

# **FINDEV INC.**

**Notice of Meeting  
and  
Information Circular**

in respect of an

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
to be held on June 12, 2018**

**INFORMATION CIRCULAR**

**Dated May 8, 2018**

**FINDEV INC.**  
**NOTICE OF MEETING OF SHAREHOLDERS**  
**to be held on June 12, 2018**

NOTICE IS HEREBY GIVEN that an annual meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) in the capital of Findev Inc. (“**Findev**” or the “**Corporation**”) will be held at the offices of Norton Rose Fulbright Canada LLP, Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, ON M5J 2Z4, Canada, on Tuesday, June 12, 2018 at 16:00 (Toronto time), for the following purposes:

1. to receive the audited financial statements for the year ended December 31, 2017 and the report of the auditors thereon;
2. to elect the directors of Findev to serve until the next annual meeting of the Shareholders or until their successors are duly elected or appointed;
3. to appoint the auditors of Findev for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
4. to consider and, if thought advisable, pass, with or without variation an ordinary resolution to re-approve the Corporation’s 10% rolling stock option plan; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment(s) or postponement(s) thereof.

Specific details of the matters to be put before the Meeting are set forth in the proxy statement and Information Circular of Findev dated May 8, 2018 for more detailed information with respect to the matters to be considered at the Meeting.

**If you are a registered Shareholder** and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy and return it in the envelope provided to Computershare Trust Company of Canada, the registrar and transfer agent of the Corporation, at 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, or by facsimile, at 1-866-249-7775 (toll free) or 1-416-263-9524 (outside North America), by no later than 4:00 p.m. on June 8, 2018 or two (2) days (not including Saturdays, Sundays and statutory holidays observed in Toronto, Ontario) preceding the date of any adjournment. Late proxies may be accepted or rejected by the Chairman of the Meeting at his or her discretion, and the Chairman of the Meeting is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice. If you are unable to attend the Meeting, we encourage you to complete the enclosed form of proxy as soon as possible.

**If you are not a registered Shareholder** and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary.

The directors of Findev have fixed May 7, 2018 as the record date. Only Shareholders whose names are entered on the register of Findev at the close of business on May 7, 2018 will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent a Shareholder transfers the ownership of any Common Shares after the record date and the transferee of those Common Shares establishes ownership of such Common Shares and demands, not later than ten (10) days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting.

DATED at Toronto, Ontario this 8<sup>th</sup> day of May, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS**  
Signed "*Sruli Weinreb*"

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Sruli Weinreb  
Chief Executive Officer

**FINDEV INC.**

**INFORMATION CIRCULAR**

**FOR THE ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON TUESDAY, JUNE 12, 2018**

**GENERAL PROXY INFORMATION**

**SOLICITATION OF PROXIES**

This Information Circular is furnished in connection with the solicitation of proxies by the management of Findev Inc. (“Findev” or the “Corporation”) for use at the annual meeting (the “Meeting”) of the holders (“Shareholders”) of common shares in the capital of Findev (“Common Shares”). The Meeting will be held at the offices of Norton Rose Fulbright Canada LLP, 200 Bay Street, Suite 3800, Toronto, Ontario M5J 2Z4, Canada, on Tuesday, June 12, 2018 at 16:00 (Toronto time), and at any adjournments thereof for the purposes set forth in the Notice of Meeting of Shareholders (“Notice of Meeting”) accompanying this Information Circular. Information contained herein is given as of May 7, 2018 unless otherwise specifically stated.

Solicitation of proxies will be primarily by mail, but may also be by telephone, facsimile or in person by directors, officers and employees of Findev who will not be additionally compensated therefor. Brokers, nominees or other persons holding Common Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such Common Shares. The costs of soliciting proxies will be borne by Findev.

**APPOINTMENT AND REVOCATION OF PROXIES**

Enclosed herewith is a form of proxy for use at the Meeting. The persons named in the form of proxy are directors and/or officers of Findev. **A Shareholder submitting a proxy has the right to appoint a nominee (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the persons designated in the enclosed form of proxy by inserting the name of the chosen nominee in the space provided for that purpose on the form of proxy and by striking out the printed names.**

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is signed by the Shareholder or by the Shareholder's attorney authorized in writing, or if the Shareholder is a corporation, it must be executed by a duly authorized officer or attorney thereof. To be acted upon, the proxy must be deposited with Computershare Trust Company of Canada, the registrar and transfer agent of Findev, at 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, or by facsimile, at 1-866-249-7775 (toll free) or 1-416-263-9524 (outside North America), by no later than 4:00 p.m. (Toronto time) on June 8, 2018 or two days (not including Saturdays, Sundays and statutory holidays observed in Toronto, Ontario) preceding the date of any adjournment.

A Shareholder who has given a proxy may revoke it prior to its use, in any manner permitted by law, including by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or attorney thereof and deposited at the registered office of Findev at any time up to and including the last day (not including Saturdays, Sundays and statutory holidays observed in Toronto, Ontario) preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

**ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES**

**The information set forth in this section is of significant importance to many Shareholders of Findev, as a substantial number of Shareholders do not hold Common Shares in their own name.**

Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of Findev as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder’s name on the records of Findev. Such Common Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of “CDS & Co.” (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by Findev. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails a scanable voting instruction form in lieu of the form of proxy. The Beneficial Shareholder is requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or visit [www.proxyvote.com](http://www.proxyvote.com) to vote the Common Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. A Beneficial Shareholder who wishes to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own name in the blank space on the instrument of proxy provided and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

## **VOTING OF PROXIES**

All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting on any matter that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the accompanying form of proxy, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with such instructions. **In the absence of any such instruction, the persons whose names appear on the printed form of proxy will vote in favour of all the matters set out thereon. The enclosed form of proxy confers discretionary authority upon the persons named therein. If any other business or amendments or variations to matters identified in the Notice of Meeting properly comes before the Meeting then discretionary authority is conferred upon the person appointed in the proxy to vote in the manner they see fit, in accordance with their best judgment.**

At the time of printing of this Information Circular, the management of Findev knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON**

None of the directors or senior officers of Findev are aware of any material interest of any director or nominee for director, or senior officer or anyone who has held office as such since the beginning of Findev's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than as disclosed in this Information Circular.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The board of directors of Findev (the “**Board**” or “**Board of Directors**”) have fixed May 7, 2018 as the record date. Shareholders at the close of business on May 7, 2018 are entitled to receive notice of the Meeting and to vote at the Meeting or at any adjournments thereof on the basis of one (1) vote for each Common Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to May 7, 2018; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than ten (10) days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, in which case, the transferee shall be entitled to vote his or her Common Shares at the Meeting.

Findev is authorized to issue an unlimited number of Common Shares and an unlimited number of Class B Preferred Shares, without nominal or par value. As at the date hereof, no Class B Preferred Shares were issued and outstanding and 28,647,441 Common Shares were issued and outstanding as fully paid and non-assessable shares in the capital of Findev.

The Corporation's Class B Preferred Shares may be issued in one (1) or more series, and the directors are authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The Class B Preferred Shares are entitled to a priority over the Common Shares with respect to the payment of dividends and the distribution of assets upon the liquidation of the Corporation.

The holders of Common Shares are entitled to one (1) vote per Common Share at meetings of Shareholders, to receive any dividend when declared by the Board and to receive *pro rata* upon liquidation, dissolution or winding-up of Findev, the remaining property of Findev upon dissolution.

To the knowledge of the directors and executive officers of Findev, no person, firm or corporation beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying ten percent (10%) or more of the voting rights attached to any class of voting securities of Findev other than the following:

Name of Holder	Type of Ownership	Number of securities beneficially owned or controlled	Percentage of the class of outstanding voting securities
Plazacorp Holdings Limited	Direct	11,500,000	40.14%

The above information, not being within the knowledge of Findev, has been derived from information provided by such person or from public sources available to Findev.

As at the date of this Information Circular, the directors and officers as a group owned beneficially, including the Common Shares held by Plazacorp Holdings Limited<sup>(1)</sup>, directly and indirectly, 12,784,738

Common Shares of Findev, representing 44.63% of the presently issued and outstanding Common Shares.

**Notes:**

1. Plazacorp Holdings Limited is 100% owned and controlled by Mr. Anthony Heller, a director of Findev.

**INFORMATION CONCERNING FINDEV**

Findev Inc. was formed by the amalgamation of TransGaming Technologies Inc. and TransGaming Inc. on May 31, 2006 pursuant to the CBCA. On January 1, 2018, Findev Inc. amalgamated with Findev 2017 Inc., a wholly owned subsidiary. The head office and registered office of Findev is located at Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, ON M5J 2Z4, Canada. Findev is a reporting issuer in the Provinces of Alberta, British Columbia, Ontario and Quebec.

**STATEMENT OF EXECUTIVE COMPENSATION**

The purpose of this Statement of Executive Compensation is to provide information about Findev's executive and director compensation, and the decision-making process relating to compensation for the period ended December 31, 2017.

Securities legislation requires the disclosure of compensation received by each Named Executive Officer of the Corporation for the two (2) most recently completed financial years. "Named Executive Officer" or "NEOs" is defined by the legislation to mean (i) each of the Chief Executive Officer and the Chief Financial Officer of the Corporation, despite the amount of compensation of that individual, (ii) the most highly compensated executive officer, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Corporation at the end of its most recently completed financial year.

"Executive Officer" is defined by the legislation to mean (i) the chair of the Corporation, (ii) a vice-chair of the Corporation, (iii) the President of the Corporation, (iv) a vice-president of the Corporation in charge of a principal business unit, division or function such as sales, finance or production, or (v) an officer of the Corporation or any of its subsidiaries or any other person who performed a policy-making function in respect of the Corporation.

During the Corporation's most recently completed financial year, the Corporation had two (2) Named Executive Officers: Mr. Sruli Weinreb, the Chief Executive Officer and Mr. Claude Ayache, the Chief Financial Officer.

