT support for various businesses including PC set up, network installation and support & tailored software services. The Company uses a specially trained network of technically proficient IT consultants to help clients on site by providing effective, consistent and customized IT solutions.

14. Commitments and contingencies

Rental expense is recorded on a straight-line basis over the lease term. The Company currently leases approximately 2,900 square feet of office space in London, Ontario Canada, where it conducts all central administration and strategic leadership operations. Annual rent is $32,355. The current lease term expires in 2020 and this facility is adequate for the company current and projected needs. The total minimum lease payments as at May 31, 2017 until 2020 is $97,063.

15. Financial instruments and risk management

Risk management

In the normal course of its business, the Company is exposed to a number of financial risks that can affect its operating performance. These risks, and the actions taken to manage them, are as noted below.

Interest rate

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. The Company does not believe that the results of operations or cash flows would be affected to any significant degree by a sudden change in market interest rates, relative to interest rates on cash and cash equivalents and bank debt due to the short-term nature of these balances and the loans and capital leases payable due to the Company's current borrowing rate does not materially differ from market rates for similar bank borrowings.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. For financial assets, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. In the normal course of business, the Company's trade accounts receivable are potentially exposed to credit risk from its customers. To mitigate this risk the Company provides an allowance for doubtful accounts equal to the estimated losses expected to be incurred in the collection of accounts receivable.

Currency risk

The Company's functional currency and its reporting currencies are both in Canadian dollars. The Company has negligible transactions in currencies other than Canadian dollars and as such has limited exposure to risk of currency gains or losses.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty raising liquid funds to meet commitments as they fall due. In meeting its liquidity requirements, the Company closely monitors its forecasted cash requirements with expected cash drawdown.

The Company had no current commitment for capital expenditures as at May 31, 2017. Accounts payables, accrued liabilities, due to a related party and bank debt are due within the next 12 months. Dividends on preferred shares paid quarterly beginning June 30, 2016 (see Note 10). Loans and capital leases payable are due on 2019 and 2020, and are payable monthly principal plus interest, until their maturity date (see Note 9).

16. First-time adoption of IFRS

The Company's significant accounting policies as presented in Note 3, Significant accounting policies, have been applied in preparing the financial statements for the year ended May 31 2017, the comparative information for the year ended May 31, 2016 and the opening statement of financial position as at June 1, 2015.

The Company has applied IFRS 1 – First-time Adoption of IFRS in preparing the statement of financial position as at June 1, 2015. The effects of the changeover to IFRS on equity and profit and comprehensive income are presented in this note.

Prior to June 1, 2015, the Company's financial statements were prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP").

Exemptions applied

IFRS 1 sets forth guidance for the initial adoption of IFRS. Under IFRS 1, the standards are applied retrospectively at the opening statement of financial position date with all adjustments to assets and liabilities taken to retained earnings unless certain exemptions are applied. The Company has applied the following exemptions to its opening statement of financial position as at June 1, 2015:

(a) *Leases*

IAS 17 – Leases discussed the new treatment of leases and the new criteria to determine whether they are operating or finance in nature. Furthermore, IFRIC 4 – Determining Whether An Arrangement Contains a Lease provides guidance to first-time adopters as to how to determine whether certain arrangement contain a lease portion to it. First-time adoption of IFRS requires applying IAS 17 by determining (i) whether an arrangement contains a lease (IFRIC 4), and (ii) whether that lease is a finance or operating lease. The Company has taken the IFRS 1 election and will treat the application provisions prospectively.

Mandatory exceptions

IFRS 1 also outlines specific guidelines that a first-time adopter must adhere to under certain circumstances. The Company has applied the following guidelines to its opening statement of financial position as at June 1, 2015:

(a) *Estimates*

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under US GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of June 1, 2015 are consistent with its US GAAP estimates for the same date.

(b) *Deemed cost*

The Company elected not to use fair value as deemed cost as at June 1, 2015 for property and equipment.

(in Canadian dollars)

16. First-time adoption of IFRS (continued)

Reconciliation of equity

Total equity (deficiency) at June 1, 2015 and May 31, 2016 under US GAAP is reconciled below to the amount reported under IFRS. All amounts are after tax.

	May 31, 2016	June 1, 2015
Total equity (deficiency) as reported under US GAAP	$ (45,431)	$ 49,082
Adjustments	-	-
Total equity (deficiency) as reported under IFRS	$ (45,431)	$ 49,082

Reconciliation of loss and comprehensive loss

Loss and comprehensive loss for the year ended May 31, 2016 under US GAAP is reconciled below to the amount reported under IFRS. All amounts are after tax.

	May 31, 2016
Total loss and comprehensive loss as reported under US GAAP	$ (94,513)
Adjustments	-
Total loss and comprehensive loss as reported under IFRS	$ (94,513)

The Company's adoption of IFRS did not have a material impact on the total operating, investing or financing cash flows for the year ended May 31, 2016.

17. Change in presentation currency

For comparative purposes, the statements of financial position as at May 31, 2016 and June 1, 2015 includes adjustments to reflect the change in accounting policy resulting from the change in presentation currency to the Canadian Dollar. The amounts previously reported in U.S Dollars as shown below have been translated into Canadian Dollars at May 31, 2016 and June 1, 2015. The effect of the translation is as follows:

As at May 31, 2016

	Previously reported (US$)	Translated (CAD$)
Current assets	$ 2,031,460	$ 2,683,259
Non-current assets	17,345	22,720
Total assets	2,048,805	2,705,979
Current Liabilities	$ 2,023,401	$ 2,600,527
Non-current liabilities	115,185	150,883
Total liabilities	2,138,586	2,751,410
Accumulated other comprehensive loss	$ (81,846)	$ -
Accumulated deficit	(198,086)	(235,582)
Total shareholders' equity (deficiency)	(89,871)	(45,431)

As at June 1, 2015

	Previously reported (US$)	Translated (CAD$)
Current assets	$ 1,190,839	$ 1,483,171
Non-current assets	1,118,876	1,394,368
Total assets	2,309,715	2,877,539
Current Liabilities	$ 1,295,631	$ 1,614,518
Non-current liabilities	974,391	1,213,939
Total liabilities	2,270,022	2,828,457
Accumulated other comprehensive loss	$ (23,995)	$ -
Accumulated deficit	(126,463)	(141,069)
Total shareholders' equity (deficiency)	$ 39,693	$ 49,082

(in Canadian dollars)

17. Change in presentation currency (continued)

For the year ended May 31, 2016

	Previously reported (US$)	Translated (CAD$)
Revenue	$ 6,832,335	$ 9,016,014
Cost of Revenue	(4,615,385)	(6,090,506)
Gross Profit	2,216,950	2,925,508
Selling, general and administrative	$ (2,229,763)	$ (2,942,415)
Depreciation of property and equipment	(8,012)	(10,573)
Total operating expenses	(2,237,775)	(2,952,988)
Operating loss	(20,825)	(27,480)
Interest expense	(51,250)	(67,630)
Loss before income taxes	$ (72,075)	$ (95,110)
Provision for income taxes	452	597
Net loss	(71,623)	(94,513)
Foreign currency translation adjustment	(57,851)	-
Total comprehensive loss	$ (129,474)	$ (94,513)

18. Subsequent events

On October 3, 2017, the Company approved a forward stock split of five for one (5:1) of the Company's total issued and outstanding shares of common stock (the “Stock Split”). Prior to stock split, the Company had 9,999,000 shares of common stock issued and outstanding. Post stock split the Company now has 49,995,000 shares of common stock. All references to common shares and per common share amounts have been retroactively adjusted to reflect the five-for-one forward stock split, unless otherwise noted.

On November 3, 2017, the Company incorporated a wholly owned subsidiary in Ontario, Canada “NOS Blockchain Inc.” As of the date of this report, there were no financial assets or liabilities, nor any revenue or expenses recorded in the said subsidiary.

Nerds on Site Inc.

Condensed interim financial statements

For the three and nine months ended February 28, 2018 and 2017

(Unaudited - expressed in Canadian Dollars)

NERDS ON SITE INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED FEBRUARY 28, 2018 AND 2017

(Unaudited - Amounts expressed in Canadian Dollars)

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Nerds on Site Inc.

Condensed interim statements of financial position as at February 28, 2018 and May 31, 2017
(Unaudited – expressed in Canadian dollars)

		February 28, 2018 (unaudited)		May 31, 2017 (audited)
ASSETS				
CURRENT				
Cash	$	1,922,920	$	37,804
Restricted cash		2,286		29,546
Accounts receivable (net of allowances) (Note 4)		175,114		303,786
Inventory		88,622		59,166
Deferred finance costs (Note 15)		163,000		-
Prepaid expenses and other current assets		108,308		104,514
		2,460,250		534,816
NON-CURRENT				
Due from related parties (Note 9)		2,250,255		1,864,577
Intangible assets (Note 14)		81,531		63,069
Property and equipment (Note 5)		54,419		43,591
		2,386,205		1,971,237
TOTAL ASSETS	**$**	**4,846,455**	**$**	**2,506,053**
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
LIABILITIES				
CURRENT				
Accounts payable (Note 13)	$	876,694	$	643,800
Accrued expenses		-		3,131
Deferred revenue		290,817		260,944
Bank debt (Note 6)		262,092		252,391
Preferred shares (Note 8)		470,100		500,100
Dividend payable		51,354		24,167
Convertible debentures (Note 11)		2,378,444		-
Derivative liability (Note 11)		439,185		-
Due to a related party (Note 9)		246,982		-
Current portion of loans and capital leases payable (Note 7)		426,299		555,789
		5,441,967		2,240,322
NON-CURRENT				
Non-current portion of loans and capital leases payable (Note 7)		164,576		208,164
Due to a related party (Note 9)		104,622		124,096
		269,198		332,260
TOTAL LIABILITIES		5,711,165		2,572,582
SHAREHOLDERS' DEFICIENCY				
Common stock (Note 8)		8,800		1,000
Reserve for warrants (Note 11)		72,664		-
Contributed surplus		406,351		189,151
Accumulated deficit		(1,352,525)		(256,680)
TOTAL SHAREHOLDERS' DEFICIENCY		(864,710)		(66,529)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	**$**	**4,846,455**	**$**	**2,506,053**

Statement of compliance and going concern (Note 2)
Commitment and contingencies (Note 10)
Subsequent event (Note 17)

Approved on behalf of the Board

<Eugene Konarev>
Signed: Director

<David Redekop>
Signed: Director

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

Nerds on Site Inc.

Condensed interim statements of loss and comprehensive loss
For the three and nine months ended February 28, 2018 and 2017

	For the three months ended February 28, 2018 $	For the three months ended February 28, 2017 $	For the nine months ended February 28, 2018 $	For the nine months ended February 28, 2017 $
Revenue (Note 9)	1,921,478	2,107,987	6,135,515	6,360,094
Cost of revenue	(1,451,000)	(1,589,532)	(4,514,287)	(4,586,533)
Gross profit	470,478	518,455	1,621,228	1,773,561
Expenses:				
Selling, general and administrative (Notes 9 and 12)	(606,288)	(571,590)	(2,330,353)	(1,812,625)
Depreciation of property and equipment (Note 5)	(6,033)	(6,030)	(18,099)	(14,415)
Total operating expenses	(612,321)	(577,620)	(2,348,452)	(1,827,040)
Operating loss	(141,843)	(59,165)	(727,224)	(53,479)
Interest expense (Note 7)	(176,227)	(18,153)	(320,818)	(49,635)
Amortization of deferred financing costs	(54,695)	-	(71,361)	-
Change in fair value of derivative liabilities (Note 11)	39,610	-	50,746	-
Dividends (Note 10)	(9,063)	(9,063)	(27,188)	(24,166)
Loss before income taxes	(342,218)	(86,381)	(1,095,845)	(127,280)
Provision for income taxes	-	-	-	-
Net loss and comprehensive loss	(342,218)	(86,381)	(1,095,845)	(127,280)
Loss per share - basic and diluted	(0.0061)	(0.0017)	(0.0210)	(0.0025)
Weighted average number of common shares outstanding-Basic and Diluted	56,378,333	49,995,000	52,124,670	49,995,000

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

Nerds on Site Inc.

Condensed interim statements of changes in shareholders' deficiency
For the nine months ended February 28, 2018 and 2017
(in Canadian dollars)
(unaudited)

	Common stock					
	Shares* #	Amount $	Warrants reserve $	Contributed surplus $	Accumulated deficit $	Total $
Balance as at May 31, 2016	**49,995,000**	**$1,000**	**-**	**$189,151**	**(235,582)**	**$(45,431)**
Net loss for the period	-	-		-	(127,280)	(127,280)
Balance as at February 28, 2017	**49,995,000**	**1,000**	**-**	**189,151**	**(362,862)**	**(172,711)**
Balance as at May 31, 2017	**49,995,000**	**1,000**	**-**	**189,151**	**(256,680)**	**(66,529)**
Fair value of agent warrants			**72,664**			**72,664**
Common shares issued to settle debt (Note 8)	**200,000**	**200**	**-**	**49,800**	**-**	**50,000**
Issuance of common Shares for cash (Note 8)	**100,000**	**100**	**-**	**24,900**		**25,000**
Common shares issued for services to a related party (Note 8)	**7,500,000**	**7,500**	**-**	**142,500**	**-**	**150,000**
Net loss for the period	-	-		-	(1,095,845)	(1,095,845)
Balance as of February 28, 2018	**57,795,000**	**8,800**	**72,664**	**406,351**	**(1,352,525)**	**(864,710)**

* All references to common shares and per common share amounts have been retroactively adjusted to reflect the five-for-one forward stock split which was effective October 3, 2017, unless otherwise noted.

Nerds on Site Inc.

Condensed interim statements of cash flows
For the nine months ended February 28, 2018 and 2017
(in Canadian dollars)
(Unaudited)

	2018	2017
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net loss	$ (1,095,845)	$ (127,280)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation (Note 7)	18,099	14,415
Loss on sale of property and equipment	1,091	-
Amortization of deferred financing costs	71,361	-
Broker warrants cost expensed	45,844	-
Issue of shares in settlement of debt**	150,000	-
Accretion expense (Note 11)	158,334	-
Change in fair value of derivative liabilities	(50,746)	-
Changes in working capital:		
Accounts receivable	128,672	106,468
Inventory	(29,456)	(24,790)
Prepaid expenses and other assets	(3,794)	(8,505)
Accounts payable	232,893	(83,245)
Accrued expenses	(3,131)	(29)
Deferred financing costs	(163,000)	-
Deferred revenue	29,873	195,095
Dividend payable (Note 10)	27,188	24,166
Net cash from (used in) operating activities	(482,617)	96,295
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash (Note 3)	27,260	696,894
Payments related to intangible assets	(18,462)	(40,701)
Proceeds from the sale of property and equipment (Note 7)	9,000	-
Payments for acquisition of property and equipment (Note 7)	(39,018)	(32,571)
Net cash from (used in) investing activities	(21,220)	623,622
CASH FLOWS (USED IN) FROM FINANCING ACTIVITIES		
(Repayments made on) advances from loans and capital leases payable*	(123,078)	(16,612)
(Repayments made on) advances from bank debt	9,701	50,402
Payments due to (from) related parties	(158,170)	(230,752)
Proceeds received from convertible debt net of issuance costs	2,665,500	-
Proceeds from issuance of common shares	25,000	-
Redemption of Series A Preferred share	(30,000)	(500,000)
Net cash flows from (used in) financing activities	2,388,953	(696,962)
NET INCREASE IN CASH	1,885,116	22,955
CASH, beginning of period	37,804	67,595
CASH, end of period	**$ 1,922,920**	**$ 90,550**

Non- cash items:

*On November 8, 2017, the Company settled a debt for $50,000 by issuance of 200,000 common shares.