**NEO and Director Compensation**

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Sruli Weinreb <sup>(3)</sup> Chief Executive Officer and Director	2017 <sup>(1)</sup>	90,000	Nil	Nil	Nil	Nil	90,000
	2016 <sup>(2)</sup>	18,125 <sup>(5)</sup>	Nil	Nil	Nil	Nil	18,125
Claude Ayache <sup>(4)</sup> Chief Financial Officer	2017 <sup>(1)</sup>	84,039	Nil	Nil	Nil	Nil	84,039
	2016 <sup>(2)</sup>	19,215 <sup>(6)</sup>	Nil	N/A	Nil	Nil	19,215

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Anthony Heller Director	2017 <sup>(1)</sup>	N/A	N/A	750	N/A	N/A	750
	2016 <sup>(2)</sup>	N/A	N/A	1,500	N/A	N/A	1,500
Brice Scheschuk Director	2017 <sup>(1)</sup>	N/A	N/A	1,500	N/A	N/A	1,500
	2016 <sup>(2)</sup>	N/A	N/A	2,500	N/A	N/A	2,500
David Roff Director	2017 <sup>(1)</sup>	N/A	N/A	1,000	N/A	N/A	1,000
	2016 <sup>(2)</sup>	N/A	N/A	1,750	N/A	N/A	1,750
Niall Finnegan Director	2017 <sup>(1)</sup>	N/A	N/A	1,000	N/A	N/A	1,000
	2016 <sup>(2)</sup>	N/A	N/A	1,750	N/A	N/A	1,750
Devon Cranson Director	2017 <sup>(1)</sup>	N/A	N/A	750	N/A	N/A	750
	2016 <sup>(2)</sup>	N/A	N/A	1,500	N/A	N/A	1,500

**Notes:**

1. Fiscal Period from January 1 to December 31, 2017.
2. Fiscal Period from June 1 to December 31, 2016.
3. On September 23, 2016, Mr. Sruli Weinreb was appointed as the Corporation's CEO.
4. On November 1, 2016, Mr. Claude Ayache was appointed as the Corporation's CFO.
5. This amount was paid to a company controlled by Mr. Sruli Weinreb.
6. This amount was paid to a company controlled by Mr. Claude Ayache.

**Stock Options and Other Compensation Securities**

For fiscal year ended December 31, 2017, Findev did not issue any compensation securities to any each NEO or director.

For fiscal year ended December 31, 2017, no NEO or director of Findev exercised any compensation securities.

**Stock Option Plans and Other Incentive Plans**

The Corporation has adopted an incentive stock option plan, as amended from time to time (the "**Stock Option Plan**") for the granting of stock options to the Corporation's directors, officers, employees and consultants. The purpose of granting such stock options is to assist the Corporation in compensating, attracting, retaining and motivating the participants in the Stock Option Plan and to closely align the personal interests of such persons to that of the Shareholders.

The Stock Option Plan provides that the Board may from time to time, in its discretion, and in accordance with the requirements of the TSX Venture Exchange (the "**TSXV**"), grant to directors, officers, employees and consultants of the Corporation, non-transferable options to purchase Common Shares of the Corporation. The maximum number of Common Shares reserved for issuance under the Stock Option Plan is ten percent (10%) of the issued and outstanding Common Shares as at the date of the grant of an option under the Stock Option Plan. In connection with the foregoing, the number of the Common Shares reserved for issuance to: (a) any individual director, officer or employee will not exceed five percent (5%) of the issued and outstanding Common Shares; and (b) all consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. Options may be exercised no later than ninety (90) days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship or consulting arrangement was by reason of death, the option may be exercised within a



maximum period of one (1) year after such death, subject to the expiry date of such option. Under the TSXV policies, a rolling stock option plan must be approved and ratified by Shareholders on an annual basis.

As of the date hereof, there are 1,466,857 options that have been granted by the Corporation, exercisable at prices ranging from \$0.60 per share to \$6.125 per share, all of which are still outstanding.

The price per share at which shares may be purchased under the Stock Option Plan is determined by the Board. The minimum price cannot be lower than the Discounted Market Price (as defined in the Stock Option Plan) of the shares at the date of the grant of the option.

If an optionee ceases to be an Eligible Person (as defined in the Stock Option Plan) for any reason, other than as a result of termination for cause or death or disability, the optionee may exercise all options granted to the optionee which have vested and are exercisable on the date the optionee ceases to be an Eligible Person (the "**Termination Date**"), until the earlier of the Expiry Date and the date that is ninety (90) days after the Termination Date or thirty days after the Termination Date if the Eligible Person is an Investor Relations Person as defined in the Stock Option Plan (such period, the "**Expiry Period**"). Any unvested options granted to the optionee which vest after the Termination Date but prior to the end of the Expiry Period are exercisable by the optionee until the end of the Expiry Period.

If an optionee ceases to be an Eligible Person as a result of termination for cause, the optionee has no right to exercise any options granted to the optionee, whether vested or unvested, and all such optionee's options shall terminate as at the date of termination of employment and shall be void and of no further force or effect.

The Shareholders have approved the Stock Option Plan and are being asked to re-approve the same at the upcoming Annual Meeting of the Shareholders.

### ***Employment, Consulting and Management Agreements***

Other than as described herein, Named Executive Officers do not have any contractual or non-contractual arrangements that might cause the amounts disclosed herein to be misleading if used as an indicator of expected compensation levels in future periods.

Mr. Sruli Weinreb is entitled to a monthly salary equal to \$7,500 which is paid to a company which he controls. Mr. Weinreb does not have any contractual entitlements for payments in connection with a change of control, severance, termination or constructive dismissal.

Mr. Claude Ayache is compensated based on the time spent to meet the needs of the Corporation in discharging his responsibilities as the Chief Financial Officer. Mr. Ayache's compensation is paid to a company which he controls. Mr. Ayache does not have any contractual entitlements for payments in connection with a change of control, severance, termination or constructive dismissal.

Furthermore, for the sake of clarity, the Named Executive Officers do not have any specified contractual arrangements for the payment of bonuses or the allocation of stock options or similar incentive compensation. The Board, on a discretionary basis, following a review and recommendation by the Governance, Nomination and Compensation Committee, determines all incentive compensation.

### ***Oversight and Description of NEO and Director Compensation***

The Board as a whole makes the determination as to the appropriate level of remuneration for the directors and NEOs of the Corporation. Remuneration is assessed and determined by taking into account such factors as the size of the Corporation and the level of compensation earned by directors and officers of companies of comparable size and industry. The Corporation performs an assessment of compensation for directors and officers of comparable companies from time-to-time and the results of this

assessment coupled with the background, experience and judgment of the members of the Board serve as the basis for determination of compensation of the Corporation's directors and officers.

Other than as described herein, the Corporation did not pay any additional compensation to the Named Executive Officers, Executive Officers or directors (including personal benefits and securities or properties paid or distributed, which compensation was not offered on the same terms to all full-time employees) during the last completed financial year.

The Corporation uses a mix of base salary, discretionary bonuses and stock options to meet its objectives of compensating, attracting, retaining and motivating officers and directors. The process used by the Board is based on discussion with management and collectively establishing certain metrics, objectives, and the meeting of internal and board approved budgets. To date, the Corporation has not engaged any third-party consultants to assist it with this process. The Corporation believes that the most effective compensation program is one that is competitive in the marketplace, rewards both individual achievement as well as the overall performance of the Corporation and attempts to align the interests of executives with those of the Corporation's Shareholders. However, the Board recognizes that these factors need to be balanced against the stage of the Corporation's development and its available resources.

***Pension Plan Benefits and Deferred Compensation Plans***

The Corporation did not provide compensation, monetary or otherwise, during the most recently completed financial year, to any person who now or previously has acted as a Named Executive Officer, in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of change in control of the Corporation, its subsidiaries or affiliates.

**SECURITIES ISSUABLE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth, as at December 31, 2017, the number of Common Shares to be issued upon the exercise of outstanding options, warrants and rights issued pursuant to equity compensation plans, the weighted average exercise price of such outstanding options, warrants and rights, and the number of Common Shares remaining available for future issuance under equity compensation plans of the Corporation including the Stock Option Plan.

<b>Plan Category</b>	<b>Number of Shares to be issued upon exercise of outstanding options, warrants and rights outstanding</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of Shares remaining available for future issuance under equity compensation plans (excluding shares reflected in the first column)</b>
Equity compensation plans approved by Shareholders	1,466,857	\$0.63	1,397,887
Equity compensation plans not approved by Shareholders	Nil	Nil	Nil
<b>Total</b>	1,466,857	\$0.63	1,397,887

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Except as disclosed herein, none of the directors or officers of Findev, nominees for election as a director of Findev, or associates of such persons have been indebted to Findev or any of its subsidiaries at any time since the beginning of the most recently completed fiscal year. No such person has been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by Findev or any of its subsidiaries in respect of the purchase of securities or otherwise. In the normal course of business, Findev has advanced \$13,000,000 to Plazacorp Investments Limited., as it is owned and controlled by a director.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director or officer of Findev, proposed nominee for election as a director of Findev, Shareholder who beneficially owns more than ten percent (10%) of the Common Shares of Findev, or any associates or affiliates of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any material transaction since the commencement of Findev's last financial year except as otherwise disclosed in this Information Circular. None of the foregoing persons have any interest in any proposed transaction which has materially affected or would materially affect Findev except as otherwise described in this Information Circular.

## CORPORATE GOVERNANCE

On June 30, 2005, the Canadian Securities Administrators enacted National Policy 58-201 Corporate Governance Guidelines (the **Policy**) and National Instrument 58-101 Disclosure of Corporate Governance Practices (**NI 58-101**). The Policy provides guidelines on corporate governance practices while NI 58-101 requires Canadian venture issuers to disclose their corporate governance practices in accordance with the disclosure items set out in Form 58-101F2.

The Corporation's practices comply generally with the guidelines, however, the current directors of the Corporation consider that some of the guidelines are not suitable for the Corporation at its current state of development and therefore the Corporation's governance practices do not reflect these particular guidelines. Given that the Corporation is a relatively small venture issuer in terms of both activities and market capitalization, the directors of the Corporation believe that the current governance structure is cost-effective and appropriate for the needs of the Corporation's shareholders. Set out below is a description of the Corporation's corporate governance practices as required to be disclosed by NI 58-101.

### *Board of Directors*

The Board is responsible for overseeing the management of the Corporation and the conduct of the Corporation's affairs generally. The majority of the Board's members are independent. The Board composition for the period ended December 31, 2017 was six (6) members, four (4) of whom, Mr. Brice Scheschuk, Mr. David Roff, Mr. Niall Finnegan, and Mr. Devon Cranson were independent. Mr. Anthony Heller and Mr. Sruli Weinreb are the only directors that were not "independent", as defined by National Instrument 52-110 Audit Committees (**NI 52-110**).