**On December 18, 2017, the Company issued 7,500,000 shares for $150,000 payment owed to a related party for services

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

1. Nature of operations

Nerds on Site Inc. (the "Company") was incorporated on June 26, 1997 pursuant to the Ontario Business Corporations Act and is engaged in the business of providing information technology services, hardware, software and related support agreements. The Company's head office is located at 131 Wharncliffe Road South, London, Ontario, N6J 2K4.

2. Statement of Compliance and Going concern

These condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last audited financial statements as at and for the year ended May 31, 2017.

The Company's condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value as described in the accounting policies.

These condensed interim financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed unaudited interim financial statements. Such adjustments could be material. It is not possible to predict whether the company will be able to raise adequate financing or to ultimately attain profit levels of operations. These conditions indicate the existence of material uncertainties that may cause significant doubt about the Company's ability to continue as a going concern. Changes in future conditions could require material write downs of the carrying values.

The Company has incurred losses to date resulting in a cumulative deficit of $1,352,525 as at February 28, 2018 (May 31, 2017 – $256,680). The recoverability of the carrying value of the assets and the Company's continued existence is dependent upon the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities. As at February 28, 2018, the Company had current assets of $2,460,250 (May 31, 2017 - $534,816) to cover current liabilities of $5,441,967 (May 31, 2017 – $2,240,322).

These condensed interim financial statements were authorized for issue by the Board of Directors on June 20, 2018.

The policies applied in these condensed interim financial statements follow the same accounting policies and methods of application as our most recent annual financial statements. Accordingly, these should be read in conjunction with our audited financial statements for the year ended May 31, 2017.

Functional and presentation currencies

These condensed interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company. All financial information is expressed in Canadian dollars unless otherwise stated.

3. Significant accounting policies

Use of estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenue, costs, expenses and other comprehensive loss that are reported in the financial statements and accompanying disclosures. The estimates and associated assumptions are based on historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Significant areas requiring the use of estimates and assumptions include the determination of useful lives of property and equipment, accounts receivable, valuation allowance and loans.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future period may be significant.

Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise noted.

Preferred shares

Preferred shares with mandatory redemption on a specific date are classified as liabilities. The dividends on these preferred shares are recognized in the condensed interim statements of loss and comprehensive loss as interest expense.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

3. Significant accounting policies (continued)

The carrying amount of all financial assets is directly reduced by the impairment loss. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Except for available for sale ("AFS") equity instruments, if, in a subsequent period, the amount of the impairment loss decreases, and the decrease relates to an event occurring after the impairment was recognized; the previously recognized impairment loss is reversed through profit or loss.

On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

Revenue Recognition

The Company recognizes revenue at the time significant risk and rewards of ownership have been transferred to the customer or the services have been performed, the price is fixed or determinable, collectability is reasonably assured, and costs incurred can be measured reliably. Amounts invoiced to customers, primarily deposits that do not meet the revenue recognition criteria are considered 'deferred' and are included with the company's current liabilities for reporting purposes.

The Company's revenue for the nine-month periods ended February 28, 2018 and 2017 were principally derived from the following sources:

- Service fees charged for consulting services performed by the Company's IT Consultants under written service contracts with customers. The service contracts the Company enters into, generally fall into three specific categories: time and materials, fixed-price and prepaid service agreements.

- Sale of off the shelf software, hardware and related support which are specifically charged on the Company's invoices. Software, hardware and related service are part of what the Company provides to small and medium size enterprises when providing consulting. Software, hardware and related service items are priced and billed separately from IT service charges.

- The Company's customers may also be charged miscellaneous fees, including software licensing fees, shipping fees, cloud storage fees, web hosting fees and fees for other miscellaneous services.

Revenue is recorded after the recognition criteria mentioned above have been met.

Service fees for consulting services

When a customer enters into a time and materials, fixed-price or a prepaid service contract, the Company recognizes revenue in accordance with the Company's evaluation of the deliverables in each contract. If the deliverables represent separate units of accounting, the Company then measures and allocates the consideration from the arrangement to the separate units, based on reliable evidence of fair value for each deliverable. Units of accounting from deliverables include specific objectives delineated in the service contract.

Revenue under time and materials contracts is recognized as services are rendered and billed at contractually agreed upon rates. Most contracts are short in duration and revenue recognized on delivery.

If the Company's initial estimates of the resources required or the scope of work to be performed on a fixed-price contract are inaccurate, or the Company does not manage the project properly within the planned time period, a provision for estimated losses on incomplete projects is made. Any known or probable losses on projects are charged to operations in the period in which such losses are determined. Management

3. Significant accounting policies (continued)

reviews the estimated total direct costs on each contract to determine if the estimated amounts are accurate, and estimates are adjusted as needed in the period revised estimates are made. No losses were recognized on fixed-price contracts during the nine-month periods ended February 28, 2018 and 2017.

The Company also performs services on a periodic retainer basis under infrastructure service contracts, which include monthly web hosting and support services. Revenue under periodic retainer-based contracts is recognized rateably over the contract period, as outlined within the respective contract. In the event additional services are required, above the minimum retained or contracted amount, then such services are
billed on a time and materials basis. Customer prepayments, even if non-refundable, are deferred (classified as deferred revenue) and recognized over future periods as services are performed.

Restricted cash

In connection with the sale of Series A preferred and common share issuance on January 27, 2015, the Company has segregated the proceeds from this transaction pursuant to agreement that $1,000,000 of the funds are restricted for the short-term needs of the Company while the rest of the funds may be used for accounting, auditing, legal, consulting and other costs directly related to gaining a listing.

4. Accounts receivable

Accounts receivable consist of amounts due from customers receiving IT consulting services and equipment. Total net accounts receivable amounted to $175,114 and $303,786 at February 28, 2018 and May 31, 2017 respectively. Allowances for bad debts of $79,735 and $nil were recorded and recognized as at February 28, 2018 and May 31, 2017 respectively.

The Company monitors all accounts receivable and transactions on a monthly basis to ensure collectability and the adequacy of loss provisions. Considerations include payment history, business volume history, financial statements of customers, projections of customers and other standard credit review documentation.

(in Canadian dollars)

5. Property and equipment

		Computer Hardware		Computer Software		Furniture and Fixtures		Vehicles		Websites		Total
Cost												
Balance as at May 31, 2016	$	57,672		15,684		15,000		320,743		1,250		410,349
Additions		4,051		-		-		28,520		-		32,571
Balance as at May 31, 2017		61,723		15,684		15,000		349,263		1,250		442,920
Additions		1,198		-		-		37,820		-		39,018
Disposals		-		-		-		(25,228)		-		(25,228)
Balance as at February 28, 2018	**$**	**62,921**	**$**	**15,684**	**$**	**15,000**	**$**	**361,855**	**$**	**1,250**	**$**	**456,710**
Accumulated Depreciation												
Balance as at May 31, 2016	$	50,089		15,684		15,000		305,606		1,250		387,629
Depreciation		2,881		-		-		8,819		-		11,700
Balance as at May 31, 2017		52,970		15,684		15,000		314,425		1,250		399,329
Disposals		-		-		-		(15,137)		-		(15,137)
Depreciation		3,443		-		-		14,656		-		18,099
Balance as at February 28, 2018	**$**	**56,413**	**$**	**15,684**	**$**	**15,000**	**$**	**313,944**	**$**	**1,250**	**$**	**402,291**
Net Carrying Amounts												
As at May 31, 2017	$	8,753	$	-	$	-	$	34,838	$	-	$	43,591
As at February 28, 2018	$	6,508	$	-	$	-	$	47,911	$	-	$	54,419

As at February 28, 2018, the cost and accumulated depreciation of the vehicles under capital lease was $114,258 and $64,020, respectively (May 31, 2017: $89,074 and $69,868).

6. Bank debt

The Company has a revolving line of credit from Toronto-Dominion Bank (“TD Bank”) available for up to $175,000 in order to fund working capital. Interest is charged at TD Bank Prime rate plus 2.25% and repayment is due on demand. During the nine months ended February 28, 2018, total interest expense recorded under selling, general and administrative expenses was $ 6,342. The operating line is secured by a general security agreement, assignment of insurance, unlimited guarantee advances executed by the Company and postponement of assignments of creditors’ claims.

Any amounts overdrawn over $175,000 are considered temporary as such overdrawn amounts are repaid subsequently.

The Company had a balance outstanding of $262,092 and $252,391 as at February 28, 2018 and May 31, 2017 respectively, which is presented as a current liability on the statements of financial position.

(in Canadian dollars)

7. Loans and capital leases payable

The carrying values of loans and capital leases payable were as follows:

		February 28, 2018		May 31, 2017
Current portion				
Balloon loans payable	$	**250,000**	$	300,000
BDC Loans		**73,620**		54,960
Thinking Capital		**84,671**		187,760
Capital leases		**18,008**		13,069
		426,299		555,789
Non-current portion				
BDC Loans		**116,340**		176,220
Capital leases		**48,236**		31,944
		164,576		208,164
	$	**590,875**	$	763,953

Balloon loans payable consist of a $250,000 balloon loan with an original annual interest rate of 25% and maturity date of July 31, 2012 and amended in 2012 to 16% annual interest rate due February 28, 2017. The loan is now due on demand. Interest is paid monthly with payments of approximately $3,333.

The second balloon loan payable for $50,000 with an original annual interest rate of 12% and maturity date of August 1, 2012 and amended in 2012 to 14% interest rate due December 31, 2016 was settled on November 8, 2017 with issuance of 200,000 common shares at $0.25 per share.

The Company entered into a loan agreement with Thinking Capital on March 28, 2017 for $225,000. The loan has no maturity and is payable through 9% of daily debit and credit card sales until the principal amount has been paid. The Company expects to pay this amount over the next year and has classified the loan as a current liability.

BDC loans payable were obtained on December 2014 for the two principal amounts of $150,000 and $100,000 with interests charged at BDC floating base rate plus 3.5% and 1% or 8.2% and 5.7%, respectively, and principal plus interest repayable monthly until the years 2020 and 2019, respectively. In addition, the Company obtained an additional BDC for $100,000 with the first principal and interest payment due April 3, 2018 and repayable monthly to 2023. The BDC loans are secured by a guarantee for a full outstanding amount of the loans and first security interest in all present and after-acquired property except consumer goods, subject only to priority on inventory and receivables to lender extending the line of credit.

Interest expense incurred for the three and nine- month periods ended February 28, 2018 was $30,309 (three- month period ended February 28, 2017: $15,767) and $101,813 (nine- month period ended February 28, 2017: $46,808) respectively.

(in Canadian dollars)

8. Preferred shares liability and Common stock

On June 25, 1996, the Company issued 1,550 founder shares to three founding stockholders. Effective with a stock split on January 27, 2015 of 5,031 to 1, the 1,550 shares were adjusted to 7,800,000 common shares outstanding. Effective with stock split on October 3, 2017, these 7,800,000 common shares outstanding were further adjusted to 39,000,000 common shares outstanding. Historical amounts have been adjusted to reflect the stock split.

On February 20, 2013, the Company issued, on a split adjusted basis, 1,199,000 shares of common stock to two consultants in exchange for consulting services to execute certain capital market transactions. Effective with stock split on October 3, 2017, these 1,199,000 common shares outstanding are adjusted to 5,995,000 common shares outstanding. The shares were valued based on the value of services provided and the Company recorded a charge of $191,859 recorded over three years (2013 - 2015) based on term of services provided.

On January 27, 2015, the Company issued 1,000,000 shares of Class B Preferred shares to the three founding shareholders. Each Class B Preferred share is entitled to 10 votes per share. Proceeds to the Company were $nil. Class B Shares were issued to provide the founders with 10 votes per share, do not entitle the holders to interest, dividends, and do not provide assets rights in the event of a liquidation of the Company.

On January 27, 2015, the Company issued 1,000,000 Class A Preferred shares and 1,000,000 Common shares to a certain investor in exchange for $1,000,000. Effective with stock split on October 3, 2017, these 1,000,000 common shares outstanding are adjusted to 5,000,000 common shares outstanding. The Class A shares are non-voting and entitle the holder to cumulative dividends at a rate of 7.25% per year, paid quarterly, beginning June 30, 2016 and are redeemable upon given notice at any time, the whole or from time to time any part of the outstanding shares, by the Company from the date of issuance in cash for $1 per share together with an amount equal to all dividends accrued and remaining unpaid. The shares are redeemable any time by the shareholder, with 30 days-notice, starting from June 30, 2016. The Class A Preferred shares are not convertible but do have priority in event of liquidation. Preferred shares do not meet the criteria for equity classification due to the cash redemption feature and have therefore been recorded as a liability. During the three and nine- month ended February 28, 2018 and year ended May 30, 2017, the Company redeemed $30,000 and $500,000 of preferred shares respectively.

On November 8, 2017, the Company issued 100,000 common shares at $0.25 per share for a total cash consideration of $25,000. On November 8, 2017, $50,000 of debt was settled by issuance of 200,000 common shares at $0.25 per share. In addition, on December 18, 2017, the Company issued 7,500,000 common shares issued for payment of $150,000 owed to a related party for services.

As at February 28, 2018 and May 31, 2017, the Company had the following number of shares outstanding post- split adjustment:

Description	February 28, 2018	May 31, 2017
Common A Shares	57,795,000	49,995,000
Class A Preferred Shares	470,000	500,000
Class B Preferred Shares	1,000,000	1,000,000

All references to common shares and per common share amounts have been retroactively adjusted to reflect the five-for-one forward stock split which was effective October 3, 2017, unless otherwise noted.

(in Canadian dollars)

9. Related party balances and transactions

Amounts due from related parties as at February 28, 2018 and May 31, 2017 included the following. The origin of these related party receivables was to provide start-up costs and cash flow for start-up operations.

		February 28, 2018	May 31, 2017
Ready Aim Fire Enterprising Inc. (a)	$	816,744	706,758
Nerds On-Site South Africa (b)		279,926	328,459
DNSthingy Inc. (a)		914,690	662,909
Other related parties (b)		238,895	166,451
	$	2,250,255	1,864,577

(a) via same key management personnel
(b) by virtue of common control
(a) and (b) these are due upon demandable and interest-free

The Company had an outstanding payable of $104,622 as at February 28, 2018 (May 31, 2017: $124,096) to Nerds On-Site, Inc., Michigan, a related company by virtue of common control and to Arate Holdings, a related company by virtue of ownership by a director of the Company for $246,982, for working capital advances made to the Company. There is no formal repayment plan and the Company repays Nerds On-Site, Inc., Michigan as cash flow permits. The Company has obtained confirmation that Nerds On-Site, Inc., Michigan will not be requesting payment during the year ending February 28, 2019 and has classified the amounts as a long-term liability.