Directors are expected to attend board meetings and meetings of the committees on which they serve and to spend the time needed to properly discharge their responsibilities. In the fiscal year ended December 31, 2017, the Board held a total of 2 formal board meetings and 1 formal audit committee meeting. The remaining decisions throughout the year were passed by written resolution following informal discussions amongst the directors and management of the Corporation.

The Board facilitates its exercise of independent supervision over management by ensuring that the Board is comprised of a majority of independent directors.

### *Other Reporting Issuer Experience*

The following table sets out the directors proposed for re-election, officers and promoters of the Corporation that are, or have been within the last five (5) years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
Sruli Wienreb	Capicorn Business Acquisition (CBCA – Ontario)	TSX Venture	Director	March 2017	Present

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
Sruli Wienreb	Adent Capital Corp. (CBCA – Ontario)	TSX Venture	Director	May 2017	Present
Sruli Wienreb	AGAU Resources Inc. (BCAA – Alberta)	TSX Venture	Director	March 2018	Present
Anthony Heller	Firm Capital Mortgage Investment Corporation (CBCA – Ontario)	Toronto Stock Exchange	Director	1999	Present

#### *Orientation and Continuing Education*

The Corporation does not have a formal orientation or continuing education program for directors. All of the current directors are intimately familiar with the Corporation's business and activities. New directors are provided with access to recent, publicly filed documents of the Corporation and all Board minutes and corporate governance materials. New directors are encouraged to ask questions and communicate with management and employees to keep themselves current with industry trends and changes in corporate legislation.

#### *Ethical Business Conduct*

The Board monitors the ethical conduct of the Corporation and its management and ensures that it complies with applicable legal and regulatory requirements. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

The written Code of Ethics adopted by the Board was attached as Schedule "C" to the September 18, 2006 Information Circular and is incorporated by reference. There have been no changes to the Code of Ethics since it was adopted.

#### *Governance, Nomination and Compensation Committee*

There have been no changes in the mandate of the Governance, Nomination and Compensation Committee, whose written mandate was attached to the September 18, 2006 Information Circular as Schedule "D" and is incorporated by reference.

From time to time it reviews and considers the size of the Board in relation to the needs of the Corporation, with a view of facilitating effective decision-making and identifying and selecting individuals qualified to become new Board members and submits recommendations to the Board for its consideration and decision. Further, in consultation with the Chair of the Board it periodically, (i) assesses the competencies, skills and personal qualities required of directors in light of the Corporation's circumstances, business strategies and applicable regulatory requirements; (ii) reviews the competencies, skills and personal qualities of, and contributions made by, each existing director; and (iii) in light of the foregoing, makes recommendations for changes to the composition of the Board.

#### *Assessments*

The Board does not make regular formal assessments of the Board, its committees or its members. Given its relatively small size, the Board satisfies itself on an informal basis as described above, from time to time, that its members and its committees are performing effectively.

### *Other Board Committees*

Aside from the Audit Committee described below and the Governance, Nomination and Compensation Committee described above, the Board also has an Investment Committee. The Investment Committee supervises, reviews and approves investments on behalf of the Board with respect to the implementation of the Corporation's investment policies, objectives, strategies, procedures and compliance.

### *Audit Committee*

The Corporation's Audit Committee Charter is annexed hereto as Exhibit "A" and the composition of the Audit Committee for the year ended December 31, 2017 was as follows:

<b>Name</b>	<b>Independent/Non-Independent Status <sup>(1)</sup></b>	<b>Financially Literate/Not Financially Literate <sup>(1)</sup></b>	<b>Relevant Education and Experience</b>
Brice Scheschuk	Independent	Financially Literate	Mr. Brice Scheschuk, CPA, CA is the CEO of Globalive Capital, CFO of Pragmatic Solutions and past CFO of WIND Mobile
Niall Finnegan	Independent	Financially Literate	Mr. Niall Finnegan has over thirty-three (33) years of experience in the Canadian construction industry, including the role of President of Cost Consulting with Altus Group Limited, Canada's largest construction cost consulting and real estate development management company
David Roff	Independent	Financially Literate	Mr. David Roff, CPA, CA is a Partner at Globalive Capital and CFO of Brock View Rentals. He manages Globalive's real estate development and real estate investments

**Notes:**

1. As defined by National Instrument 52-110 ("**NI 52-110**").

### *Audit Committee Oversight*

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

### *Reliance on Certain Exemptions*

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemption).

### *Pre-Approval Policies and Procedures*

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the attached Audit Committee Charter under the heading "B. Independent External Auditor (Section IV B.)".

### External Auditor Service Fees (By Category)

The approximate aggregate fees incurred by the Corporation to the external auditors of the Corporation in the periods ending as follows are described below:

Fiscal Year Ending	Audit Fees	Audit-related Fees	Tax Services Fees	All other Fees
December 31, 2017	\$ 88,224	\$ Nil	\$ 19,821	\$ Nil
December 31, 2016	60,000	Nil	Nil	Nil

### Other

The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110.

## ANNUAL MEETING BUSINESS

### FINANCIAL STATEMENTS AND AUDITORS' REPORT

Audited financial statements for the fiscal period ended December 31, 2017 and the report of the auditors thereon will be mailed to Shareholders together with these Meeting materials and are also available on [www.sedar.com](http://www.sedar.com). The presentation of such audited financial statements to the Shareholders at the Meeting will not constitute a request for approval or disapproval.

### ELECTION OF DIRECTORS

The Corporation currently has six (6) directors. The number of directors to be elected at the Meeting has been set at six (6). The following table sets forth certain information pertaining to each proposed nominee for election as a director. Each director elected will hold office until the next annual general meeting of the Corporation or until his successor is elected or appointed, unless his office is earlier vacated.

Each of the nominees has agreed to stand for election, and Findev is not aware of any intention of any of them not to do so. If, however, one (1) or more of them should become unable to stand for election, it is likely that one (1) or more other persons would be nominated at the Meeting for election, and in that event, the persons designated in the form of proxy will vote in their discretion for a substitute nominee.

Findev's management recommends that Shareholders vote in favour of the election of each of the proposed nominees as directors of Findev for the ensuing year. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of each of the nominees named in this Information Circular.

Nominee Name, Position and Place of Residence	Principal Occupation for the Past Five Years	Shares Beneficially Owned Directly or Indirectly	Director Since
Anthony Heller, Toronto (Ontario), Canada	President, Plazacorp Investments Limited	11,500,000 <sup>(3)</sup>	September 16, 2016
Sruli Weinreb Toronto (Ontario), Canada	Founder and Managing Partner, Plaza Capital Limited	862,000 <sup>(4)</sup>	September 16, 2016

Nominee Name, Position and Place of Residence	Principal Occupation for the Past Five Years	Shares Beneficially Owned Directly or Indirectly	Director Since
Brice Scheschuk, CA <sup>(5)</sup> Toronto (Ontario), Canada Director	Chief Executive Officer, Globalive Capital CFO, Pragmatic Solutions Past CFO, WIND Mobile	170,238	September 13, 2013
David Roff <sup>(5)</sup> Toronto (Ontario), Canada	Partner, Globalive Capital, CFO Brock View Rentals and Co-President of Brave Investment Corporation	166,666	September 16, 2016
Niall Finnegan <sup>(5)</sup> Toronto (Ontario), Canada	President, Finnegan Marshall Inc.	Nil	September 16, 2016
Devon Cranson Toronto (Ontario), Canada	President, Cranson Capital	68,334	September 16, 2016

**Notes:**

- The information as to shares beneficially owned, directly or indirectly, or over which control or direction is exercised, is based upon information furnished to the Corporation by the above individuals.
- The additional number of Common Shares subject to options held by each nominee is as follows:

Name	Options Held
Anthony Heller	150,000
Sruli Weinreb	300,000
Brice Scheschuk	200,000
David Roff	150,000
Niall Finnegan	150,000
Devon Cranson	150,000

- These Common shares are held by Plazacorp Holdings Limited, which is 100% owned and controlled by Mr. Anthony Heller. These Common shares represent approximately 40.14% of the 28,647,441 issued and outstanding Common shares of the Corporation. In addition, Plazacorp Holdings Limited holds warrants to purchase an additional 9,274,998 Common Shares.
- These Common shares are held via 2532369 Ontario Inc., which is 100% owned and controlled by Mr. Sruli Wienreb. These Common shares represent approximately 3.01% of the 28,647,441 issued and outstanding Common shares of the Corporation.
- Messrs. Scheschuk, Roff, and Finnegan comprise the Audit Committee, as well as the Compensation, Governance and Nominating Committee.
- Messrs. Heller, Scheschuk Weinreb comprise the Investment Committee.

### **Biographies of Directors**

The following is a brief description of the directors that are being nominated.

#### **Anthony Heller– Director. Age 66**

Mr. Anthony Heller is the President of Plazacorp Investments Limited (“**Plazacorp Investments**”) which he founded in 1981 with the vision of developing retail commercial real estate. Plazacorp Investments developed shopping centers during the 1980s, including several mixed-use commercial-residential projects. In the early 1990s, its focus shifted to the development of residential condominiums. He has thirty-six (36) years of experience in real estate developments and has initiated and completed approximately \$2.1 billion of development projects. Mr. Anthony Heller has been involved in venture capital financings and has consulted with both privately held and publicly traded companies in which he has invested. He has been an independent director of Firm Capital Mortgage Investment Corporation (TSE: FCU) since 1999. He has invested in and provided guidance to many successful early-stage

technology companies including YAK Communications, which was founded in 1998 and sold to Globalive for \$80 million in 2006.

**Sruli Weinreb – Director and CEO. Age 38**

Mr. Sruli Weinreb is the founder and managing partner of Plaza Capital Limited (“**Plaza Capital**”). Plaza Capital supports many North American early stage growth companies with strategic debt placements and equity investments. He is also the Chief Executive Officer of Lake Central Air Services Inc., the world’s leading modification and integration partner for the airborne geophysical survey industry. Before founding Plaza Capital in 2013, Mr. Sruli Weinreb was the CEO of eMobile Inc. a telecom arbitrage company with a specialization in international roaming which he co-founded in 2008. His entry into tech investments and finance was preceded by an extended period of academic immersion with a concentration in Judaic Theology. He received his doctorate ordination in Jerusalem at The Jerusalem Kollel in 2005 and worked in community outreach in Houston, TX between 2005 and 2008.