The Company recorded revenue from the following related parties during the three and nine months ended February 28, 2018 and 2017:

	Ready Aim Fire $	DNSthingy Inc. $	Total $
Three months ended February 28, 2018	26,754	3,581	30,335
Three months ended February 28, 2017	-	-	-
Nine months ended February 28, 2018	62,653	6,035	68,688
Nine months ended February 28, 2017	-	-	-

Key management personnel are comprised of the Company's directors and executive officers. Key management personnel compensation is as follows:

		For the three month period ended February 28, 2018		For the three month period ended February 28, 2017		For the nine month period ended February 28, 2018 *		For the nine month period ended February 28, 2017
Salaries and benefits, including bonuses	$	78,341	$	47,292	$	326,525	$	150,568
Total	$	78,341	$	47,292	$	326,525	$	150,568

*Includes compensation of $150,000 paid to a related party by issuance of 7,500,000 common shares.

10. Commitments and contingencies

Rental expense is recorded on a straight-line basis over the lease term. The Company currently leases approximately 2,900 square feet of office space in London, Ontario Canada, where it conducts all central administration and strategic leadership operations. Annual rent amounts to $32,355. The current lease term expires in 2020 and this facility is adequate for the Company current and projected needs. The total minimum lease payments as at February 28, 2018 until 2020 are $80,886.

11. Convertible debentures

On October 27, 2017, the Company completed the issuance of an aggregate of $2,140,500 principal amount of unsecured convertible debentures at a price of $1,000 per convertible debenture. On November 20, 2017, the Company completed the issuance of an additional $720,000 principal amount of unsecured convertible debentures due November 20, 2018 at a price of $1,000 per convertible debenture (collectively the "debentures"). The debentures are unsecured convertible debentures and bear simple interest at a rate of 10% per annum from the date of issue.

The Company has the option to prepay the principal amount of a Debenture, in whole or in part, in addition to all accrued but unpaid interest accumulated to the date of such prepayment subject to providing the debenture holder with thirty (30) days prior written notice in respect of such prepayment.

The holder of the debenture may elect to convert, in whole or in part, the principal amount of the debenture together with any accrued but unpaid interest accumulated thereon as of the date of such conversion into units of the Company (the "Units") at a deemed conversion price (the Conversion Price) equal to the lesser of: (i) $0.25 per Unit; or (ii) the initial public offering price of a common share in the capital of the Corporation (each a Common Share) on the Canadian Securities Exchange (or any other Canadian exchange on which the Common Shares may be listed).

The Company may at any time and on written notice to the Purchaser require the conversion of the debenture (inclusive of the principal amount together with any accrued but unpaid interest accumulated thereon as of the date of such required conversion) into Units at the conversion price of $0.25 per Unit in the event that, during the term of the Debenture, the closing price of a common share in the capital of the Corporation (each a Common Share) on the Canadian Securities Exchange (or any other Canadian exchange on which the Common Shares may be listed) equals or exceeds $0.50 per Common Share for at least five (5) consecutive trading days.

Each Unit consists of one (1) Common Share and one (1) common share purchase warrant of the Corporation (each a Warrant). Each Warrant entitles the holder thereof to acquire one (1) Common Share for an exercise price of $0.30 per Common Share for a period of two (2) years following the Closing Date (the Warrant Exercise Period). If, at any time prior to the expiry of the Warranty Exercise Period, the closing price of the Common Shares on the Canadian Securities Exchange (or any other Canadian exchange on
which the Common Shares may be listed) equals or exceeds $0.60 per Common Share for at least five (5) consecutive trading days, the Corporation shall be entitled to accelerate the Warrant Exercise Period to a period ending thirty (30) days from the date that notice of such acceleration is provided to holders of the
Warrants (the Accelerated Warrant Exercise Period). Any unexercised Warrants shall automatically expire at the end of the Accelerated Warrant Exercise Period.

(in Canadian dollars)

11. Convertible debentures (continued)

The Company paid the following compensation for the initial raise of $2,140,500 on October 27, 2017 and the additional raise of $720,000 on November 20, 2017 to the agents:

- Total cash compensation for of $140,360 plus issuance of 561,440 broker warrants. Each broker warrant is exercisable to purchase one additional common share of the Issuer at a price of $0.25 for a period of 12 months expiring October 27, 2018.
- Total cash compensation for of $54,640 plus issuance of 194,560 broker warrants. Each broker warrant is exercisable to purchase one additional common share of the Issuer at a price of $0.25 for a period of 12 months expiring November 20, 2018.

The Company evaluated the terms and conditions of the convertible debentures and noted that the conversion feature did not meet the 'fixed for fixed' criteria for equity classification. The Company has therefore accounted for the conversion feature as a derivative financial liability to be revalued at each reporting period.

The fair value of the conversion feature was estimated using the Black-Scholes option pricing model to determine the fair value of conversion feature using the following assumptions:

	October 27, 2017	November 20, 2017
Volatility	100%	100%
Risk-free interest rate	0.5%	0.5%
Expected life	1 year	1 year
Unit price	$0.35	$0.35
Unit conversion price	$0.25	$0.25
Forfeiture rate	nil	nil

Upon issuance, the Company valued the conversion feature of the convertible debt instrument as a derivative liability with the residual amount of proceeds being recognized as debt.

	$	$	$
	27-Oct-17	**20-Nov-17**	**Total**
Total proceeds from convertible debt offering	2,140,500	720,000	2,860,500
Less: value of conversion feature - derivative liability upon issuance	366,613	123,318	489,931
Value of host debt instrument upon issuance	1,773,887	596,682	2,370,569

The broker warrants issued by the Company were also estimated using the Black-Scholes option pricing model to determine the fair value of the broker warrants using the following assumptions:

	October 27, 2017 Broker Warrants	November 20, 2017 Broker Warrants
Volatility	100%	100%
Risk-free interest rate	0.5%	0.5%
Expected life	1 year	1 year
Share price	$0.25	$0.25
Share conversion price	$0.25	$0.25
Forfeiture rate	nil	nil

(in Canadian dollars)

11. Convertible debentures (continued)

The Company calculated the total compensation or financing cost for the debentures which was proportionately allocated to the conversion feature and the host debt instrument. Costs allocated to the conversion feature were expensed immediately while the costs allocated to the host debt instrument were recorded as deferred financing costs as an offset to the convertible debt liability on the condensed interim statement of financial position.

	$	$	$
	27-Oct-17	**20-Nov-17**	**Total**
Cash financing costs	140,360	54,640	195,000
Broker warrants	53,964	18,700	72,664
Total compensation costs	194,324	73,340	267,664
Costs allocated to conversion feature (expensed immediately)	33,283	12,561	45,844
Costs allocated to host debt instrument as deferred financing costs	161,041	60,779	221,820
Total compensation costs	194,324	73,340	267,664

The debt instrument, net of deferred financing costs is being accreted up to the face value of the debentures of $2,140,000 and $720,000 as follows:

	$	$	$
	27-Oct-17	**20-Nov-17**	**Total**
Host debt Instrument	1,773,887	596,682	2,370,569
Less: deferred financing costs	(161,041)	(60,779)	(221,820)
Debt Instrument, net of deferred financing costs	1,612,846	535,903	2,148,749
Accretion expense	124,548	33,786	158,334
Amortization of deferred financing costs	54,710	16,651	71,361
Balance of debt instrument, February 28, 2018	1,792,104	586,340	2,378,444

The Company revalued the conversion as at February 28, 2018 and noted the fair value to be $439,185 and recorded a gain of $39,610 and $50,746 for the three and nine months ended February 28, 2018.

	$	$	$
	27-Oct-17	**20-Nov-17**	**Total**
Value of conversion feature at issuance	366,613	123,318	489,931
Value of conversion feature as at February 28, 2018	326,504	112,681	439,185
Change in fair value of derivative liability	40,109	10,637	50,746

(in Canadian dollars)

11. Convertible debentures (continued)

The conversion feature was revalued at February 28, 2018 using the Black-Scholes option pricing model using the following assumptions:

	October 27, 2017 conversion feature revalued at February 28, 2018	**November 20, 2017 conversion feature revalued at February 28, 2018**
Volatility	100%	100%
Risk-free interest rate	0.5%	0.5%
Expected life	0.66 year	0.73 year
Unit price	$0.35	$0.35
Unit conversion price	$0.25	$0.25
Forfeiture rate	nil	nil

12. Selling, general and administrative expenses

Nine and three months ended February 28, 2018 and 2017:

	9 months 2018	9 months 2017	3 months 2018	3 months 2017
	$	$	$	$
Advertising and promotion	222,002	80,813	77,477	19,685
Automobile expenses	18,437	24,277	11,083	12,132
Bank and interest charges	146,951	148,463	47,844	50,128
Business development	114,994	102,032	31,541	30,267
Communication	66,916	68,327	24,543	23,882
Payroll and related	253,047	198,733	75,129	78,344
Management remuneration	326,525	150,568	58,341	47,292
Office and administrative expenses	296,752	224,227	59,759	47,457
legal and professional	158,040	138,563	63,700	47,035
Programming and related costs	726,689	676,621	156,871	215,366
Total	2,330,353	1,812,625	606,288	571,590

(in Canadian dollars)

13. Accounts Payable

Accounts payable as of February 28, 2018 and May 31, 2017 constitutes the following:

	2018	2017
	$	$
Accounts payable	624,771	545,061
Accrued liabilities	198,122	90,079
Wages payable	8,411	8,660
Accrued interest	45,390	-
Total	876,694	643,800

14. Intangible assets

The Company has capitalized development costs under IAS 38 paragraph 57 relating to the costs incurred to become certified by Apple Canada in order to be able to service Apple products. The capitalized costs of $81,531 as at February 28, 2018 (May 31, 2017: $63,069) will be amortized on certification. Being an Apple certified Consultant will provide access to the Company to service products manufactured by Apple in combination with other products the Company already services.

15. Deferred finance costs

The Company has capitalized costs incurred to file a long-form prospectus with the Ontario Security Commission (OSC) in Canada. These costs will be adjusted against the Initial Public offering (IPO) the Company plans to undertake once it has completed the registration.

(in Canadian dollars)

16. Fair value measurement

The following table provides the fair value measurement hierarchy of the company's assets and liabilities valued as at February 28, 2018:

Assets measured at fair value:		Fair value measurement using		
	Total	Level 1	Level 2	Level 3
	$	$	$	$
Cash	1,922,920	1,922,920	-	-
Restricted cash	2,286	2,286	-	-
Liability measured at fair value:				
Derivative liability	439,185	-	439,185	-

The following table provides the fair value measurement hierarchy of the company's assets and liabilities valued as at May 31, 2017:

Assets measured at fair value:		Fair value measurement using		
	Total	Level 1	Level 2	Level 3
	$	$	$	$
Cash	37,804	37,804	-	-
Restricted cash	29,546	29,546	-	-

There were no transfers between level 1 and 2 during the nine-months ended February 28, 2018 and during the year ended May 31, 2017.

17. Subsequent event

Subsequent to the end of the quarter the Company filed its preliminary prospectus for registration with the OSC in Canada.

APPENDIX B
AMENDED AND RESTATED MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE YEAR ENDED MAY 31, 2017

NERDS ON SITE INC.

AMENDED AND RESTATED MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MAY 31, 2017

The following Amended and Restated Management Discussion and Analysis ("MD&A") is dated June 20, 2018 and amends and restates the management's discussion and analysis of the financial condition and results of Nerds on Site Inc. (the 'Company') dated March 22, 2018. In this MD&A only, references to the ''Company'', ''NOS'', ''we'', ''us'' or ''our'' refer to Nerds on Site Inc. This MD&A should be read in conjunction with our audited financial statements for the year ended May 31, 2017. The MD&A contain certain forward-looking information that involves risks and uncertainties, including but not limited to, those described in the ''*Risk Factors*'' section of this prospectus.

Basis of Presentation

Our audited financial statements have been prepared in accordance with IFRS and are presented in Canadian dollars unless otherwise indicated. We manage our business based on one operating and reportable segment.

All references in this MD&A to ''Fiscal 2017'' are to our fiscal year ended May 31, 2017, references to ''Fiscal 2016'' are to our fiscal year ended May 31, 2016, and references to ''Fiscal 2015'' are to our fiscal year ended May 31, 2015. All references to IFRS opening statement of financial position are to the statement of financial position as at June 1, 2015.

Non-IFRS Financial Measures

This MD&A may refer to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use "days sales outstanding" as a non-IFRS measure of outstanding receivables – the amount of receivables divided by annual sales divided by 365.

Overview

The Company was incorporated on June 26, 1996 pursuant to the Ontario Business Corporations Act and is engaged in the business of providing information technology services, hardware, software and related support agreements.

We are an IT service/managed service provider, we operate a network of 125 sub-contractors ("Nerds") servicing on average 11,000 customers per year in Canada, with over 130,000 customers serviced since the inception. Our centralized ERP system IAMANERD.COM ("IAMANERD") is an online operating system that manages day to day operations of our Nerds.

In 2017, the Company was operating in the usual business mode without any material increase in clients lists, number of Nerds or other material performance data. With the planned expansion into United States, the Company focused on business planning, negotiations and discussion with funding providers on different funding methods to fund the expansion in United States. Revenue decreased from $9.016 Million to $8.667 Million.

IAMANERD contains marketing hub, inventory processing, client processing tools and database, Nerd to Nerd communication medium, credit card payment tools, central ordering, purchasing and invoicing, and a continuing education hub called University of NERDology. This system has been developed by the Company over the last 10 years, and is being developed continuously.

Thanks to IAMANERD our Nerds spend most of their time servicing clients. The administration/inventory and other day-to-day admin is done by the system and our admin office that oversees the operation. Our Canadian Nerds are motivated proprietors, who operate under an agreement with the Company, wearing our branded bright red T-shirts and driving bright red fully branded cars, mostly VW Beetles ("NerdMobiles"). Our business model was created to be as flexible for expansion as possible, with low overhead costs. Our Nerds are compensated on per deal or per contract basis, on various revenue splits. Revenue splits range from 37% of the contract revenue to Nerd to 50% of the contract revenue to Nerd. In addition to revenue splits our Nerds receive various volume incentives.

We are very protective of the Nerd Brand. Keyword Nerd, Nerd-mobile, and other combinations are either trademarked or trademark application filed in 12 countries. We continue to develop and monitor our trademark portfolio on monthly and quarterly basis.

We have exclusive software sales agreements with several related companies providing SaaS products. Those products include TimeWellScheduled ™, DNS Thingy ™, MYbusinessOS ™. From each software sale we receive a 20% royalty, which is split based on our standard splits with Nerds.