**Brice Scheschuk – Director. Age 47**

Brice Scheschuk, CPA, CA is CEO of Globalive Capital and CFO of Pragmatic Solutions. He was a co-founder and CFO of WIND Mobile as well as CEO of Globalive Communications. Brice has over twenty years’ experience building and operating companies at Globalive, WIND Mobile, Leitch Technology and PricewaterhouseCoopers. He obtained his CA designation at PricewaterhouseCoopers and B.Comm (Hon.) Finance from Dalhousie University. Selected current and past board and advisory positions include Cranson Capital, Creative Destruction Labs – Atlantic, Espresso Capital, Findev (CVE:FDI), Founder Institute, Globalive Communications, iLOOKABOUT (CVE:ILA), Level Jump Financial Group, Loran Scholars Foundation, OutsidelQ, Partsroom, Plaza Land Fund, Plaza Ventures, PitchPoint Solutions, Pragmatic Solutions, Ryerson Futures, Samba Days/Rewards, SceneDoc, Shamba Foundation, Techstars Toronto, Varicent Software, Web Host Industry Review, White Crane Capital, WIND Mobile, World of Angus and Zoocasa. Brice is a frequent speaker on scale-up entrepreneurship and innovation.

**David Roff – Director. Age 47**

Mr. David Roff, CPA, CA is a Partner at Globalive Capital and CFO of Brock View Rentals. He manages Globalive’s real estate development and real estate investments. He also works with Globalive’s non-telecommunications private venture fund and micro-cap public investments. He has over twenty (20) years’ experience as an angel investor, CFO and director of both private and public companies. He obtained his CA designation at Coopers & Lybrand (now PricewaterhouseCoopers). His current and past board and advisory positions include Arkson Nutraceuticals (OTC-BB: AKSN), Brock View Rentals, Deep Well Oil & Gas (OTC-BB: DWOG), Samba Days/Rewards, Scene Doc and Vet Success.

**Niall Finnegan – Director. Age 58**

Mr. Niall Finnegan has over thirty-four (34) years of experience in the Canadian construction industry. He has held several senior leadership positions in the business. He was a Senior Partner at Helyar from 1986-2005. Many of his contributions during this time can be attributed to the successful creation of Altus Group Limited, Canada’s largest construction cost consulting and real estate development management company, where he held the role of President of Cost Consulting until 2011.

Mr. Niall Finnegan has a trusted history of successfully working for real estate lenders, developers and building owners. He has developed a solid understanding of lenders’ perspectives on real estate financing due to his extensive involvement with major lending institutions both in Canada and abroad. His experience spans all types of buildings and projects, including high-rise residential, office, hotel, retail, hospital, industrial, seniors housing and long-term care, casinos, roads and infrastructure. In 2011, he founded Finnegan Inc., a real estate development consulting firm and in 2014, he co-founded Finnegan Marshall Inc. He has developed a solid reputation built on knowledge, experience and trust. He is a member of the Royal Institution of Chartered Surveyors, and the Canadian Institute of Quantity Surveyors.



Mr. Niall Finnegan has presented extensively for the past twenty-five (25) years at seminars for BILD, Insight, Urbanation, RICS and all major Canadian project lenders. He has also sat on various volunteer boards including Bishop Strachan School, Canadian Harmony Movement and the Georgian Peaks Club.

#### **Devon Cranson – Director. Age 38**

Mr. Devon Cranson is the founder and president of Cranson Capital, a boutique investment banking firm founded in 2006. He has deep expertise in all aspects of commercial financing, M&A and securities. He is a Certified Management Accountant (CMA), Chartered Public Accountant (CPA) and a licensed Mortgage Agent. He is a member of the Society of Management Accountants, the Association for Corporate Growth (ACG), the Private Capital Markets Association (PCMA) and the National Exempt Market Association (NEMA).

Mr. Devon Cranson is President of both Cranson Capital Solutions Inc., a corporate finance and M&A advisory firm, and Cranson Capital Securities Inc., an Exempt Market Dealer. Under his leadership, Cranson Capital is a 5-time winner of the Private Capital Markets Association's Deal of the Year Award and recently ranked 49th on the Profit 500 fastest growing companies in Canada. He is on the Board of Directors of Points West Living LP, a seniors housing business in Alberta. He acts as the General Partner for three Toronto condo developments, a board observer to a high growth technology company and a Trustee of the Central Condominium REIT.

Prior to establishing of Cranson Capital, he worked for a top tier Canadian chartered bank in their commercial lending division in Toronto. Prior to commercial banking, he founded and operated a sports business. He graduated from the John Molson School of Business at Concordia University, B.Comm Finance.

#### **Penalties or Sanctions**

No director of Findev proposed for re-election has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority. Nor has any proposed director ever entered into a settlement agreement with a securities regulatory authority.

#### **Corporate Cease Trade Orders**

No director of Findev proposed for re-election has, within the ten (10) years prior to the date of this Information Circular, been a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) 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 thirty (30) consecutive days.

#### **Bankruptcies**

No director of Findev proposed for re-election has, within the ten (10) years prior to the date of this Information Circular, 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 of Findev proposed for re-election has, within the ten (10) years preceding the date of this Information Circular, become 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 the individual.

## **APPOINTMENT OF AUDITORS**

Findev recommends that PricewaterhouseCoopers LLP, Chartered Accountants (**PwC**) be appointed as auditors of Findev, to hold office until the next annual meeting of Findev at such remuneration as may be fixed by the Board of Directors.

**The persons designated in the enclosed form of proxy, unless instructed otherwise, intends to vote FOR the appointment of PwC, as auditors of Findev.**

## **RE-APPROVAL OF STOCK OPTION PLAN**

The Corporation is asking Shareholders to re-approve the Stock Option Plan, authorizing the issuance of incentive stock options to directors, officers, employees and consultants of up to 10% of the issued and outstanding shares of the Corporation, from time to time.

The Stock Option Plan is a “rolling” stock option plan. Pursuant to the policies of the TSXV, such “rolling” plans must receive shareholder approval annually. Accordingly, Shareholders are being asked to approve the Stock Option Plan in accordance with Policy 4.4 of the TSXV. The material terms of the Stock Option Plan are more fully described in this Circular under the heading “*Stock Option Plans and Other Incentive Plans*” above. The full text of the Stock Option Plan is annexed hereto as Exhibit “B”.

The text of the ordinary resolution to be considered at the Meeting re-approving the Stock Option Plan is set forth below. The resolution re-approving the Stock Option Plan requires the approval of a majority of the votes cast by Shareholders who vote in respect of the resolution.

### **“BE IT RESOLVED THAT:**

1. the Stock Option Plan, pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Corporation and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, subject to adjustment as set forth in the Stock Option Plan, and further subject to the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including the TSX Venture Exchange, is approved, confirmed and ratified; and
2. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer be necessary or desirable to carry out the foregoing resolution.”

**The persons designated in the enclosed form of proxy, unless instructed otherwise, intend to vote in favour of the resolution re-approving the Stock Option Plan.**

## **OTHER BUSINESS**

Management is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting of Shareholders. If any other business properly comes before the Meeting, it is the intention of the persons named in the instrument of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

## **ADDITIONAL INFORMATION**

Financial information relating to Findev is provided in Findev's financial statements and management's discussion and analysis for the fiscal period ended December 31, 2017, attached hereto.

Additional information concerning this management information circular, the annual financial statements and any interim financial statements of Findev subsequent to the annual financial statements may be obtained without charge by requesting a copy from Findev Inc., 10 Wanless Ave., Suite 200, Toronto, Ontario, M4N 1V6, Canada. Additional information relating to Findev is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## EXHIBIT "A"

### FINDEV INC.

#### AUDIT COMMITTEE CHARTER

##### **I. Establishment and Purpose**

The Audit Committee (the "**Committee**") is a committee of, and appointed by, the Board of Directors (the "**Board**") to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of Findev Inc. (the "**Company**").

In fulfilling its responsibilities, the Committee shall have the specific duties set out in Part IV of this Charter.

##### **II. Composition**

The Audit Committee of the Board shall consist of not less than three (3) directors.

- Each member of the Committee must meet the independence and financial literacy requirements applicable to the Company, as in effect from time to time, including any requirements of applicable securities legislation or stock exchange on which the Company's securities are traded, or any governmental or regulatory body exercising authority over the Company.
- The term "**independent**" refers to the absence of any direct or indirect material relationship with the Company. A "**material relationship**" means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment as a member of the Committee.
- All members of the Committee should be unrelated directors. An "**unrelated director**" is a director who is independent of management and is free from any relationship that could, or could reasonably be perceived to, in the opinion of the Board, interfere with the exercise of independent judgment as a member of the Committee.
- In accordance with Canadian securities administrators, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- Members of the Committee shall be appointed from time to time and shall hold office at the pleasure of the Board.

##### **III. Committee Meetings and Procedures**

- The Chairman of the Committee shall be appointed by the Board for a one-year term and may serve any number of consecutive terms. The Chairman shall appoint a secretary who will keep minutes of all meetings (the "**Secretary**").
- The Committee will meet as many times as is necessary to carry out its responsibilities, but the Committee shall meet at least four times per fiscal year, at least once in each fiscal quarter. A schedule of regular meetings shall be provided to the Committee Members at the start of each fiscal year. In addition, the Committee shall meet with the independent auditors

and management at least quarterly to review the Company's financial statements and the related press releases.