In Fiscal 2018 the focus is to penetrate and roll out our business in the USA. We have a roll out strategy that is in line with historic roll out that was exercised in Canada in multiple cities. The strategy is based on launching in smaller cities and rippling out to neighboring major metropolitan areas. With a smaller number of Nerds and NerdMobiles we generate higher levels of brand recognition and penetration with our marketing tactics of parading in downtown, commercial and industrial sectors. Our US Nerds will be franchisees managed by the Company in the beginning of the roll out. Once business volume is established in the smaller cities close to our historic average, we will attract area developers - to manage, lead and grow individual areas. Pricing of each area developer franchise is based on the number of listed businesses listed by the USA Postal site, targeted at $5-$7 per zip code being purchased.

Our major challenges in fiscal 2018 will be effectively recruiting new Nerds and arranging a cost-efficient lease/financing program in US to acquire NerdMobiles. Flexibility on this front enables the transfer of financing and/or lease arrangements from the Company to each Nerd franchisee. A proven and time-tested series of marketing tactics should enable the initiation of cash flow from new operations within 60-90 days.

Key Performance Indicators

Key performance indicators that we use to manage our business and evaluate our financial results and operating performance include: recurring revenue, total revenue, number of customers and expenses. We evaluate our performance on these metrics by comparing our actual results to management budgets, forecasts and prior period performance.

Recurring revenue and retention rates

Our consulting service customers generally enter into agreements, for use of our services. Most of these agreements include provisions by which they renew following the initial term. Our consulting services model results in a high proportion of recurring revenue. The power of the consulting service model is only fully realized when a vendor has high retention rates. Our emphasis on recurring revenue has resulted in growth and in revenue maintenance over the past years.

The recurring nature of our revenue provides high visibility into future performance, and upfront payments result in cash flow generation in advance of revenue recognition. However, this also means that agreements with new customers or agreements with existing customers purchasing additional services in a quarter may not contribute significantly to current quarter revenue. As an example, a new customer who enters into an agreement on the last day of a quarter will have no impact on the revenue recognized in that quarter.

Number of customers

We believe that our ability to expand our customer base is an indicator of our market penetration and the growth of our business. We define customers as the number of independent entities that are separately billed.

Significant Factors Affecting Results of Operations

Our results of operations are influenced by a variety of factors, including:

Revenue

The Company recognizes revenue at the time significant risk and rewards of ownership have been transferred to the customer or the services have been performed, the price is fixed or determinable, collectability is reasonably assured, and costs incurred can be measured reliably. Amounts invoiced to customers, primarily deposits that do not meet the revenue recognition criteria are considered 'deferred' and are included with the Company's current liabilities for reporting purposes.

The Company's revenues were principally derived from the following sources:

Service fees charged for consulting services performed by the Company's IT consultants under written service contracts with customers. The service contracts the Company enters into, generally fall into three specific categories: time and materials, fixed-price and prepaid service agreements.

Sale of off the shelf software, hardware and related support which are specifically charged on the Company's invoices. Software, hardware and related service are part of what the Company provides to small and medium size enterprises when providing consulting. Software, hardware and related service items are priced and billed separately from IT service charges.

The Company's customers may also be charged miscellaneous fees, including software licensing fees, shipping fees, cloud storage fees, web hosting fees and fees for other miscellaneous services.

Cost of Revenue

Cost of revenue include both subcontract costs for providing information technology and related services and associated hardware and software costs. The Company provides mobile IT support for various businesses including PC set up, network installation and support & tailored software services. The Company uses a specially trained network of technically proficient IT consultants to help clients on site by providing effective, consistent and customized IT solutions.

Selling, general and administrative expenses

Selling, general and administrative expenses consist primarily of salaries and related expenses for our sales, administrative and marketing staff, including management services, data centre and call centre costs, professional and legal costs and banking services. These costs also include advertising, events, corporate communications, brand building and product marketing activities. We plan to continue to invest in sales and marketing by expanding our domestic and international selling and marketing activities, building brand awareness and sponsoring additional marketing events. We expect that in the future, sales and marketing expenses will increase with increase in revenue in absolute dollars and we incur additional employee-related costs and professional fees related to the growth of our business and international expansion.

Our presentation and functional currency is Canadian dollars and all the amounts in this management discussion and analysis are in Canadian dollars unless otherwise indicated. We derive most of our revenue from customers who pay in Canadian dollars. Our head office and most of our employees are in Ontario, Canada, and as such a significant amount of our expenses are paid in Canadian dollars. We have negligible transactions in currencies other than Canadian dollars and as such have limited exposure to risk of currency gain or loss.

Results of Operations

	Year ended/as at May 31,	
	2017	2016
	(thousands of dollars) (except per share amounts)	
	$	$
Total Revenue	8,667	9,016
Gross Profit	2,515	2,926
Operating Expenses	2,434	2,953
Operating profit (loss)	81	(27)
Net loss	(21)	(95)
Loss per share – Basic and Diluted	(0.0004)	(0.0019)
Total Assets	2,506	2,706
Total Liabilities	2,573	2,751
Cash flows from (used in) operating activities	60	(151)
Cash flows from investing activities	601	268
Cash flows used in financing activities	(691)	(125)

Discussion of Operations-Years ended May 31, 2017, and 2016

Revenue

The Company has a single reportable segment for mobile IT consulting services. We recorded total revenue of $8.667 Million in Fiscal 2017 as compared to $9.016 Million for Fiscal 2016. Total revenue dropped marginally by 4% in Fiscal 2017 when compared to Fiscal 2016. Service revenue dropped 8% during the year ended May 31, 2017 as compared to prior period primarily due to drop in service billed work calls revenues. This is based on timing and customer needs.

In 2017, the Company was focused on business planning, negotiations and discussion with funding providers on different funding methods to fund the expansion in United States without any material increase in clients lists, number of Nerds or other material performance data.

Break-up of revenue (thousands of dollars)	Year ended May 31, 2017	Year ended May 31, 2016
	$	$
Service fees	4,543	4,941
Sale of software, hardware and related	3,993	3,963
Miscellaneous fee	131	112
Total revenue	8,667	9,016

Gross Profit

The Company recorded gross profit of $2.515 Million in Fiscal 2017 as compared to $2.926 Million in Fiscal 2016.

	Year ended May 31, 2017	2016	2016 to 2017 % change
	(thousands of dollars)		
Total Revenue	$8,667	$9,016	(4) %
Gross Margin	$2,515	$2,926	(14) %
Gross Margin %	**29%**	**32 %**	

Our overall gross margin as a percentage of revenue decreased by 3% between fiscal years 2017 and 2016. Our reduced margin to 29% is primarily due to our revenue mix between sale of software, hardware consulting services.

Selling, general and administrative expenses

	Year ended May 31, 2017	2016	2016 to 2017 % change
	(thousands of dollars)		
Total Expense	2,422	2,942	(18) %
As a percentage of revenue	**28%**	**33 %**	

Break-up of expenses:

	Year ended May 31, 2017	2016
	(thousands of dollars)	(thousands of dollars)
	$	$
Advertising and promotion	96	149
Automobile expenses	16	31
Bank and interest charges	195	204
Business development	146	162
Communication	127	180
Payroll and related	267	233
Management remuneration	208	276
Office and administrative expenses	279	259
legal and professional	193	180
Programming and related costs	895	1,268
	2,422	2,942

Selling, general and administrative expenses have seen year over year reduction from 2016 to 2017, with decrease of $0.5 Million or 18% from 2016 to 2017. The main driver for the reduction in spending has been the focus of management to reduce costs which include reduction in salaries and benefits to key management personnel, reduction in travel, advertisement and programming and related costs.

Operating profit (loss)

	Year ended May 31, 2017	2016	2016 to 2017 % change
	(thousands of dollars)		
Operating profit (loss)	81	(27)	400%

Our operating profit was $81 Thousand in fiscal 2017 as compared to operating loss of $27 Thousand in fiscal 2016. The operating profit is primarily the result of the Company regulating its operating costs and reducing or eliminating uneconomical costs.

Net Income (loss)

	Year ended May 31, 2017	2016	2016 to 2017 % change
	(thousands of dollars)		
Net loss	($21)	($95)	78 %

Our net loss was $21 Thousand in fiscal 2017 as compared to net loss of $95 Thousand in fiscal 2016. Beyond the impact of operating profit (loss) as noted above, the other drivers for our annual net losses is the interest expense for $78 Thousand and $67 Thousand for 2017 and 2016 respectively and dividends payable for $24 Thousand in 2017 on preferred shares classified as a liability in the statement of financial position (refer to note 10 to the audited financial statements).

EBITDA

Limitations on the use of non-IFRS financial measures

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) our non-IFRS measure should be considered in addition to, not as a substitute for, or in isolation from, measures prepared in accordance with IFRS.

There are inherent limitations with non-IFRS measures; we compensate for these limitations by reconciling EBITDA to the most comparable IFRS financial measure. Management encourages investors and others to review our financial information in its entirety, not to rely on any single financial measure, and to view our non-IFRS financial measures in conjunction with the most comparable IFRS financial measures.

	Year ended May 31, 2017	2016	2016 to 2017 % change
	(thousands of dollars)		
	$	$	
Net Income (loss)	(21)	(95)	78%
Provision for income tax	-	(1)	n/a
Interest and dividend expense	102	68	50%
Depreciation of property and equipment	12	11	10%
EBITDA	**93**	**(17)**	

EBITDA has been positive for $93 Thousand for Fiscal 2017 as compared to a loss before interest, taxes, depreciation and amortization for $17 Thousand for Fiscal 2016. The increase in Adjusted EBITDA, when comparing Fiscal 2017 to 2016 of $110 Thousand is a result of our reduction in spending in selling, general and administrative expenses.

Key balance sheet items

	As at May 31,	
	2017	2016
	(thousands of dollars)	
	$	$
Total Assets	2,506	2,706
Total Liabilities	2,573	2,751
Total non-current liabilities	332	151
Cash dividends declared per share:		
Common shares	$nil	$nil

The Company has issued preferred shares which are non-voting, and entitle the holder to cumulative dividends at a rate of 7.25% per year, paid quarterly, beginning June 30, 2016

Our balance sheet has several key items that are necessary to analyze to gain a full understanding of our financial results. The following analysis explains those items.

Trade and other receivables

	As at May 31,	
	2017	2016
	(thousands of dollars)	
	$	$
Trade and other receivables (net)	304	382
Days sales outstanding ("DSO")	14 days	15 days

As at May 31, 2017, our trade receivables balance was $304 Thousand, which is 20% less from the prior year. The material change in the trade receivable is primarily the better management of receivables. We have a diverse group of customers, not one of which represents greater than 10% of the total receivables balance and, considering our low DSO we believe that our collection risk is relatively low.

Accounts payable

	As at May 31,	
	2017	2016
	(thousands of dollars)	
	$	$
Accounts payable	545	564
Accrued liabilities	90	180
Wages payable	9	6
Total	644	750

Preferred Shares

	As at May 31,	
	2017	2016
	(thousands of dollars)	
	$	$
Preferred shares	500	1,000

On January 27, 2015, the Company issued 1,000,000 Class A Preferred shares. The Class A Preferred shares are non-voting and entitle the holder to cumulative dividends at a rate of 7.25% per year, paid quarterly, beginning June 30, 2016 and are redeemable upon given notice at any time, the whole or from time to time any part of the outstanding shares, by the Company from the date of issuance in cash for $1 per share together with an amount equal to all dividends accrued and remaining unpaid. The Class A Preferred shares are redeemable any time by the shareholder, with 30 days-notice, starting from June 30, 2016. The Class A Preferred shares do not meet the criteria for equity classification under IFRS due to the cash redemption feature and have therefore been recorded as a liability. During the year ended May 30, 2017, the Company redeemed $500,000 of the Class A preferred shares.

Deferred revenue

	As at May 31,	
	2017	2016
	(thousands of dollars)	
	$	$
Deferred revenue	261	186

Our business model results in us billing our customers in advance of providing the service and, as a result, we record deferred revenue at the close of the reporting period.

Liquidity and capital resources

	As at May 31,		
	2017	2016	2015
	(thousands of dollars)		
	$	$	$
Cash	38	68	75

The Company's primary cash flow has come from its sale of software, hardware and consulting services. The Company has also increased liquidity through debt financing at various times in its history. The Company has no current commitments for any material capital expenditure. The Company has successfully raised $2.8 Million by issue of convertible debt in the second quarter of fiscal 2018. Loans and capital leases payable are due up to 2022, and are payable monthly principal plus interest, until their maturity date.

The following is a summary of our cash flows provided by (used in) operating activities, investing activities and financing activities for the years and periods as indicated:

	Year ended May 31,	
	2017	2016
	(thousands of dollars)	
	$	$
Operating activities	60	(151)
Investing activities	601	268
Financing activities	(691)	(125)
Increase (decrease) in cash	(30)	(8)
Cash beginning of period/year	68	75
Cash end of period/year	38	68

Net cash from (used) in operating activities

Cash flow from operations for Fiscal 2017 was $60 Thousand as opposed to cash used in Fiscal 2016 of $151 Thousand. The primary driver of the year-over-year change was the reduction in selling, general and administrative costs in Fiscal 2017 which resulted in net loss of $21 Thousand in Fiscal 2017 as compared to a net loss of $95 Thousand in Fiscal 2016. The timing of receipts and payments, including reduction in accounts receivables by $78 Thousand in Fiscal 2017 as compared to an increase in accounts receivables by $45 Thousand in Fiscal 2016 resulted in improvement in cash from operating activities in Fiscal 2017. The change in trade payables in Fiscal 2017 resulted in a use of cash of $106 Thousand as compared to use of cash of $45 Thousand in Fiscal 2016.

Net cash from (used) in investing activities

Cash flow from investing activities was $601 Thousand in Fiscal 2017 as compared to $268 Thousand in Fiscal 2016. Relating to the sale of Series A preferred and common share issuance on January 27, 2015, the Company has segregated the proceeds from this transaction pursuant to agreement that $1 Million of the funds were restricted for the short- term needs of the Company. As of June 1, 2015, the Company had $1 million reflected in its statement of financial position. As of May 31, 2016, the balance in restricted cash was $726 Thousand and as of May 31, 2017, the balance in restricted cash was $30 Thousand. The change in restricted cash resulted in cash inflow of $697 Thousand in Fiscal 2017 as compared to inflow of $274 Thousand in Fiscal 2016. During Fiscal 2017, the outflow of cash was primarily for payment related to internally generated intangible asset for $63 Thousand and purchase of property and equipment for $33 Thousand. In Fiscal 2016, the outflow of cash was for purchase of property and equipment for $5 Thousand.

Net cash from (used) in financing activities

Net cash used in financing activities in Fiscal 2017 was $691 Thousand as compared to $125 Thousand in Fiscal 2016. In Fiscal 2017, the Company accepted additional bank debt and loans and capital lease payable for $317 Thousand which resulted in inflow of cash as against repayment made in Fiscal 2016 for $117 Thousand resulting in outflow of cash. The use of cash in Fiscal 2017 was the payments to related parties for $509 Thousand and redemption of Class A Preferred shares for $500 Thousand. The use of cash for Fiscal 2016 was the payments to related parties for $8 Thousand.