- The Audit Committee shall meet with the Company's external auditors as it deems appropriate to consider any matter that the Audit Committee or the external auditors determine should be brought to the attention of the Board of the shareholders of the Company.
- No business may be transacted by the Committee except at a meeting at which a quorum of the Committee is present or by a resolution in writing signed by all members of the Committee. A majority of the members of the Committee shall constitute a quorum.
- The Chairman shall, in consultation with management, establish an agenda for the meetings and ensure that the agenda and properly prepared agenda materials are circulated to the Committee Members and the auditor with sufficient time for study prior to the meeting. Notice of the time and place of every meeting shall be given in writing or by e-mail or facsimile communication to each member of the Committee at least 24 hours prior to the time fixed for such meeting.
- The Committee shall report its discussions to the Board by distributing the minutes of its meetings and, where appropriate, by oral report at the next Board meeting.
- The Committee may invite to, or require the attendance at, any meeting of the Committee such officers and employees of the Company, legal counsel or other persons as it deems necessary in order to perform its duties and responsibilities. The internal and external auditors should also be requested or required to attend meetings of the Committee and make presentations to the Committee as appropriate.

#### **IV. Duties and Responsibilities of the Committee**

To fulfill its responsibilities and duties the Committee shall:

##### **A. Documents Review/Financial Reporting Processes**

- review and recommend to the Board for approval the Company's annual financial statements and the corresponding Management, Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and report to the Board before such financial statements and corresponding MD&A are approved by the Board.
- review and approve for release the Company's interim quarterly financial statements, the corresponding interim MD&A for such quarter and the related press releases, if any.
- review and recommend to the Board for approval the financial content of the annual report and any reports required by applicable governmental or regulatory authorities.
- review, to the extent applicable, the annual information form and any prospectus, information or offering memorandum and any other similar public disclosure documents of the Company.
- review any management report that accompanies published financial statements (to the extent such a report discusses the financial position or operating results of the Company) for consistency of disclosure with the financial statements themselves.
- review and discuss the appropriateness of accounting policies and financial reporting practices used by the Company.

- review and discuss any significant proposed changes in financial reporting and accounting policies and practices to be adopted by the Company.
- review and discuss any new or pending developments in accounting and reporting standards that may affect the Company.
- review and discuss management's key estimates and judgments that may be material to financial reporting of the Company.
- have the right, for the purpose of performing their duties: (i) to inspect all the books and records of the Company and its subsidiaries; (ii) to discuss such accounts and records and any matters relating to the financial position of the Company with the officers and auditors of the Company and its subsidiaries; (iii) to commission reports or supplemental information relating thereto; and any member of the Committee may require the auditors to attend any or every meeting of the Committee; and (iv) to engage such independent counsel and other advisors as are necessary in the Committee's determination.

## **B. Independent External Auditor**

The Audit Committee shall be directly and solely responsible for the appointment, retention, termination, compensation, evaluation and oversight of the work of the Company's auditors. The Audit Committee will review the planning and results of external audit activities and the ongoing relationship with the external auditor of the Company.

The Committee shall:

- pre-approve all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor and consider the impact on the independence of the external audit. The Committee may delegate to one of its members the approval of such services, in which case the items approved will be reported to the Committee at its next scheduled meeting following such pre-approval.
- review and recommend to the Board, for shareholder approval, engagement of the external auditor.
- review the annual external audit plan, including but not limited to the following:
  - engagement letter;
  - objectives and scope of the external audit work;
  - procedures for quarterly review of financial statements;
  - materiality limitations;
  - areas of audit risk;
  - staffing;
  - timetable; and
  - proposed fees.
- meet with the external auditor to discuss the Company's quarterly, if reviewed by the auditor, and annual financial statements and the auditor's report, including the appropriateness of accounting policies and the quality of accounting principles and underlying estimates.

- review and advise the Board with respect to the planning, conduct and reporting of the annual audit, including but not limited to:
  - any difficulties encountered, or restriction imposed, by management during the annual audit;
  - any significant accounting or financial reporting issue;
  - the auditors' evaluation of the Company's system of internal controls, procedures and documentation;
  - the post audit or management letter containing any findings or recommendation of the external auditor, including management's response thereto and the subsequent follow-up to any identified internal control weaknesses;
  - any other matters the external auditor brings to the Committee's attention; and
  - discuss with management the assessment of the auditor's performance.
- review the auditor's report on all material subsidiaries.
- meet periodically, and at least annually, with the external auditor without management present and ensure that the external auditor is accountable to the Board and the Audit Committee as representatives of the shareholders of the Company.
- review and discuss with the external auditors all significant relationships that the external auditors and their affiliates have with the Company and its affiliates in order to determine the external auditors' independence, including, without limitation: (i) requesting, receiving and reviewing, on a periodic basis, a formal written statement from the external auditors delineating all relationships that may reasonably be thought to bear on the independence of the external auditors with respect to the Company; (ii) discussing with the external auditors any disclosed relationships or services that the external auditors believe may affect the objectivity and independence of the external auditors; (iii) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company; and (iv) recommending that the Board take appropriate action in response to the external auditors' report to satisfy itself of the external auditors' independence.

### **C. Risk Management, Internal Control and Information Systems**

The Audit Committee will review and obtain reasonable assurance that the risk management, internal controls and information systems of the Company are operating effectively to produce accurate, appropriate and timely management and financial information. This includes:

- review of the Company's risk management controls and policies.
- obtaining reasonable assurance that the information systems are reliable and the systems of internal controls are properly designed and effectively implemented through discussions with and reports from management, to the extent applicable, the external auditor of the Company.
- review of management steps to implement and maintain appropriate internal control procedures, including a review of policies.
- review of the adequacy of security of information, information systems and recovery plans.

- monitoring compliance with applicable statutory and regulatory obligations.
- review of the appointment of the Chief Financial Officer.
- review of the adequacy of accounting and finance resources.

#### **D. Complaints/Legal and Regulatory Compliance/ Budgets**

The Audit Committee will:

- establish procedures for: (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; (ii) the confidential, anonymous submission by employees of the Company of concerns regarding accounting or auditing matters; and (iii) any other matter as outlined in the Company's Whistleblower Policy.
- satisfy itself that all material statutory deductions have been withheld by the Company and remitted to the appropriate authorities.
- review with management, the external auditors 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 Company; and the manner in which these matters may be, or have been, disclosed in the financial statements.
- assist the Board of Directors, as requested, in the review and approval of any business plans and operating and capital budgets of the Company.
- review and approve the Company's investment and treasury policies.

#### **E. Other**

The Audit Committee shall:

- review insurance coverage of significant business risks and uncertainties.
- review policies and procedures for the review and approval of officers' expenses and perquisites.
- review all related party transactions, contractual arrangements and fees entered into by the Company.
- review all third-party transactions, contractual arrangements and fees entered in by the Company that are material and/or outside the normal course of business.
- prepare annually a report from the Committee to shareholders or others, concerning the Committee's activities in the discharge of its responsibilities, when and as required by applicable laws or regulations.
- perform a self-evaluation, at least annually, (to be verbally assessed and reported) to determine the Committee's effectiveness and performance and evaluate succession plans related to Committee members.

#### **Disclosure and Review of Charter**

The Charter shall be published in the Company's annual report, information circular or annual information form of the Company as required by law. The Committee should review and reassess, at



least annually, the adequacy of this Charter as required by the applicable rules of the TSXV or the Canadian Regulators and make recommendations to the Board, as conditions dictate, to update this Charter.

\*\*\*\*\*

While the Committee has the duties and responsibilities set forth in this charter, the Committee is not responsible for planning or conducting the audit or for determining whether the Company's consolidated financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Similarly, it is not the responsibility of the Committee to ensure that the Company complies with all laws and regulations.

**EXHIBIT "B"**

**FINDEV INC.**

**STOCK OPTION PLAN**

**2016 Stock Option Plan  
TransGaming Inc.**

**1 PURPOSE**

- 1.1 The purpose of the Plan is to authorize the grant of Options to Eligible Persons in order to enable the Corporation to attract, retain and motivate Eligible Persons by providing them with the opportunity to acquire a proprietary interest in the Corporation, and to closely align their interests with the interests of the Corporation.

**2 INTERPRETATION**

- 2.1 "**Board**" means the board of directors of the Corporation or, if established and duly authorized to act, another committee appointed for such purpose by the board of directors of the Corporation;

- 2.2 "**Corporation**" means TransGaming Inc.;

- 2.3 "**Consultant**" means a person or company, other than a Director or an Employee, who:

- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or an affiliated entity of the Corporation, under a written contract with the Corporation or an affiliated entity of the Corporation, other than services provided in relation to a distribution;
- (b) spends or will spend a significant amount of time and attention on the business and affairs of the Corporation or an affiliated entity of the Corporation; and
- (c) has a relationship with the Corporation or an affiliated entity of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation or an affiliated entity of the Corporation,

and, for any Consultant that is an individual, includes a company of which the individual is an employee or shareholder, and a partnership of which the individual is an employee or partner;

- 2.4 "**Director**" means a senior officer or director of the Corporation or an affiliated entity of the Corporation;

- 2.5 "**Discounted Market Price**" means the Market Price less the following maximum discounts based on closing price (and subject, notwithstanding the application of any such maximum discount, to a minimum price per share of \$0.05):

Closing Price	Discount
up to \$0.50	25%
\$0.51 to \$2.00	20%
Above \$2.00	15%

- 2.6 "**Eligible Entity**" shall have the meaning ascribed to it at Section 5.1;

- 2.7 **“Eligible Person”** means any Employee, Director or Consultant of the Corporation;
- 2.8 **“Employee”** means either:
- (a) an individual who is considered an employee of the Corporation or an affiliated entity of the Corporation under the *Income Tax Act* (Canada) (i.e., for whom income tax, employment insurance and CPP deductions must be made at source);
  - (b) an individual who works full-time for the Corporation or an affiliated entity of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or an affiliated entity of the Corporation over the details and methods of work as an employee of the Corporation or an affiliated entity of the Corporation, but for whom income tax deductions are not made at source; or
  - (c) an individual who works for the Corporation or an affiliated entity of the Corporation on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or an affiliated entity of the Corporation over the details and methods of work as an employee of the Corporation or an affiliated entity of the Corporation, but for whom income tax deductions are not made at source;
- 2.9 **“Expiry Date”** has the meaning ascribed to it in Section 11.1;
- 2.10 **“Expiry Period”** has the meaning ascribed to it in Section 12.1;
- 2.11 **“Investor Relations Activities”** means any activities or oral or written communications, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
    - (i) to promote the sale of products or services of the Corporation;
    - (ii) to raise public awareness of the Corporation; orthat cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
  - (b) activities or communications necessary to comply with the requirements of:
    - (i) applicable securities laws, policies or regulations;
    - (ii) the rules, and regulations of the TSX Venture Exchange (“**TSX-V**”) or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Corporation;
  - (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
    - (i) the communication is only through the newspaper, magazine or publication; and