As of May 31, 2017, the Company has a working capital deficit of $1.7M.

The following constitutes the current assets and current liabilities as of May 31, 2017:

		(thousands of dollars)
ASSETS		
CURRENT		
Cash	$	38
Restricted cash		30
Accounts receivable (net of allowances)		304
Inventory		59
Prepaid expenses and other current assets		104
TOTAL CURRENT ASSETS		535
LIABILITIES		
CURRENT		
Accounts payable	$	644
Accrued expenses		3
Deferred revenue		261
Bank debt		252
Preferred shares		500
Dividend payable		24
Current portion of loans and capital leases payable		556
TOTAL CURRENT LIABILITIES		2,240

After the year, during the second quarter for fiscal 2018, the Company raised approx.$2.9M of principal amount of unsecured convertible debentures which carry interest at 10% per-annum and mature one year from date of issuance if not converted. The Company thus has no working capital needs for the next twelve- month period.

Contractual Obligations

The aggregate amount of principal payments required in each of the next 5 years to meet the retirement provisions of loans and capital leases payable are as follows:

Fiscal year		May 31, 2017 Principal (in thousands of dollars)
2018	**$**	556
2019		66
2020		58
2021		25
2022		23
thereafter		36
	$	764

The carrying values of our loan and capital lease payable are as follows:

		May 31, 2017 (in thousands of dollars)
Current portion		
Balloon loans payable	$	300
BDC Loans		55
Thinking Capital		188
Capital leases		13
		556
Non-current portion		
BDC Loans		176
Capital leases		32
		208
	$	764

In addition, the Company has a revolving line of credit from Toronto-Dominion Bank ("TD Bank") available for up to $175 Thousand to fund working capital. Interest is charged at TD Bank Prime rate plus 2.25% and repayment is due on demand. The operating line is secured by a general security agreement, assignment of insurance, unlimited guarantee advances executed by the Company and postponement of assignments of creditors' claims.

The balance outstanding was $252 Thousand, $189 Thousand and $240 Thousand at May 31, 2017, 2016 and June 1, 2015, respectively, presented as current liability on the statements of financial position.

	Payments Due by Period				
Contractual Obligations	**Total (thousands of dollars)**	**Less than 1 Year**	**1 – 3 Years**	**4 – 5 Years**	**After 5 Years**
Obligations	Total	1 Year	Years	Years	5 Years
Loans and Capital Lease Obligations	764	556	149	59	Nil
Operating Leases	97	32	65	Nil	Nil
Purchase Obligations	Nil	Nil	Nil	Nil	Nil
Total Contractual Obligations	$861	$588	$214	$59	Nil

Capital Commitments

The Company has no material capital commitments as of May 31, 2017. The Company is looking to raise funds to expand its current business to the USA.

Off-balance sheet arrangement

The Company has no off-balance sheet arrangement as of May 31, 2017 and May 31, 2016.

Transactions with related parties

The origin of these related party receivables was to provide start-up costs and cash flow for start-up operations.

	Year ended May 31,		
	2017	2016	2015
	(thousands of dollars)		
	$	$	$
Ready Aim Fire Enterprising Inc. (a)	707	508	650
Nerds On-Site South Africa (b)	328	146	289
DNSthingy Inc. (a)	663	433	212
Nerds On-Site Australia PTY Ltd. (b)	-	192	191
Other related parties (b)	167	64	24
	1,865	1,343	1,366

(a) via same key management personnel
(b) by virtue of common control
(a) and (b) these are due upon demandable and interest-free

Key management personnel are comprised of the Company's directors and executive officers. Key management personnel compensation is as follows:

		For the year ended May 31, 2017		For the year ended May 31, 2016
		(in thousands)		(in thousands)
Salaries and benefits, including bonuses	$	208	$	276
Total	$	208	$	276

Outstanding Share Data

(a) Authorized: Unlimited number of common shares

(b) Issued

On June 25, 1996, the Company issued 1,550 founder shares to three founding stockholders. Effective with a stock split on January 27, 2015 of 5,031 to 1, the 1,550 shares were adjusted to 7,800,000 common shares outstanding. Effective with stock split on October 3, 2017, these 7,800,000 common shares outstanding were further adjusted to 39,000,000 common shares outstanding. Historical amounts have been adjusted to reflect the stock split.

On February 20, 2013, the Company issued, on a split adjusted basis, 1,199,000 shares of common stock to two consultants in exchange for consulting services to execute certain capital market transactions. Effective with the stock split on October 3, 2017, these 1,199,000 common shares outstanding were adjusted to 5,995,000 common shares outstanding. The shares were valued based on the value of services provided and the Company recorded a charge of $191,859 recorded over three years (2013 - 2015) based on term of services provided.

On January 27, 2015, the Company issued 1,000,000 shares of Class B Preferred shares to the three founding shareholders. Each Class B Preferred share is entitled to 10 votes per share. Proceeds to the Company were $nil. Class B Shares were issued to provide the founders with 10 votes per share, do not entitle the holders to interest, dividends, and do not provide rights in the assets of the Company in the event of a liquidation of the Company.

On January 27, 2015, the Company issued 1,000,000 Class A Preferred shares and 1,000,000 Common shares to a certain investor in exchange for $1,000,000. Effective with stock split on October 3, 2017, these 1,000,000 common shares outstanding are adjusted to 5,000,000 common shares outstanding. The Class A Preferred shares are non-voting, and entitle the holder to cumulative dividends at a rate of 7.25% per year, paid quarterly, beginning June 30, 2016 and are redeemable upon given notice at any time, the whole or from time to time any part of the outstanding shares, by the Company from the date of issuance in cash for $1 per share together with an amount equal to all dividends accrued and remaining unpaid. The Class A Preferred shares are redeemable any time by the shareholder, with 30 days-notice, starting from June 30, 2016. The Class A Preferred shares are not convertible but do have priority in event of liquidation. The Class A Preferred shares do not meet the criteria for equity classification due to the cash redemption feature and have therefore been recorded as a liability. During the year ended May 30, 2017, the Company redeemed $500,000 of the said Class A Preferred e shares.

As at May 31, 2017, 2016 and June 1, 2015, the Company had the following number of shares outstanding post-split adjustment:

Description	May 31, 2017	May 31, 2016	June 1, 2015
Common A Shares	49,995,000	49,995,000	49,995,00
Class A Preferred Shares	500,000	1,000,000	1,000,000
Class B Preferred Shares	1,000,000	1,000,000	1,000,000

Financial Instruments and risk management

All financial instruments are initially recognized at fair value on the statements of financial position. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss ("FVTPL"), (2) loans and receivables, (3) financial assets available-for-sale, (4) financial assets held-to maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in the statements of (loss) and comprehensive (loss). Financial assets "available-for-sale" are subsequently measured at fair value with changes in fair value recognized in other comprehensive (loss), net of tax.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For financial assets, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. In the normal course of business, the Company's trade accounts receivable are potentially exposed to credit risk from its customers. However, the Company Days of Sales Outstanding is usually 15 days or less and no customer represents more than 10% of the total trade receivables balance as of May 31, 2017. To mitigate this risk the Company provides an allowance for doubtful accounts equal to the estimated losses expected to be incurred in the collection of accounts receivable.

Interest rate

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. The Company does not believe that the results of operations or cash flows would be affected to any significant degree by a sudden change in market interest rates, relative to interest rates on cash and cash equivalents and bank debt due to the short-term nature of these balances and the loans and capital leases payable due to the Company's current borrowing rate does not materially differ from market rates for similar bank borrowings.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty raising liquid funds to meet commitments as they fall due. In meeting its liquidity requirements, the Company closely monitors its forecasted cash requirements with expected cash drawdown.

The Company had no current commitment for capital expenditures as at May 31, 2017. Accounts payables, accrued liabilities, current portion of loans and capital leases payable and bank debt are due within the next 12 months. Dividends on preferred shares paid quarterly beginning June 30, 2016. Loans and capital leases payable are due in 2019 to 2023, and are payable monthly principal plus interest, until their maturity date.

Currency risk

The Company's functional currency and its reporting currencies are both in Canadian dollars. The Company has negligible transactions in currencies other than Canadian dollars and as such has limited exposure to risk of currency gains or losses.

Capital Management

Our objective in managing capital is to ensure sufficient liquidity to pursue our growth strategy and to provide sufficient resources to meet day-to-day operating requirements, while at the same time taking a conservative approach towards financial leverage and management of financial risk. In managing the capital structure, we take into consideration various factors, including the growth of the business and related infrastructure and the up-front cost of taking on new customers. The officers and senior management of the Company are responsible for managing the capital and do so through monthly meetings and regular review of financial information. The Board of Directors is responsible for overseeing this process. We manage capital to ensure that there are adequate capital resources while maximizing the return to shareholders through the optimization of the cash flows from operations and capital transactions.

Critical Accounting Estimates

The Company has applied IFRS 1 – First-time Adoption of IFRS in preparing the statement of financial position as at June 1, 2015. The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenue, costs, expenses and other comprehensive loss that are reported in the financial statements and accompanying disclosures. The estimates and associated assumptions are based on historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Significant areas requiring the use of estimates and assumptions include the determination of useful lives of property and equipment, accounts receivable, valuation allowance and loans.

The significant accounting policies and estimates are discussed below:

Revenue Recognition

The Company recognizes revenue at the time significant risk and rewards of ownership have been transferred to the customer or the services have been performed, the price is fixed or determinable, collectability is reasonably assured and costs incurred can be measured reliably. Amounts invoiced to customers, primarily deposits that do not meet the revenue recognition criteria are considered ‘deferred’ and are included with the company’s current liabilities for reporting purposes.

The Company’s revenue was principally derived from the following sources:

- Service fees charged for consulting services performed by the Company’s IT Consultants under written service contracts with customers. The service contracts the Company enters into, generally fall into three specific categories: time and materials, fixed-price and prepaid service agreements.

- Sale of off the shelf software, hardware and related support which are specifically charged on the Company’s invoices. Software, hardware and related service are part of what the Company provides to small and medium size enterprises when providing consulting. Software, hardware and related service items are priced and billed separately from IT service charges.

- The Company’s customers may also be charged miscellaneous fees, including software licensing fees, shipping fees, cloud storage fees, web hosting fees and fees for other miscellaneous services.

Revenue is recorded after the recognition criteria mentioned above have been met.

<u>Service fees for consulting services</u>

When a customer enters into a time and materials, fixed-price or a prepaid service contract, the Company recognizes revenue in accordance with the Company’s evaluation of the deliverables in each contract. If the deliverables represent separate units of accounting, the Company then measures and allocates the consideration from the arrangement to the separate units, based on reliable evidence of fair value for each deliverable. Units of accounting from deliverables include specific objectives delineated in the service contract.

Revenue under time and materials contracts is recognized as services are rendered and billed at contractually agreed upon rates. Most contracts are short in duration and revenue recognized on delivery.

If the Company's initial estimates of the resources required or the scope of work to be performed on a fixed-price contract are inaccurate, or the Company does not manage the project properly within the planned time period, a provision for estimated losses on incomplete projects is made. Any known or probable losses on projects are charged to operations in the period in which such losses are determined. Management reviews the estimated total direct costs on each contract to determine if the estimated amounts are accurate, and estimates are adjusted as needed in the period revised estimates are made. No losses were recognized on fixed-price contracts during the years ended May 31, 2017 and 2016.

The Company also performs services on a periodic retainer basis under infrastructure service contracts, which include monthly web hosting and support services. Revenue under periodic retainer-based contracts is recognized rateably over the contract period, as outlined within the respective contract. In the event additional services are required, above the minimum retained or contracted amount, then such services are billed on a time and materials basis. Customer prepayments, even if non-refundable, are deferred (classified as deferred revenue) and recognized over future periods as services are performed.

Property and equipment

Property and equipment are carried at historical cost less accumulated depreciation and any accumulated impairment losses. Each component of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Maintenance and repair expenditures that do not improve or extend the life are expensed in the period incurred.

Depreciation is recognized to write off the cost or valuation of assets (other than land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Estimated useful lives for the principal asset categories are as follows:

Computer hardware	3 - 5 years
Computer software	3 years
Furniture and fixtures	3 - 5 years
Vehicles	3 - 5 years
Websites	3 years

Preferred shares

Preferred shares with mandatory redemption on a specific date are classified as liabilities. The dividends on these preferred shares are recognized in the statements of (loss) and comprehensive (loss) as interest expense.

Loss per share

Basic and diluted loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the period. The treasury stock method is used to calculate diluted Income (loss) per common share amounts. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of the diluted per common share amount assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In the Company's case, diluted loss per common share presented is the same as basic loss per common share as the Company has not issued any options or warrants.

First-time adoption of IFRS

The Company has applied IFRS 1 – First-time Adoption of IFRS in preparing the statement of financial position as at June 1, 2015. Prior to June 1, 2015, the Company's financial statements were prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP").

Exemptions applied

IFRS 1 sets forth guidance for the initial adoption of IFRS. Under IFRS 1, the standards are applied retrospectively at the opening statement of financial position date with all adjustments to assets and liabilities taken to retained earnings unless certain exemptions are applied. The Company has applied the following exemptions to its opening statement of financial position as at June 1, 2015:

(a) *Leases*

IAS 17 – Leases discussed the new treatment of leases and the new criteria to determine whether they are operating or finance in nature. Furthermore, IFRIC 4 – Determining Whether an Arrangement Contains a Lease provides guidance to first-time adopters as to how to determine whether certain arrangement contain a lease portion to it. First-time adoption of IFRS requires applying IAS 17 by determining (i) whether an arrangement contains a lease (IFRIC 4), and (ii) whether that lease is a finance or operating lease. The Company has taken the IFRS 1 election and will treat the application provisions prospectively.

Mandatory exceptions

IFRS 1 also outlines specific guidelines that a first-time adopter must adhere to under certain circumstances. The Company has applied the following guidelines to its opening statement of financial position as at June 1, 2015:

(a) *Estimates*

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under US GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of June 1, 2015 are consistent with its US GAAP estimates for the same date.

(b) *Deemed cost*

The Company elected not to use fair value as deemed cost as at June 1, 2015 for property and equipment.

Standards, Interpretations and Amendments Not Yet Effective

IFRS 9 "Financial Instruments" (IFRS 9)

IFRS 9 addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having three categories: amortized cost, fair value through profit and loss, and fair value through other comprehensive income. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in the statement of earnings to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added to IFRS 9 in December 2010 and they largely carried forward existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This standard is effective for annual periods beginning on or after June 1, 2018. The Company is evaluating the effect that IFRS 9 will have on its financial statements and related disclosures.

IFRS 15 “Revenue from Contracts with Customers”

In May 2014, the IASB issued IFRS 15 to establish principles to record revenues from contracts for the sale of goods or services, unless the contracts are in the scope of IAS 17 “Leases” or other IFRS’. Under IFRS 15, revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer, applying the following five steps:

1. Identify the contract with a customer

2. Identify the performance obligations in the contract

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations in the contract

5. Recognize revenue when (or as) the entity satisfies a performance obligation

The new standard also provides guidance relating to contract costs and for the measurement and recognition of gains and losses on the sale of certain non-financial assets such as property, plant and equipment. Additional disclosures will also be required under the new standard. IFRS 15 must be adopted for annual periods beginning on or after June 1, 2018. The Company is evaluating the effect that IFRS 15 will have on its consolidated financial statements and related disclosures, as well as the transition method to apply the new standard.