- (ii) the publisher or writer received no commission or other consideration other than for acting in the capacity of publisher or writer; or
  - (d) activities or communications that may be otherwise specified by the TSX-V.
- 2.12 “**Investor Relations Person**” means a Person that is a registrant or provides services that include Investor Relations Activities;
- 2.13 “**Listed Share**” means a share or other security that is listed on the TSX-V;
- 2.14 “**Market Price**” means the last closing price of the Corporation’s Listed Shares before either the issuance of the news release or the filing of the TSX-V’s Price Reservation Form (Form 4A) required to fix the price at which the securities are to be issued or deemed to be issued (the “**Notice of the Transaction**”), except under the following circumstances, where applicable:
- (a) “Consolidation Exception” The Market Price is to be adjusted for any share consolidation or split. If the Notice of the Transaction is within five (5) days following a consolidation of the Corporation’s share capital, the minimum price per share will be the greater of the Market Price, adjusted for any share consolidation or split, or \$0.05;
  - (b) “Material Information Exception” If the Corporation announces Material Information regarding the affairs of the Corporation after providing Notice of the Transaction and if the TSX-V determines that a party to the transaction should reasonably have been aware of that pending Material Information, then the Market Price will be at least equal to the closing price of the Listed Shares on the Trading Day after the day on which that Material Information was announced;
  - (c) “Price Interference Exception” If the TSX-V determines that the closing price is not a fair reflection of the market for the Listed Shares and the Listed Shares appear to have been high-closed or low-closed, then the TSX-V will determine the Market Price to be used;
  - (d) “Suspension Exception” If the Corporation is suspended from trading or has for any reason not traded for an extended period of time, the TSX-V may determine the deemed Market Price to be used; and
  - (e) “Minimum Price Exception” The TSX-V will not generally permit Listed Shares to be issued from treasury at a price less than \$0.05 nor will the TSX-V generally permit any securities convertible into Listed Shares including incentive stock options and warrants to be issued with an effective conversion price of less than \$0.05 per Listed Share;
- 2.15 “**Material Information**” means a Material Fact and/or Material Change as defined by applicable securities laws and the policies of the TSX-V;
- 2.16 “**Option**” means an option to purchase Shares granted under the Plan;
- 2.17 “**Optioned Shares**” has the meaning ascribed to it in Section 8.1;
- 2.18 “**Person**” means an individual, a corporation, a partnership, an unincorporated association or organization, a trust, a government or department or agency thereof and the heir, executors, administrators or other legal representatives of an individual and an associate or affiliate of any thereof as such terms are defined in the *Canada Business Corporations Act*;
- 2.19 “**Plan**” means the TransGaming Inc. stock option plan, as the same may be amended or varied from time to time;

- 2.20 “**Shares**” means the common shares of the Corporation or, in the event of an adjustment contemplated by Section 15, such other shares or securities to which any optionee may be entitled upon the exercise of an Option as a result of such adjustment;
- 2.21 “**Termination Date**” has the meaning ascribed to it in Section 12.1; and
- 2.22 “**Trading Day**” means a day when trading occurs through the facilities of the TSX-V.

### 3 ADMINISTRATION

- 3.1 The Plan shall be administered by the Board. The Board shall have full power and authority to interpret the Plan and to establish such rules and regulations and make such other determinations as it deems necessary or desirable for the administration of the Plan. All actions taken, and decisions made by the Board shall be final and binding upon all parties concerned. Subject to approval of the granting of Options by the Board, the Corporation shall grant Options under the Plan in accordance with and subject to the terms and conditions of the Plan.

### 4 SHARES SUBJECT TO PLAN

- 4.1 Subject to adjustment under the provisions of Section 15 hereof, the aggregate maximum number of Shares reserved for issuance under the Plan and all of the Corporation’s other security based compensation arrangements at any given time is equal to 10% of the issued and outstanding Shares as at the date of grant of an Option under the Plan. The Plan is an “evergreen” plan. Any Shares subject to an Option which has been granted under the Plan, and which has been cancelled, expired or terminated in accordance with the terms of the Plan, without having been exercised, will again be available under the Plan. Any increase in the issued and outstanding Shares will result in an increase in the available number of Shares issuable under the Plan, and any exercises of Options will make new grants available under the Plan, effectively resulting in a re-loading of the number of Options available to grant under the Plan.
- 4.2 The Corporation shall not, upon the exercise of any Option, be required to issue or deliver any Shares prior to (a) the admission of such Shares to listing on any stock exchange on which the Corporation’s shares may then be listed, and (b) obtaining the approvals of such governmental or regulatory authorities as the Corporation shall determine to be necessary or advisable. The Corporation shall not be required to issue any Shares to an optionee pursuant to the exercise of Options if such issuance would violate the securities laws of any jurisdiction. If any Shares cannot be issued to any optionee for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any Option exercise price paid to the Corporation shall be returned to the optionee.

### 5 ELIGIBILITY

- 5.1 Options shall be granted only to an Eligible Person or to a registered retirement savings plan established by an Eligible Person or to a corporation wholly-owned by an Eligible Person (such registered retirement savings plan or corporation, an “**Eligible Entity**”).
- 5.2 An optionee that is an Eligible Entity shall be deemed to cease to be an Eligible Person for the purposes of Section 12 and Section 13 hereof if the Eligible Person that established or owns the Eligible Entity, as the case may be, would cease to be an Eligible Person under such sections if the Eligible Person was the optionee in lieu of the Eligible Entity.
- 5.3 For Option grants to Employees, Directors and Consultants, the Corporation must represent that the optionee is a bona fide Employee, Director or Consultant, as the case may be. All Option grants, including grants to Eligible Persons who are Investor Relations Persons, are subject to and shall be made in accordance with applicable securities laws, including Multilateral Instrument 45-105 – Trades to Employees, Senior Officers, Directors and Consultants, and any successor

thereto. The terms “affiliated entity”, “distribution”, “Insider”, “controlled”, “registrant” and “subsidiary” shall have the meanings ascribed thereto in the *Securities Act* (Ontario) from time to time.

- 5.4 Subject to the foregoing, the Board shall have full and final authority to determine the Persons who are to be granted Options under the Plan and the number of Shares subject to each Option.

## 6 LIMITATIONS ON GRANTS TO CERTAIN PERSONS

- 6.1 The maximum aggregate number of Shares which may be reserved for issuance pursuant to Options granted under the Plan to any one Person (and, where permitted by the TSX-V, any companies owned by that individual) within a 12-month period shall not exceed 5% of the issued and outstanding Shares (calculated at the date of grant of the Option) unless the Corporation has obtained the requisite disinterested shareholder approval.
- 6.2 The maximum aggregate number of Shares which may be reserved for issuance pursuant to Options granted under the Plan to any one Consultant within a 12-month period shall not exceed 2% of the issued and outstanding Shares (calculated at the date of grant of the Option).
- 6.3 The maximum aggregate number of Shares which may be reserved for issuance pursuant to Options granted under the Plan to Eligible Persons who are Investor Relations Persons within a 12-month period shall not exceed 2% of the issued and outstanding Shares (calculated at the date of grant of the Option).
- 6.4 The maximum aggregate number of Shares which may be reserved for issuance under Options granted to Insiders (as a group) at any point in time shall not exceed 10% of the issued and outstanding Shares (calculated at the date of grant of the Option). The Corporation shall not grant to Insiders (as a group), within a 12-month period, an aggregate number of Options exceeding 10% of the issued and outstanding Shares (calculated at the date of grant of the Option).

## 7 PRICE

- 7.1 The price per Share at which Shares may be purchased under an Option (the “**Price**”) shall be determined by the Board.
- 7.2 The minimum Price shall in no circumstances be lower than the Discounted Market Price of the Shares at the date of the grant of the Option.

## 8 GRANTS OF OPTIONS

- 8.1 Subject to approval of the granting of Options by the Board, the Corporation shall grant Options under the Plan to Eligible Persons. Subject to the provisions of the Plan, Options may be granted on such terms and subject to such conditions as the Board shall approve. Options shall not be granted for a term exceeding five (5) years if the Corporation is a Tier 2 Issuer or ten (10) years if the Corporation is a Tier 1 Issuer at the time of the grant and Options shall be exercisable in whole or in part, and from time to time, during the currency thereof. The Price payable in respect of shares issued pursuant to the exercise of any Option (the “**Optioned Shares**”) shall be paid for in full at the time of such exercise. Each Option granted under the Plan shall be embodied in a written agreement between the Corporation and the optionee which shall give effect to the provisions of the Plan.

## 9 EXERCISE OF OPTION

- 9.1 Subject to the provisions of the Plan and the particular Option, an Option may be exercised from time to time by delivering to the Corporation at its head office a written notice of exercise

specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in cash or certified cheque for the full amount of the Price of the Shares then being purchased.

- 9.2 Upon receipt of a certificate of an authorized officer or officers directing the issue of Shares purchased under the Plan, the transfer agent is authorized and directed to issue and countersign share certificates for the Optioned Shares in the name of such optionee or the optionee's legal personal representative or as may be directed in writing by the optionee's legal personal representative.

## 10 VESTING RESTRICTIONS

- 10.1 Options issued under the Plan may vest at the discretion of the Board, provided that if required by any stock exchange on which the Shares trade, Options issued to Persons who are Investor Relations Persons must vest in stages over not less than twelve (12) months with no more than one-quarter (1/4) of the Options vesting in any three (3) month period.

## 11 EXPIRY OF OPTION

- 11.1 Unless otherwise terminated prior thereto in accordance with the Plan, on the expiry date of any Option granted under the Plan (the "**Expiry Date**"), such Option shall expire and terminate as at such date and thereafter shall be of no further force or effect whatsoever as to the Optioned Shares in respect of which the Option has not been exercised.