IFRS 16 "Leases"

IFRS 16 replaces current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease (on the balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low value assets; however, this exemption can only be applied by lessees. The standard applies to annual periods beginning on or after June 1, 2019, with earlier application permitted if IFRS 15 is also applied. The Company is evaluating the effect that IFRS 16 will have on its financial statements and related disclosures.

Future accounting policy

The Company recognizes revenue generated on a gross basis from franchisees at the time significant risk and rewards of ownership have been transferred to the end customer or the services have been performed by the franchisee, the price charged by the franchisee to the end customer is fixed or determinable, collectability is reasonably assured, and costs incurred can be measured reliably.

The Company analyses whether revenue generated by franchises should be recorded on a gross basis based on considerations as noted below:

1. *The Company is the primary obligor in the arrangement*
2. *The Company has general inventory risk before customer order is placed or upon customer return*

3. *The Company has latitude in establishing price*
4. *The Company changes the product or performs part of the service*
5. *The Company has discretion in supplier selection*
6. *The Company is involved in the determination of product or service specifications*
7. *The Company has physical loss inventory risk after customer order or during shipping.*
8. *The Company has credit risk*

APPENDIX C
MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE THREE AND NINE MONTH PERIOD ENDED FEBRUARY 28, 2018

NERDS ON SITE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED FEBRUARY 28, 2018

The following Management Discussion and Analysis ("MD&A") of the financial condition and results of Nerds on Site Inc. (the 'Company') is prepared as of June 20, 2018. In this MD&A only, references to the ''Company'', ''NOS'', ''we'', ''us'' or ''our'' refer to Nerds on Site Inc. This MD&A should be read in conjunction with our interim unaudited financial statements for the period ended February 28, 2018 and our audited financial statements and the accompanying notes thereto for the period ended May 31, 2017. The MD&A contain certain forward-looking information that involves risks and uncertainties, including but not limited to, those described in the ''*Risk Factors*'' section of this prospectus.

Basis of Presentation

Our audited financial statements for the year ended May 31, 2017 have been prepared in accordance with IFRS and are presented in Canadian dollars unless otherwise indicated. We manage our business based on one operating and reportable segment. The financial statements for the quarter ended February 28, 2018 are condensed financial statements.

Non-IFRS Financial Measures

This MD&A may refer to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

Overview

The Company was incorporated on June 26, 1997 pursuant to the Ontario Business Corporations Act and is engaged in the business of providing information technology services, hardware, software and related support agreements.

We are an IT service/managed service provider, we operate a network of 125 sub-contractors ("Nerds") servicing on average 11,000 customers per year in Canada, with over 130,000 customers serviced since the inception. Our centralized ERP system IAMANERD.COM ("IAMANERD") is online operating system that manages day to day operations of our Nerds.

In fiscal 2017, the company was operating in the usual business mode without any material increase in clients lists, number of nerds or other material performance data. With the planned expansion into United states, the company focused on business planning, negotiations and discussion with funding providers on different funding methods to fund the expansion in United States. Revenue decrease from $9.016 Million to $8.667 Million.

IAMANERD contains marketing hub, inventory processing, client processing tools and database, Nerd to Nerd communication medium, credit card payment tools, central ordering, purchasing and invoicing, and continuing education hub called University of NERDology. This system has been developed by the company over the last 10 years, and is being developed continuously.

Thanks to IAMANERD our Nerds spend most of their time servicing Clients. The administration/inventory and other day-to-day admin is done by the system and our admin office that oversees the operation. Our Canadian Nerds are motivated proprietors, who operate under an agreement with the company, wearing our branded bright red T-shirts and driving bright red fully branded cars, mostly VW Beetles ("NerdMobiles"). Our business model was created to be as flexible for expansion as possible, with low overhead costs. Our Nerds are compensated on per deal or per contract basis, on various revenue splits. Revenue splits range from 37% of the contract revenue to Nerd to 50% of the contract revenue to Nerd. In addition to revenue splits our Nerds receive various volume incentives.

We are very protective of the Nerd Brand. Keyword Nerd, Nerd-mobile, and other combinations are either trademarked or trademark application filed in 12 countries. We continue to develop and monitor our trademark portfolio on monthly and quarterly basis.

We have exclusive software sales agreements with several related companies providing Software as a service (“SaaS”) products. Those products include TimeWellScheduled ™, DNS Thingy ™, MYbusinessOS ™. From each software sale we receive a 20% royalty, which is split based on our standard splits with Nerds.

In 2018 the focus is to penetrate and roll out our business in the USA. We have a roll out strategy that is in line with historic roll out that was exercised in Canada in multiple cities. The strategy is based on launching in smaller cities and rippling out to neighboring major metropolitan areas. With a smaller number of Nerds and NerdMobiles we generate higher levels of brand recognition and penetration with our marketing tactics of parading in downtown, commercial and industrial sectors. Our US Nerds will be franchisees managed by the Company in the beginning of the roll out. Once business volume is established in the smaller cities close to our historic average, we will attract area developers - to manage, lead and grow individual areas. Pricing of each area developer franchise is based on the number of listed businesses listed by the USA Postal site, targeted at $5-$7 per zip codes being purchased.

Our major challenges in 2018 will be effectively recruiting new nerds and arranging a cost-efficient lease/financing program in US to acquire NerdMobiles. Flexibility on this front enables the transfer of financing and/or lease arrangements from the company to each Nerd Franchisee. A proven and time-tested series of marketing tactics enables the initiation of cash flow from new operations within 60-90 days.

Going Concern

The ability of the Company to continue as a going concern, to realize the carrying value of its assets and discharge its liabilities when due, and to generate adequate profits is dependent on the Company’s ability to continue to raise adequate funds. The Company raised gross proceeds of $2.8Million in second quarter of 2018 in convertible debt.

There is no certainty that the Company will continue to raise additional capital to fund its expansion projects.

Significant Factors Affecting Results of Operations

Our results of operations are influenced by a variety of factors, including:

Revenue

The Company recognizes revenue at the time significant risk and rewards of ownership have been transferred to the customer or the services have been performed, the price is fixed or determinable, collectability is reasonably assured, and costs incurred can be measured reliably. Amounts invoiced to customers, primarily deposits that do not meet the revenue recognition criteria are considered ‘deferred’ and are included with the company’s current liabilities for reporting purposes.

The Company’s revenues were principally derived from the following sources:

Service fees charged for consulting services performed by the Company’s IT consultants under written service contracts with customers. The service contracts the Company enters into, generally fall into three specific categories: time and materials, fixed-price and prepaid service agreements.

Sale of off the shelf software, hardware and related support which are specifically charged on the Company’s invoices. Software, hardware and related service are part of what the Company provides to small and medium size enterprises when providing consulting. Software, hardware and related service items are priced and billed separately from IT service charges.

The Company’s customers may also be charged miscellaneous fees, including software licensing fees, shipping fees, cloud storage fees, web hosting fees and fees for other miscellaneous services.

Cost of Revenue

Cost of revenue include both subcontract costs for providing information technology and related services and associated hardware and software costs. The Company provides mobile IT support for various businesses including PC set up, network installation and support & tailored software services. The Company uses a specially trained network of technically proficient IT consultants to help clients on site by providing effective, consistent and customized IT solutions.

Selling, general and administrative expenses

Selling, general and administrative expenses consist primarily of salaries and related expenses for our sales, administrative and marketing staff, including management services, data centre and call centre costs, professional and legal costs and banking services. These costs also include advertising, events, corporate communications, brand building and product marketing activities. We plan to continue to invest in sales and marketing by expanding our domestic and international selling and marketing activities, building brand awareness and sponsoring additional marketing events. We expect that in the future, sales and marketing expenses will increase with increase in revenue in absolute dollars and we incur additional employee-related costs and professional fees related to the growth of our business and international expansion.

Our presentation and functional currency is Canadian dollars and all the amounts in this management discussion and analysis are in Canadian dollars unless otherwise indicated. We derive most of our revenue from customers who pay in Canadian dollars. Our head office and most of our employees are in Ontario, Canada, and as such a significant amount of our expenses are paid in Canadian dollars. We have negligible transactions in currencies other than Canadian dollars and as such have limited exposure to risk of currency gain or loss.

Results of Operations

	Three months ended February 28,		Nine months ended February 28,	
	2018	2017	2018	2017
	(thousands of dollars) (except per share amounts)			
Total Revenue	1,921	2,108	6,136	6,360
Gross Profit	470	518	1,621	1,774
Operating Expenses	612	577	2,348	1,827
Operating loss	(142)	(59)	(727)	(53)
Net loss	(342)	(86)	(1,096)	(127)
Loss per share	(0.0061)	(0.0017)	(0.0210)	(0.0025)
Cash flow from (used in) operating activities			(483)	96
Cash flow from (used in) investing activities			(21)	624
Cash flow from (used in) financing activities			2,389	(697)

Discussion of Operations: Three and Nine- month periods ended February 28, 2018 and 2017

Revenue

The Company has a single reportable segment for mobile IT consulting services. We recorded total revenue of $6.136 Million during the nine months ended February 28, 2018 as compared to $6.360 Million during the nine months ended February 28, 2017. There was no material change in revenue during the nine- month periods ended February 28, 2018 and 2017. Service revenue declined 263 Thousand or 7.7% during the nine months ended May 31, 2018 as compared to prior period primarily due to drop in service billed calls revenues based on timing and customer needs.

Break-up of revenue (thousands of dollars)	9 months	9 months	3 months	3 months
	2018	2017	2018	2017
	$	$	$	$
Service fees	3,160	3,423	965	1160
Sale of software, hardware and related	2,931	2,894	946	935
Miscellaneous fee	45	43	10	12
Total revenue	6,136	6,360	1,921	2,108

Gross profit

The Company recorded gross profit of $1.621Million and $1.774Million during the nine months ended February 28, 2018 and 2017 respectively. The gross margin fell by 1.5% to 26.4% from 27.9% during the current nine- month period primarily because of an additional cost of $30 Thousand in repurchase of a territory revenue rights and an increase in input costs of goods sold. Sales for three- month period ended February 28, 2018 was lower by $187 Thousand with no effect on gross margin.

	Nine months ended February 28,	
	2018	2017
	(thousands of dollars)	
Total Revenue	6,136	6,360
Gross Margin	1,621	1,774
Gross Margin %	**26%**	**28 %**

Our margin dropped by 2% to 26% during the current nine- month period as compared to 28% for the similar prior nine-month period. This is primarily due to our revenue mix between sale of software, hardware and consulting services as explained below.

The Company experienced a marginal decline in service revenue which was based on customer needs and a lower margin in product sales due to increase in input costs of goods sold during the current nine-month period as compared to the similar prior nine-month period.

Selling, general and administrative

	Nine months ended February 28, 2018	2017	2017 to 2018 % increase
	(thousands of dollars)		
Total Expense	2,330	1,813	29 %
As a percentage of revenue	**38%**	**29 %**	

	Quarter ended February 28, 2018	2017	2017 to 2018 % increase
	(thousands of dollars)		
Total Expense	606	572	6 %
As a percentage of revenue	**32%**	**27 %**	

Selling, general and administrative expenses have seen increase from 2017 to 2018 for the nine months and three months comparative periods. The main driver for the increase is the increase in advertising and promotion costs expensed in new markets, additional costs of $46 Thousand relating to broker warrants costs expensed in 2017 and additional cost for legal, audit, employee and business development costs. In addition, the Company recorded a higher management remuneration of $176 Thousand during the nine- month period ended February 28, 2018 as compared to nine- month period ended February 28, 2017.

Selling, general and administrative expenses during the nine and three months ended February 28, 2018 and 2017 (In thousands of dollars)

	9 months February 28, 2018	9 months February 28, 2017	3 months February 28, 2018	3 months February 28, 2017
	$	$	$	$
Advertising and promotion	222	81	77	20
Automobile expenses	18	24	11	12
Bank and interest charges	147	148	48	50
Business development	115	102	31	30
Communication	67	68	25	24
Payroll and related	253	199	75	79
Management remuneration	326	150	58	47
Office and administrative expenses	297	224	60	47
legal and professional	158	138	64	47
Programming and related costs	727	678	157	216
Total	2,330	1,812	606	572

Operating loss

	Nine months ended February 28, 2018	2017	2017 to 2018 change
	(thousands of dollars)		
Operating loss	(727)	(53)	(674)

	Quarter ended February 28, 2018	2017	2017 to 2018 change
	(thousands of dollars)		
Operating loss	(142)	(59)	(83)

Our increase in our operating loss for the comparative three and nine- month periods of 2018 and 2017 are a result of increase in selling, general and administrative expenses and decrease in gross margins (as explained above).

Net loss

	Nine months ended February 28, 2018	2017	2017 to 2018 change
	(thousands of dollars)		
Net loss	(1,096)	(127)	(969)

	Quarter ended February 28, 2018	2017	2017 to 2018 change
	(thousands of dollars)		
Net loss	(342)	(86)	(256)

Beyond the impact of operating income (loss) as noted above, the other drivers for our net losses are the interest expense for $321 Thousand and $50 Thousand for nine months ended February 28, 2018 and 2017 and amortization of deferred finance costs for $71 Thousand and $nil for nine months ended February 28, 2018 and 2017 respectively. Interest expense for $321 Thousand for nine months ended February 28, 2018 includes non-cash interest accretion expense for $158 Thousand (prior period $nil) relating to convertible debt issued in second quarter of 2018.

Key balance sheet items

	As at February 28, 2018	As at May 31, 2017
	(thousands of dollars)	
Total Assets	4,846	2,506
Total Liabilities	5,711	2,573
Total non-current liabilities	269	332
Cash dividends declared per share:		
Common shares	$nil	$nil

The Company has issued preferred shares which are non-voting, and entitle the holder to cumulative dividends at a rate of 7.25% per year, paid quarterly, beginning June 30, 2016

The primary reason for increase in total assets and total liabilities in 2018 is a direct result of the Company raising $2.8Million in convertible debt in the second quarter of 2018.

Our balance sheet has several key items that are necessary to analyze to gain a full understanding of our financial results. The following analysis explains those items.

Trade and other receivables

	As at February 28, 2018	As at May 31, 2017
	(thousands of dollars)	
Trade and other receivables (net)	175	304
Days sales outstanding (“DSO”)	10 days	14 days

As at February 28, 2018, our trade receivables balance was $175 Thousand, which is 42% less from the beginning of the year. The material change in the trade receivable is primarily the reserve for doubtful accounts for $80K and improved collection We have a diverse group of customers, not one of which represents greater than 10% of the total receivables balance.

Preferred Shares

On January 27, 2015, the Company issued 1,000,000 shares of Class B Preferred shares to the three founding shareholders. Each Class B Preferred share is entitled to 10 votes per share. Proceeds to the Company were $nil. Class B Shares were issued to provide the founders with 10 votes per share, do not entitle the holders to interest, dividends, and do not provide rights to the assets of the Company in the event of a liquidation of the Company.