## 12 CESSATION OF EMPLOYMENT OR PROVISION OF SERVICES

- 12.1 If an optionee ceases to be an Eligible Person for any reason, other than as a result of termination for cause or death or disability, the optionee may exercise all Options granted to the optionee which have vested and are exercisable on the date the optionee ceases to be an Eligible Person (the "**Termination Date**"), until the earlier of the Expiry Date and the date that is ninety (90) days after the Termination Date or thirty days after the Termination Date if the Eligible Person is an Investor Relations Person (such period, the "**Expiry Period**"). Any unvested Options granted to the optionee which vest after the Termination Date but prior to the end of the Expiry Period shall be exercisable by the optionee until the end of the Expiry Period.
- 12.2 If an optionee ceases to be an Eligible Person as a result of termination for cause, the optionee shall have no right to exercise any Options granted to the optionee, whether vested or unvested, and all such optionee's Options shall terminate as at the date of termination of employment and shall be void and of no further force or effect.

## 13 DEATH OR DISABILITY OF OPTIONEE

- 13.1 If an optionee ceases to be an Eligible Person as a result of death or disability, all of the optionee's Options shall vest immediately and shall be exercisable on the date of death or the date that employment ceased due to disability, as the case may be (such date, also the "**Termination Date**") by the optionee or the optionee's legal heirs, administrators, personal representatives or guardians, as the case may be, until the earlier of the Expiry Date and the date that is one year after the Termination Date (such period, also the "**Expiry Period**"). Any unvested Options granted to the optionee which vest after the Termination Date but prior to the end of the Expiry Period shall be exercisable in accordance with this Section 13.1 until the end of the Expiry Period. In the event of the death of an optionee after the optionee has ceased to be an Eligible Person as a result of disability but prior to the end of the Expiry Period, the Expiry Period shall be extended to the earlier of the Expiry Date and the date that is one year after the date of the optionee's death.

#### **14 NON-ASSIGNABILITY AND NON-TRANSFERABILITY OF OPTIONS**

- 14.1 An Option granted under the Plan shall be non-assignable and non-transferable by an optionee otherwise than by will or by the laws of descent and distribution, and such Option shall be exercisable, during an optionee's lifetime, only by the optionee and, in the event of the death of the optionee, only by the optionee's heirs or administrators.

#### **15 ADJUSTMENTS IN SHARES SUBJECT TO PLAN**

- 15.1 The aggregate number and kind of Shares available under the Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Corporation. The Options granted under the Plan may contain such provisions as the Board may determine with respect to adjustments to be made in the number and kind of shares covered by such Options and in the Option price in the event of any such change.
- 15.2 If there is a reduction in the Price of the Options held by an Insider of the Corporation, the Corporation will be required to obtain approval from disinterested shareholders.

#### **16 AMENDMENT AND TERMINATION OF THE PLAN**

- 16.1 The Board may at any time amend or terminate the Plan, but where amended, such amendment shall be subject to obtaining all necessary regulatory and shareholder approvals.
- 16.2 In accordance with the policies of the TSX-V, the approval of disinterested shareholders shall be required for any reduction to the Price of an Option held by an Insider of the Corporation.

#### **17 RIGHTS PRIOR TO EXERCISE**

- 17.1 An optionee shall have no rights whatsoever as a shareholder in respect of any of the Optioned Shares (including any right to vote or receive dividends or other distributions therefrom or thereon) other than Optioned Shares in respect of which the optionee shall have exercised the Option to purchase hereunder and which the optionee shall have actually taken up and paid for.

#### **18 PARTICIPATION VOLUNTARY**

- 18.1 The participation of any Eligible Person in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring any rights or privileges, other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment, appointment or engagement to provide services, or constitute a commitment on the part of the Corporation or an affiliated entity of the Corporation to continued employment, appointment or engagement to provide services, and neither the Plan nor any grant of Options under the Plan shall be construed as granting an optionee a right to be retained as an Employee, Director or a Consultant or a claim or right to any future grant of Options under the Plan. Neither the Plan nor any action taken hereunder shall interfere with the right of the Corporation or an affiliated entity of the Corporation to terminate the employment, appointment or provision of services of such optionee at any time. The payment of any sum of money in cash in lieu of notice of termination of employment, appointment or provision of services shall not be considered as extending the period of employment, appointment or the provision of services for the purposes of the Plan.

#### **19 GOVERNING LAW**

- 19.1 This Plan shall be construed in accordance with and be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be deemed to have been made in said Province and shall be in accordance with all applicable securities laws.



**20**      **EFFECTIVE DATE OF THE PLAN**

- 20.1      The Plan originally became effective on the date that the TSX-V issued a “Final Exchange Bulletin” in respect of the Corporation’s “Qualifying Transaction” with TransGaming Technologies Inc. (as such terms are defined in Policy 2.4 – Capital Pool Companies of the TSX-V).
- 20.2      The Plan was amended at the 2010 Annual General Meeting of Shareholders held on September 29, 2010 and the changes became effective on the date of acceptance by the TSX-V.
- 20.3      The Plan was further amended at the 2015 Annual and Special Meeting of Shareholders held on September 24, 2015 and the changes became effective on the date of acceptance by the TSX-V.
- 20.4      The Plan was further amended at a Special Meeting of Shareholders held on September 16, 2016 and the changes became effective on the date that the TSX-V issued a “Final Exchange Bulletin” in respect of the Corporation’s “Change of Business” (as such terms are defined in Policy 5.2 – Changes of Business and Reverse Takeovers of the TSX-V) and the change of name to Findev Inc.

*Effective Date: July 2005, amended September 2010, September 2015 and further amended September 2016*



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**FINDEV INC.  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016**

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**FINDEV INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**  
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## Management's Responsibility

To the Shareholders of Findev Inc.:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards (“**IFRS**”) that have been incorporated into Canadian Generally Accepted Accounting Principles (“**CGAAP**”) and ensuring that all information in the management discussion and analysis is consistent with these financial statements. This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

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

The Board of Directors (“**Board**”) is composed primarily of directors who are neither management nor employees of Findev Inc. and the Audit Committee is comprised of independent directors. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and with the external auditor. The Board is also responsible for recommending the appointment of the external auditor of Findev Inc.

PricewaterhouseCoopers LLP, an independent firm of Chartered Professional Accountants, has been appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditor has full and free access to, and meet periodically and separately with, the Board, Audit Committee, and management to discuss their audit findings.

          /s/ “Sruli Weinreb”  
Sruli Weinreb  
Chief Executive Officer

          /s/ “Claude Ayache”  
Claude Ayache  
Chief Financial Officer

Toronto  
April 27, 2018



April 27, 2018

## **Independent Auditor's Report**

### **To the Shareholders of Findev Inc.**

We have audited the accompanying consolidated financial statements of Findev Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016 and the consolidated statements of operations and comprehensive income (loss), shareholders' equity and cash flows for the year ended December 31, 2017 and for the period from June 1, 2016 to December 31, 2016, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the consolidated financial statements**

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

#### **Auditor's responsibility**

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

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

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

*PricewaterhouseCoopers LLP  
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2  
T: +1 416 863 1133, F: +1 416 365 8215*

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



**Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Findev Inc. and its subsidiaries as at December 31, 2017 and December 31, 2016 and their financial performance and their cash flows for the year ended December 31, 2017 and for the period from June 1, 2016 to December 31, 2016 in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board

**(Signed) “PricewaterhouseCoopers LLP”**

**Chartered Professional Accountants, Licensed Public Accountants**

**FINDEV INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(All Amounts are in Canadian Dollars)**

**As at December 31,** **2017** **2016**

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**ASSETS**

Cash and cash equivalents	\$ 615,780	\$ 2,826,876
Receivables (Note 7)	71,222	57,910
Prepaid expenses	16,405	44,710
Loans & mortgage investments (Note 8)	15,516,250	13,006,567
Assets available for sale (Note 19)	<u>---</u>	<u>168,997</u>
	<u>\$ 16,219,657</u>	<u>\$ 16,105,060</u>

**LIABILITIES**

Accounts payable and accrued liabilities (Note 9)	<u>\$ 255,623</u>	<u>\$ 941,581</u>
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**SHAREHOLDERS' EQUITY**

Share capital (Note 10)	34,474,681	34,474,681
Contributed surplus and other items (Note 11)	12,646,481	12,393,585
Accumulated deficit	<u>(31,157,128)</u>	<u>(31,704,787)</u>
	<u>15,964,034</u>	<u>15,163,479</u>
	<u>\$ 16,219,657</u>	<u>\$ 16,105,060</u>

Nature of Organization (Note 1)

Approved on behalf of the board of directors:

/s/ "Brice Scheschuk"  
 Brice Scheschuk, Director

/s/ "Yisroel Weinreb"  
 Yisroel Weinreb, Director



**FINDEV INC.**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
**(All Amounts are in Canadian Dollars)**

	Number of Common Shares	Amount of Common Shares	Contributed Surplus	Other Comprehensive Loss	Accumulated Deficit	Shareholders' Equity
Balance, May 31, 2016	3,337,083	\$ 23,672,579	\$ 8,592,473	\$ (4,729,199)	\$ (25,777,125)	\$ 1,758,728
Stock-based compensation	---	---	234,474	---	---	234,474
Issuance of common shares	25,310,358	10,802,102	3,566,638	---	---	14,368,740
Dividends declared (Note 14)	---	---	---	---	(214,856)	(214,856)
Comprehensive loss	---	---	---	4,729,199	(5,712,806)	(983,607)
Balance, December 31, 2016	28,647,441	\$ 34,474,681	\$ 12,393,585	\$ ---	\$ (31,704,787)	\$ 15,163,479
Stock-based compensation	---	---	252,896	---	---	252,896
Dividends declared (Note 14)	---	---	---	---	(859,424)	(859,424)
Comprehensive income	---	---	---	---	1,407,083	1,407,083
Balance, December 31, 2017	28,647,441	\$ 34,474,681	\$ 12,646,481	\$ ---	\$ (31,157,128)	\$ 15,964,034