	As at February 28, 2018	As at May 31, 2017
	(thousands of dollars)	
Preferred shares	470	500

On January 27, 2015, the Company issued 1,000,000 Class A Preferred shares. The Class A shares are non-voting and entitle the holder to cumulative dividends at a rate of 7.25% per year, paid quarterly, beginning June 30, 2016 and are redeemable upon given notice at any time, the whole or from time to time any part of the outstanding shares, by the Company from the date of issuance in cash for $1 per share together with an amount equal to all dividends accrued and remaining unpaid. The shares are redeemable any time by the shareholder, with 30 days-notice, starting from June 30, 2016. The Class A Preferred shares do not meet the criteria for equity classification under IFRS due to the cash redemption feature and have therefore been recorded as a liability. During the year ended May 30, 2017, the Company redeemed $500 Thousand of the Class A Preferred shares and during the nine- month period ended February 28, 2018, the Company redeemed $30 Thousand of the Class A Preferred shares.

Deferred revenue

	As at February 28, 2018	As at May 31, 2017
	(thousands of dollars)	
Deferred revenue	291	261

Our business model results in us billing our customers in advance of providing the service and, as a result, we record deferred revenue at the close of the reporting period.

Liquidity and capital resources

	As at February 28, 2018	As at May 31, 2017
	(thousands of dollars)	
Cash	1,923	38

The Company's primary cash flow comes from its sale of software, hardware and consulting services. The Company has also increased liquidity through debt financing at various times in its history. The Company has successfully raised $2.8Million by issue of convertible debt in the second quarter of 2018.

The following is a summary of our cash flows provided by (used in) operating activities, investing activities and financing activities for the years and periods as indicated:

	Nine- months ended February 28	
	2018	2017
	(thousands of dollars)	
Operating activities	(483)	96
Investing activities	(21)	624
Financing activities	2,389	(697)
Increase in cash	1,885	23
Cash beginning of period	38	68
Cash end of period	1,923	91

Net cash from (used) in operating activities

Cash flow from (used) in operations, which is generally the net income or loss adjusted for non-cash items, such as depreciation and changes in non-cash working capital items, was $(483) Thousand in nine months of 2018 as compared to $96 Thousand in nine months of 2017.

The main factors which contributed to increase in cash outflow from operations were:

a) The Company had a net loss of $(1,096) Thousand in nine months of 2018 as compared to a net loss of $(127) Thousand in nine months of 2017. The increase in loss in nine months of 2018 was primarily a result of increase in selling, general and administrative expenses, an increase in interest costs and amortization of deferred finance costs.
b) The timing of receipts and payments, including increase in deferred financing costs by $163 Thousand in nine months of 2018 as compared to $nil in nine months of 2017.
c) Increase in deferred revenue by $30 Thousand in nine months of 2018 as compared to an increase in deferred revenue by $195 Thousand in nine months of 2017.

Net cash from (used) in investing activities

Cash from (used in) investing activities was $(21) Thousand in nine months of 2018 as compared to $624 Thousand in nine months of 2017.
During nine months of 2018, the outflow of cash was primarily for payment related to internally generated intangible asset for $(18) Thousand and purchase of property and equipment for $(39) Thousand. During nine months of 2017, the outflow of cash was for purchase of property and equipment for $(32) Thousand, payment related to internally generated intangible asset for $(41) Thousand and decrease in restricted cash of $697 Thousand.

Relating to the sale of Series A preferred and common share issuance on January 27, 2015, the Company has segregated the proceeds from this transaction pursuant to agreement that $1million of the funds were restricted for the short- term needs of the Company. As of June 1, 2015, the Company had $1 million reflected in its statement of financial position. As of May 31, 2016, the balance in restricted cash was $726 Thousand and as of February 28, 2017, the balance in restricted cash was $29 Thousand. The change in restricted cash resulted in cash inflow of $697 Thousand in nine months of 2017 as compared to inflow of $27 Thousand in nine months of 2018.

Net cash from (used) in financing activities

Cash provided (used in) by financing activities was $2.389 Million in nine months of 2018 as compared to $(697) Thousand in nine months of 2017. On October 27, 2017, the Company completed the issuance of an aggregate of $2,140,500 principal amount of unsecured convertible debentures at a price of $1,000 per convertible debenture. On November 20, 2017, the Company completed the issuance of an additional $720,000 principal amount of unsecured convertible debentures due November 20, 2018 at a price of $1,000 per convertible debenture. The debentures are unsecured convertible debentures and bear simple interest at a rate of 10% per annum from the date of issue.

In nine months of 2018, the Company reduced debt from related parties by $(158) Thousand as compared to reduction in debt to related parties by $(231) Thousand in nine months of 2017. In addition, the Company redeemed Series ‘A’ preference shares for $(30) Thousand in nine months of 2018 as compared to $(500) Thousand in nine months of 2017.

Off-balance sheet arrangement

The Company has no off-balance sheet arrangement as of February 28, 2018 and May 31, 2017.

Transactions with related parties

Amounts due from related parties as at February 28, 2018 included the following. The origin of these related party receivables was to provide start-up costs and cash flow for start-up operations.

	Nine months ended February 28, 2018
	(thousands of dollars)
Ready Aim Fire Enterprising Inc. (a)	817
Nerds On-Site South Africa (b)	280
DNSthingy Inc. (a)	914
Other related parties (b)	239
	2,250

(a) via same key management personnel
(b) by virtue of common control
(a) and (b) these are due upon demandable and interest-free

Key management personnel are comprised of the Company's directors and executive officers. In addition to their salaries, key management personnel also receive share-based compensation. Key management personnel compensation is as follows:

	For the nine months ended February 28, 2018 *	For the nine months ended February 28, 2017
	(in thousands of dollars)	(in thousands of dollars)
Salaries and benefits, including bonuses	$ 326	$ 150
Total	$ 326	$ 150

*Includes compensation of $150 Thousand paid to a related party by issuance of 7,500,000 common shares.

Convertible debentures

On October 27, 2017, the Company completed the issuance of an aggregate of $2,140,500 principal amount of unsecured convertible debentures at a price of $1,000 per convertible debenture. On November 20, 2017, the Company completed the issuance of an additional $720,000 principal amount of unsecured convertible debentures due November 20, 2018 at a price of $1,000 per convertible debenture (collectively the "debentures"). The debentures are unsecured convertible debentures and bear simple interest at a rate of 10% per annum from the date of issue.

The Company has the option to prepay the principal amount of a Debenture, in whole or in part, in addition to all accrued but unpaid interest accumulated to the date of such prepayment subject to providing the debenture holder with thirty (30) days prior written notice in respect of such prepayment.

The holder of the debenture may elect to convert, in whole or in part, the principal amount of the debenture together with any accrued but unpaid interest accumulated thereon as of the date of such conversion into units of the

Company (the “Units”) at a deemed conversion price (the Conversion Price) equal to the lesser of: (i) $0.25 per Unit; or (ii) the initial public offering price of a common share in the capital of the Corporation (each a Common Share) on the Canadian Securities Exchange (or any other Canadian exchange on which the Common Shares may be listed).

The Company may at any time and on written notice to the Purchaser require the conversion of the debenture (inclusive of the principal amount together with any accrued but unpaid interest accumulated thereon as of the date of such required conversion) into Units at the conversion price of $0.25 per Unit in the event that, during the term of the Debenture, the closing price of a common share in the capital of the Corporation (each a Common Share) on the Canadian Securities Exchange (or any other Canadian exchange on which the Common Shares may be listed) equals or exceeds $0.50 per Common Share for at least five (5) consecutive trading days.

Each Unit consists of one (1) Common Share and one (1) Common Share purchase warrant of the Corporation (each a Warrant). Each Warrant entitles the holder thereof to acquire one (1) Common Share for an exercise price of $0.30 per Common Share for a period of two (2) years following the closing date (the Warrant Exercise Period). If, at any time prior to the expiry of the Warranty Exercise Period, the closing price of the Common Shares on the Canadian Securities Exchange (or any other Canadian exchange on which the Common Shares may be listed) equals or exceeds $0.60 per Common Share for at least five (5) consecutive trading days, the Corporation shall be entitled to accelerate the Warrant Exercise Period to a period ending thirty (30) days from the date that notice of such acceleration is provided to holders of the Warrants (the Accelerated Warrant Exercise Period). Any unexercised Warrants shall automatically expire at the end of the Accelerated Warrant Exercise Period.

The Company paid the following compensation for the initial raise of $2,140,500 on October 27, 2017 and the additional raise of $720,000 on November 20, 2017 to the agents:

- Total cash compensation for of $140,360 plus issuance of 561,440 broker warrants. Each broker warrant is exercisable to purchase one additional Common Share at a price of $0.25 for a period of 12 months expiring October 27, 2018.
- Total cash compensation for of $54,640 plus issuance of 194,560 broker warrants. Each broker warrant is exercisable to purchase one additional common share of the Issuer at a price of $0.25 for a period of 12 months expiring November 20, 2018.

Financial Instruments and risk management

All financial instruments are initially recognized at fair value on the statements of financial position. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss (“FVTPL”), (2) loans and receivables, (3) financial assets available-for-sale, (4) financial assets held-to maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in the statements of (loss) and comprehensive (loss). Financial assets “available-for-sale” are subsequently measured at fair value with changes in fair value recognized in other comprehensive (loss), net of tax.

The Company’s financial assets and liabilities are recorded and measured as follows:

Asset or Liability	Category	Measurement
Cash and restricted cash	FVTPL	Fair value
Accounts receivable and due from related parties	Loans and receivables	Amortized cost
Accounts payable, accrued expenses, bank debt, preferred shares, dividend payable, convertible debentures, due to a related party, loans and capital leases payable	Other liabilities	Amortized cost
Derivative liability	FVTPL	Fair value

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For financial assets, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. In the normal course of business, the Company's trade accounts receivable are potentially exposed to credit risk from its customers. However, the Company DSO is usually 15 days or less and no customer represents more than 10% of the total trade receivables balance. To mitigate this risk the Company provides an allowance for doubtful accounts equal to the estimated losses expected to be incurred in the collection of accounts receivable.

Interest rate

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. The Company does not believe that the results of operations or cash flows would be affected to any significant degree by a sudden change in market interest rates, relative to interest rates on cash and cash equivalents and bank debt due to the short-term nature of these balances and the loans and capital leases payable due to the Company's current borrowing rate does not materially differ from market rates for similar bank borrowings.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty raising liquid funds to meet commitments as they fall due. In meeting its liquidity requirements, the Company closely monitors its forecasted cash requirements with expected cash drawdown.

The Company had no current commitment for capital expenditures as at February 28, 2018. Accounts payables, accrued liabilities, due to a related party and bank debt are due within the next 12 months. Dividends on preferred shares paid quarterly beginning June 30, 2016. Loans and capital leases payable are due on 2019 and 2020, and are payable monthly principal plus interest, until their maturity date.

Currency risk

The Company's functional currency and its reporting currencies are both in Canadian dollars. The Company has negligible transactions in currencies other than Canadian dollars and as such has limited exposure to risk of currency gains or losses.

Capital Management

Our objective in managing capital is to ensure sufficient liquidity to pursue our growth strategy and to provide sufficient resources to meet day-to-day operating requirements, while at the same time taking a conservative approach towards financial leverage and management of financial risk. In managing the capital structure, we take into consideration various factors, including the growth of the business and related infrastructure and the up-front cost of taking on new customers. The officers and senior management of the Company are responsible for managing the capital and do so through monthly meetings and regular review of financial information. The Board of Directors is responsible for overseeing this process. We manage capital to ensure that there are adequate capital resources while maximizing the return to shareholders through the optimization of the cash flows from operations and capital transactions.

Critical Accounting Estimates

The Company has applied IFRS 1 – First-time Adoption of IFRS in preparing the statement of financial position as at June 1, 2015. The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenue, costs, expenses and other comprehensive loss that are reported in the financial statements and accompanying disclosures. The estimates and associated assumptions are based on historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Significant areas requiring the use of estimates and assumptions include the determination of useful lives of property and equipment, accounts receivable, valuation allowance and loans.

The significant accounting policies and estimates are discussed below:

Revenue Recognition

The Company recognizes revenue at the time significant risk and rewards of ownership have been transferred to the customer or the services have been performed, the price is fixed or determinable, collectability is reasonably assured and costs incurred can be measured reliably. Amounts invoiced to customers, primarily deposits that do not meet the revenue recognition criteria are considered 'deferred' and are included with the company's current liabilities for reporting purposes.

The Company's revenue was principally derived from the following sources:

- Service fees charged for consulting services performed by the Company's IT Consultants under written service contracts with customers. The service contracts the Company enters into, generally fall into three specific categories: time and materials, fixed-price and prepaid service agreements.

- Sale of off the shelf software, hardware and related support which are specifically charged on the Company's invoices. Software, hardware and related service are part of what the Company provides to small and medium size enterprises when providing consulting. Software, hardware and related service items are priced and billed separately from IT service charges.

- The Company's customers may also be charged miscellaneous fees, including software licensing fees, shipping fees, cloud storage fees, web hosting fees and fees for other miscellaneous services.

Revenue is recorded after the recognition criteria mentioned above have been met.

<u>Service fees for consulting services</u>

When a customer enters into a time and materials, fixed-price or a prepaid service contract, the Company recognizes revenue in accordance with the Company's evaluation of the deliverables in each contract. If the deliverables represent separate units of accounting, the Company then measures and allocates the consideration from the arrangement to the separate units, based on reliable evidence of fair value for each deliverable. Units of accounting from deliverables include specific objectives delineated in the service contract.

Revenue under time and materials contracts is recognized as services are rendered and billed at contractually agreed upon rates. Most contracts are short in duration and revenue recognized on delivery.

If the Company's initial estimates of the resources required or the scope of work to be performed on a fixed-price contract are inaccurate, or the Company does not manage the project properly within the planned time period, a provision for estimated losses on incomplete projects is made. Any known or probable losses on projects are charged to operations in the period in which such losses are determined. Management reviews the estimated total direct costs on each contract to determine if the estimated amounts are accurate, and estimates are adjusted as needed in the period revised estimates are made. No losses were recognized on fixed-price contracts during the three and nine-months ended February 28, 2018 and 2017 and years ended May 31, 2017 and 2016.

The Company also performs services on a periodic retainer basis under infrastructure service contracts, which include monthly web hosting and support services. Revenue under periodic retainer-based contracts is recognized rateably over the contract period, as outlined within the respective contract. In the event additional services are required, above the minimum retained or contracted amount, then such services are billed on a time and materials basis. Customer prepayments, even if non-refundable, are deferred (classified as deferred revenue) and recognized over future periods as services are performed.

Property and equipment

Property and equipment are carried at historical cost less accumulated depreciation and any accumulated impairment losses. Each component of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Maintenance and repair expenditures that do not improve or extend the life are expensed in the period incurred.

Depreciation is recognized to write off the cost or valuation of assets (other than land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Estimated useful lives for the principal asset categories are as follows:

Computer hardware	3 - 5 years
Computer software	3 years
Furniture and fixtures	3 - 5 years
Vehicles	3 - 5 years
Websites	3 years

Preferred shares

Preferred shares with mandatory redemption on a specific date are classified as liabilities. The dividends on these preferred shares are recognized in the statements of (loss) and comprehensive (loss) as interest expense.

Loss per share

Basic and diluted loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the period. The treasury stock method is used to calculate diluted Income (loss) per common share amounts. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of the diluted per common share amount assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In the Company's case, diluted loss per common share presented is the same as basic loss per common share as the Company has not issued any options or warrants.

Standards, Interpretations and Amendments Not Yet Effective

IFRS 9 "Financial Instruments" (IFRS 9)

IFRS 9 addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having three categories: amortized cost, fair value through profit and loss, and fair value through other comprehensive income. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in the statement of earnings to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added to IFRS 9 in December 2010 and they largely carried forward existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This standard is effective for annual periods beginning on or after June 1, 2018. The Company is evaluating the effect that IFRS 9 will have on its financial statements and related disclosures.

IFRS 15 “Revenue from Contracts with Customers”

In May 2014, the IASB issued IFRS 15 to establish principles to record revenues from contracts for the sale of goods or services, unless the contracts are in the scope of IAS 17 “Leases” or other IFRS’. Under IFRS 15, revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer, applying the following five steps:

1. Identify the contract with a customer

2. Identify the performance obligations in the contract

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations in the contract

5. Recognize revenue when (or as) the entity satisfies a performance obligation

The new standard also provides guidance relating to contract costs and for the measurement and recognition of gains and losses on the sale of certain non-financial assets such as property, plant and equipment. Additional disclosures will also be required under the new standard. IFRS 15 must be adopted for annual periods beginning on or after June 1, 2018. The Company is evaluating the effect that IFRS 15 will have on its consolidated financial statements and related disclosures, as well as the transition method to apply the new standard.

IFRS 16 "Leases"

IFRS 16 replaces current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease (on the balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low value assets; however, this exemption can only be applied by lessees. The standard applies to annual periods beginning on or after June 1, 2019, with earlier application permitted if IFRS 15 is also applied. The Company is evaluating the effect that IFRS 16 will have on its financial statements and related disclosures.

Future accounting policy

The Company recognizes revenue generated on a gross basis from franchisees at the time significant risk and rewards of ownership have been transferred to the end customer or the services have been performed by the franchisee, the price charged by the franchisee to the end customer is fixed or determinable, collectability is reasonably assured, and costs incurred can be measured reliably.

The Company analyses whether revenue generated by franchises should be recorded on a gross basis based on considerations as noted below:

1. *The Company is the primary obligor in the arrangement*
2. *The Company has general inventory risk before customer order is placed or upon customer return*
3. *The Company has latitude in establishing price*
4. *The Company changes the product or performs part of the service*
5. *The Company has discretion in supplier selection*
6. *The Company is involved in the determination of product or service specifications*
7. *The Company has physical loss inventory risk after customer order or during shipping.*
8. *The Company has credit risk*

APPENDIX D
AUDIT COMMITTEE CHARTER

The Audit Committee (the **Committee**) of the Board (the **Board**) of Nerds on Site Inc. (the **Corporation**) shall have the oversight responsibility, authority and specific duties as described below.

Composition

The Committee will be comprised of three or more directors as determined by the Board, none of whom shall be or shall have been, unless permitted by applicable securities rules, an officer or employee of the Corporation or any subsidiary of the Corporation. Each Committee member shall satisfy the independence, financial literacy and experience requirements of applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the Committee.

Each member shall serve until his successor is appointed, unless he shall resign or be removed by the Board or he shall otherwise cease to be a director of the Corporation. The Board shall fill any vacancy if the membership of the Committee is less than three directors.

The Chair of the Committee shall be designated by the Committee by vote of a majority of the full Committee membership.

Communication, Authority to Engage Advisors and Expenses

The Committee shall have access to such officers and employees of the Corporation, the Corporation's external auditor and to such other information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

The Committee provides an avenue for communication, particularly for outside directors, with the external auditor and financial and senior management and the Board. The external auditor shall have a direct line of communication to the Committee through its Chair and shall report directly to the Committee. The Committee, through its Chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee, on a confidential basis, any matter involving the Corporation's financial practices or transactions.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and advisors. Any engagement of independent counsel or other advisors is to be at the Corporation's expense.

The Corporation shall be responsible for all expenses of the Committee that are deemed necessary or appropriate by the Committee in carrying out its duties.

Meetings and Record Keeping

Meetings of the Committee shall be conducted as follows:

1 the Committee shall meet at least four times annually at such times and at such locations as the Chair of the Committee shall determine, provided that meetings shall be scheduled so as to permit timely review of the quarterly and annual financial statements and reports. The external auditor or any two members of the Committee may also request a meeting of the Committee. The Chair of the Committee shall hold in camera sessions of the Committee at every meeting without management present;

2 the quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other;

3 if the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting;

4 the Chair shall, in consultation with management and the auditor, establish the agenda for the meetings and circulate or instruct management to circulate properly prepared agenda materials to the Committee with sufficient time for study prior to the meeting;

5 every matter of business at a Committee meeting shall be decided by a majority of the votes cast;

6 the Chief Executive Officer shall be available to advise the Committee, shall receive notice of meetings and may attend meetings of the Committee at the invitation of the Chair of the Committee. Other management representatives may be invited to attend as necessary; and

7 a Committee member, or any other person selected by the Committee, shall be appointed at each meeting to act as secretary for the purpose of recording the minutes of each meeting.

The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All information reviewed and discussed by the Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chair.

Responsibilities

The Committee is part of the Board. Its primary functions are to assist the Board in fulfilling its oversight responsibilities with respect to: (i) the oversight, review and approval of the financial statements and the accounting and financial reporting processes of the Corporation; (ii) the assessment of the system of internal controls that management has established; and (iii) the external audit process. In addition, the Committee shall assist the Board, as requested, in fulfilling its oversight responsibilities with respect to (i) financial policies and strategies; (ii) financial risk management practices; and (iii) transactions or circumstances which could materially affect the financial profile of the Corporation.

The Committee shall be directly responsible, in its capacity as a committee of the Board, for making a recommendation to the Board regarding the appointment, compensation and retention of the external auditor and overseeing the work of the external auditor and the relationship of the external auditor with the Corporation (including the resolution of disagreements between management and the external auditor regarding financial reporting). Management is responsible for preparing the financial statements and financial reporting of the Corporation and for maintaining internal control and management information and risk management systems and procedures. The external auditor is responsible for the audit or review of the financial statements and other services they provide.

The duty and standard of care which directors must meet is as set forth in applicable corporate and securities legislation. These terms of reference are intended to assist the members of the Committee in satisfying the standard of care which is imposed upon them by applicable law and is not intended to increase or decrease the standard of care to which all directors are subject.

The Committee should have a clear understanding with the external auditor that they must maintain an open and transparent relationship with the Committee, and that the ultimate accountability of the external auditor is to the shareholders of the Corporation.

Specific Duties

A. <u>Relationship with External Auditor</u>

The Committee shall:

1 consider and make a recommendation to the Board as to the appointment or re-appointment of the external auditor, ensuring that such auditor is a participant in good standing pursuant to applicable securities laws;

2 consider and make a recommendation to the Board as to the compensation of the external auditor which is to be paid by the Corporation;

3 oversee the work of the external auditor in performing their audit or review services and oversee the resolution of any disagreements between management of the Corporation and the external auditor;

4 review and discuss with the external auditor all material identified relationships that the external auditor and its affiliates have with the Corporation and its affiliates in order to determine the external auditor's independence, including, without limitation:

    (a) requesting, receiving and reviewing, on a periodic basis, a formal written statement from the external auditor delineating all relationships that may reasonably be thought to bear on the independence of the external auditor with respect to the Corporation;

    (b) discussing with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor; and

    (c) recommending that the Board take appropriate action in response to the external auditor's statement to satisfy itself of the external auditor's independence;

5 review and discuss the audit plan of the external auditor with the external auditor, including the staffing thereof, prior to the commencement of the audit;

6 as may be required by applicable securities laws, rules and guidelines, either:

    (a) pre-approve all non-audit services to be provided by the external auditor to the Corporation (and its subsidiaries, if any), or, in the case of de minimis non-audit services, approve such non-audit services prior to the completion of the audit; or

    (b) adopt specific policies and procedures for the engagement of the external auditor for the purposes of the provision of non-audit services; and

7 review and approve the hiring policies of the Corporation regarding partners and employees and former partners and employees of the present and former external auditor of the Corporation.

B. <u>Financial Statements and Financial Reporting</u>

The Committee shall:

1 review with management and the external auditor, and recommend to the Board for approval, the annual financial statements of the Corporation and related financial reporting, including management's discussion and analysis. In particular, the Committee's review of such financial statements should include, but not be limited to:

(a) reviewing any changes in accounting principles, or in their application, which may have a material effect on the current or future years' financial statements;

(b) reviewing material identified accruals or other similar estimates;

(c) reviewing the accounting treatment of unusual or non-recurring transactions; and

(d) reviewing disclosure requirements for commitments and contingencies;

2 upon completion of each audit, review with the external auditor the results of such audit. This process should include but not be limited to:

(a) reviewing the scope and quality of the audit work performed;

(b) reviewing the capability of the Corporation's financial personnel;

(c) reviewing the co-operation received from the Corporation's financial personnel during the audit;

(d) reviewing the resources used by the Corporation;

(e) reviewing material identified transactions outside of the normal business of the Corporation; and

(f) reviewing material proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems;

3 review with management and (at the Committee's discretion) the external auditor, and approve, the interim financial statements of the Corporation and related financial reporting, including management's discussion and analysis. In particular, the Committee's review of such financial statements should include, but not be limited to, those items set forth in 1.(a) to (e) above, as applicable;

4 review with management and recommend to the Board for approval, the Corporation's annual information form, if applicable;

5 review with management and approve or recommend to the Board for approval, as required by the terms hereof, any financial statements of the Corporation which have not previously been approved and which are to be included in a prospectus or other public disclosure document of the Corporation;

6 consider and be satisfied that appropriate policies and procedures are in place by management for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements (other than public disclosure referred to in clauses B.1 and B.3 above), and periodically assess the adequacy of such procedures;

7 review with management, the external auditor and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Corporation, and the manner in which these matters may be, or have been, disclosed in the financial statements;

8 review accounting, tax, legal and financial aspects of the operations of the Corporation as the Committee considers appropriate; and

9 encourage cooperation and communication between the Committee, the external auditors and management on the use of corporate information and records in the financial reporting process.

C. <u>Internal Controls</u>

The Committee shall:

1 review with management and, as applicable, the external auditor and legal counsel, the adequacy and effectiveness of the internal control and management information systems and procedures of the Corporation (with particular attention given to accounting, financial statements and financial reporting matters) and consider whether the Corporation is in compliance with applicable legal and regulatory requirements and with the Corporation's policies;

2 review the external auditor's recommendations regarding any matters, including internal control and management information systems and procedures, and management's responses thereto;

3 establish procedures for the receipt, retention and treatment of complaints, submissions and concerns regarding accounting, internal controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;

4 review policies and practices concerning the expenses and perquisites of the President and Chief Executive Officer, including the use of the assets of the Corporation; and

5 review with management and the external auditor any identified corporate transactions in which directors or officers of the Corporation have a personal interest and other transactions with affiliated parties of the Corporation.

D. <u>Financial Risk Management</u>

The Committee shall:

1 review with management their assessment of the material financial risks and exposures of the Corporation and discuss with management the steps which the Corporation has taken to monitor and control such exposures;

2 review current and expected future compliance with covenants under any financing agreements;

3 understand the financial risks arising from the Corporation's exposure to such things as commodity prices, interest rates, foreign currency exchange rates and credit, as applicable. Review the management of those risks including any proposed hedging of such exposures, as applicable;

4 review the activities of the Corporation’s marketing group or investor relations firm and the financial risks arising from such activities;

5 review the Corporation’s insurance coverage including insurance covering directors and officers liability;

6 review any other material financial exposures including such things as tax audits, government audits or any other activities that expose the Corporation to the risk of a material financial loss;

7 report the results of such reviews to the Board for the purpose of assisting the Board in identifying the principal business risks associated with the businesses of the Corporation; and

8 review the appropriateness of the controls, policies and procedures used in the preparation of the Corporation’s financial statements and other required disclosure documents, and consider recommendations for any material change to such policies.

APPENDIX E
STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Board

The Board is comprised of seven individuals: Kevin Ernst, John Harbarenko, Nicole Holden, Eugene Konaryev, David Redekop, Charles Regan and Jack Smit. Each of the directors, other than Charles Regan, John Harbarenko and David Redekop is "independent" within the meaning of that term under National Policy 58-201 - *Corporate Governance Guidelines*. Charles Regan is the Corporation's Chief Executive Officer and John Harbarenko and David Redekop were officers of the Corporation within the preceding three years. Accordingly, Messrs. Regan, Harbarenko and Redekop are not independent.

The Board exercises its independent supervision over management through regular meetings of the Board in addition to the Board reviewing and approving any significant transactions undertaken by the Corporation.

Directorships

None of the Corporation's directors act as directors for any other reporting issuers.

Orientation and Continuing Education

New directors to the Board are provided with an informal orientation regarding the business, operations and affairs of the Corporation by management. Members of the Board are provided with ongoing education respecting the Corporation's business, operations and affairs by way of management updates and presentations. In addition, directors are encourage to attend industry workshops respecting the responsibilities of directors.

Ethical Business Conduct

The Board encourages and promotes a culture of ethical business conduct by the Corporation by actively overseeing the management of the Corporation's business. In addition, The Board is considering adopting a Code of Conduct and Whistleblower Policy for the Corporation to address the recommendations set out in National Policy 58-201 - *Corporate Governance Guidelines*. The Code of Conduct will be filed on SEDAR under the Corporation's profile when adopted.

Nomination of Directors

The members of the Board share responsibility for proposing new nominees to the Board. Due to the small number of Board members and the different strengths and viewpoints each brings to the Board, this duty is not delegated to a committee.

Compensation

The Board is responsible for reviewing compensation for the directors and senior management in either a formal or informal fashion. The compensation disclosure and analysis in this prospectus provides more detailed disclosure regarding the Corporation's compensation program and the role of the Board with respect thereto.

Board Committees

To facilitate its exercise of independent supervision over management, the Board established the Audit Committee. The Board may strike additional committees as appropriate following Closing of the Offering.

Audit Committee

The composition of the Audit Committee and their “financial literacy” and “independence”, as such terms are defined under NI 52-110, is described in the prospectus to which this appendix is attached under the heading “Audit Committee”.

Assessments

The Board does not have a formal process or steps established to satisfy itself that the Board, its committees and its individual directors are performing effectively. The Board discusses these issues from time to time amongst itself and management and implements such changes and makes such modifications as are determined to be necessary or desirable.