**FINDEV INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**  
**(All Amounts are in Canadian Dollars)**

For the Period from to	January 1 December 31, 2017 (12 months)	June 1 December 31, 2016 (7 months)
<b>REVENUE</b>		
Interest income	\$ 1,554,448	\$ 245,963
<b>EXPENSES</b>		
General and administrative (Note 12)	410,512	209,911
Share based compensation (Note 11)	<u>252,896</u>	<u>224,669</u>
	<u>663,408</u>	<u>434,580</u>
Net income (loss) from continuing operations	891,040	(188,617)
Net income (loss) from discontinued operations, net of taxes (Note 19)	<u>516,043</u>	<u>(5,524,189)</u>
Net income (loss) for the period	1,407,083	(5,712,806)
Exchange difference on translating foreign operations	<u>---</u>	<u>4,729,199</u>
<b>COMPREHENSIVE (LOSS) INCOME</b>	<u>\$ 1,407,083</u>	<u>\$ (983,607)</u>
Net income (loss) per common share		
Basic net (loss) income from continuing operations per share	<u>\$ 0.03</u>	<u>\$ (0.01)</u>
Diluted net (loss) income from continuing operations per share	<u>0.03</u>	<u>(0.01)</u>
Basic net (loss) income from discontinued operations per share	<u>0.02</u>	<u>(0.43)</u>
Diluted net (loss) income from discontinued operations per share	<u>0.02</u>	<u>(0.43)</u>
Basic net (loss) income per share	<u>0.05</u>	<u>(0.44)</u>
Diluted net (loss) income per share	<u>0.05</u>	<u>(0.44)</u>
Weighted average number of common shares outstanding (Note 20)		
Basic	<u>28,647,441</u>	<u>12,848,196</u>
Diluted	<u>28,647,441</u>	<u>22,098,558</u>

**FINDEV INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(All Amounts are in Canadian Dollars)**

For the Period from to	January 1 December 31, 2017 (12 months)	June 1 December 31, 2016 (7 months)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) income for the period	\$ 1,407,083	\$ (5,712,806)
Non-cash expenses:		
Amortization	---	3,095
Amortization of loan initiation costs	6,567	622
Amortization of financing fee	(15,525)	---
Stock-based compensation	252,896	234,474
Loss on disposal of assets	---	268,199
Foreign exchange gain (loss)	---	4,640,571
Loan and mortgage investments:		
Investment in loans and mortgages	(17,335,000)	(13,000,000)
Repayments of loans and mortgages	14,800,000	---
Financing fee received	34,275	---
Transactional costs	---	7,189
Net change in operating assets and liabilities		
Receivables	(13,312)	721,339
Prepaid expenses	28,305	202,421
Accounts payable and accrued liabilities	(685,958)	(409,960)
Deferred revenues	---	(83,402)
<b>CASH FLOWS (USED IN) OPERATING ACTIVITIES</b>	<u>(1,520,669)</u>	<u>(13,128,258)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(859,424)	---
Proceeds from issuance of common shares	---	15,019,340
Share issuance costs	---	(650,600)
<b>CASH FLOWS (USED IN) PROVIDED BY FINANCING ACTIVITIES</b>	<u>(859,424)</u>	<u>14,368,740</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change in assets held for sale	168,997	---
Proceeds from disposal of assets	---	302,285
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES</b>	<u>168,997</u>	<u>302,285</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(2,211,096)	1,542,767
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>	---	(93,629)
<b>CASH AND CASH EQUIVALENTS</b>		
- Beginning of the period	<u>2,826,876</u>	<u>1,377,738</u>
<b>CASH AND CASH EQUIVALENTS</b>		
- End of the period	<u>\$ 615,780</u>	<u>\$ 2,826,876</u>
<b>CASH AND CASH EQUIVALENTS, represented as follows:</b>		
Cash	\$ 615,780	\$ 2,826,876
Short-term deposit	—	—
<b>SUPPLEMENTAL INFORMATION</b>		
Interest received	\$ 1,519,846	\$ 246,585
Interest paid	101	—
Income taxes paid	—	—

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## **1. Nature of Organization**

### ***Description of the Business***

Findev Inc. (“**Findev**” or “**Corporation**”) was incorporated under the Canada Business Corporations Act on August 4, 2004 and filed a Certificate of Amendment on September 16, 2016 to change its name from Transgaming Inc. to Findev Inc. The Corporation is domiciled in Canada and its principal offices are located at 10 Wanless, Suite 201, Toronto, Ontario. The principal business is to provide real estate financing secured by investment properties and real estate developments. These financings are generally for a period of one to five years to help bridge a period during the various stages of development.

The Corporation is listed on the TSX Venture Exchange (“**TSXV**”) under the symbol FDI.

These audited consolidated financial statements of the Corporation were authorized for issue in accordance with a resolution of the directors on April 27, 2017.

## **2. Basis of Presentation**

### ***Statement of Compliance***

These consolidated financial statements of the Corporation have been prepared by management in accordance with International Financial Reporting Standards (“**IFRS**”), as issued by the International Accounting Standards Board (“**IASB**”), applicable to the preparation of consolidated financial statements.

### ***Basis of Presentation***

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business.

### ***Principles of Consolidation***

These audited consolidated financial statements of the Corporation include the accounts of Findev Inc. and its wholly owned legal subsidiary, TransGaming Interactive Corp. (“**TGMI**”) incorporated in Ontario, collectively these entities are referred to as the Corporation. On January 1, 2018, TGMI changed its name to Findev Lending Inc. (“**FLI**”). For the period ending December 31, 2016, the audited consolidated financial statements of the Corporation include the accounts of Findev Inc. and Findev Lending Inc as well as, TransGaming Digital Home Inc. which was wound up legally in December 2016, and TransGaming Digital Home (Israel) Ltd. and TransGaming Ukraine LLC, which were both divested of in November 2016. All significant intercompany balances, transactions and gains and losses from intercompany transactions have been eliminated on consolidation.

### ***Basis of Measurement***

These consolidated financial statements have been prepared under the historical cost convention, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

### ***Functional and Presentation Currency***

These consolidated financial statements are presented in Canadian dollars, which is the Corporation’s functional currency. Transactions during the years were converted at the then average exchange rate for the period and year-end balance sheet amounts were converted at the exchange rate as at that date.

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**2. Basis of Presentation – continued**

***Critical Judgments and Estimates:***

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of income and expenses during the year. Actual results may differ from these estimates.

In making estimates, the Corporation relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with the prior year and there are no known trends, commitments, events or uncertainties that the Corporation believes will materially affect the methodology or assumptions utilized in making those estimates and judgments in these consolidated financial statements. The areas involving greater judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed separately.

Changes to estimates and assumptions may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of these consolidated financial statements and the reported amounts of revenue and expenses during the years. Actual results could also differ from those estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Critical judgements and estimates are disclosed in Note 4.

**3. Summary of Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements in accordance with IFRS. Accounting policies relevant to the previous business are described in Note 19.

***Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

***Loan and Mortgage Investments***

The loan and mortgage investments are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, the loan and mortgage investments are measured at amortized cost using the effective interest rate method (the "EIM"). The loan and mortgage investments are derecognized when the contractual rights to receive cash flows and benefits expire, or where they have been transferred and the Corporation also transfers the control or substantially all the risks and rewards of ownership.

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**3. Summary of Significant Accounting Policies – continued**

The loan and mortgage investments are assessed each reporting year to determine whether there is any objective evidence of impairment. All individually significant loan and mortgage investments are assessed for specific impairment and are considered to be impaired if one or more loss events that have occurred after its initial recognition have a negative effect on the estimated future cash flows of the financial asset and the loss can be reliably measured.

Loan and mortgage investments that have been assessed individually and found not to be impaired and all individually insignificant loan and mortgage investments are then assessed collectively, in groups of loan and mortgage investments with similar risk characteristics, to determine whether a collective allowance should be recorded due to incurred loss events for which there is objective evidence but whose effects are not yet evident. The collective assessment takes into account (i) data from the loan and mortgage investments (such as composition of the loan and mortgage investments, borrower's ability to repay, loan defaults and arrears, the estimated value of the underlying collateral (loan to value ratios), average term to maturity, etc.), (ii) general economic and real estate market conditions (including current real estate prices for various real estate types, any near-term real estate development fundamentals), and (iii) actual historical loan losses and other relevant factors.

An impairment loss in respect of loan and mortgage investments is calculated as the difference between its carrying amount, including accrued interest and the present value of the estimated future cash flows discounted at the loan and mortgage investment's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against the loan and mortgage investments. When a subsequent event causes the amount of an impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

***Financial Instruments***

Financial assets and liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to receive cash flows and benefits related to the financial asset expire or if the Corporation transfers the control or substantially all the risks and rewards of ownership of the financial asset or transfers the significant risks and rewards, along with the unconditional ability to sell or pledge the asset to another party. Financial liabilities are derecognized when obligations under the contract are discharged, cancelled or expired.

Financial assets and liabilities are off-set and the net amount is reported in the consolidated statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Upon initial recognition, financial instruments are measured at fair value and classified as either financial assets or financial liabilities at fair value through profit or loss, held-to-maturity investments, available-for-sale assets, loans and receivables, other financial liabilities or as derivatives designated as hedging instruments in an effective hedge.

Financial instruments are included on the consolidated statements of financial position and measured at fair value, except for loans and receivables, held-to-maturity financial assets and other financial liabilities, which are measured at amortized cost using the EIM, less any impairment. Directly attributable transaction costs other than those related to financial instruments classified as fair value through profit or loss, which are expensed as incurred, are capitalized to the carrying amount of the instrument and amortized using the EIM.

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**3. Summary of Significant Accounting Policies – continued**

Under the EIM, interest income and expense are calculated and recorded using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts or payments throughout the expected life of the financial instrument to the fair value at initial recognition.

*Fair Value Hierarchy*

The Corporation classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The following table summarizes the accounting treatment of each of financial assets and financial liabilities:

	Classification	Measurement
Cash and cash equivalent	Loans and receivables	Amortized cost
Receivables	Loans and receivables	Amortized cost
Loan and mortgage investments	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

The Corporation had neither financial assets or financial liabilities at fair value through profit or loss, available-for-sale assets, nor held-to-maturity investments or derivatives as at December 31, 2017 and 2016.

***Share Capital***

Share capital, common shares and an equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

***Warrants***

The Corporation measures the fair value of warrants issued using the Black-Scholes option-pricing model. The fair value of each warrant is estimated based on their respective issuance dates taking into account volatility, expected life, the dividend rate, and the risk free interest rate. The fair value of warrants issued in conjunction with an offering is charged to share issue costs with an offsetting amount recorded to contributed surplus. The fair value of warrants exercised is recorded as share capital, and the fair value of any expired warrants is recorded as contributed surplus general account.

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**3. Summary of Significant Accounting Policies – continued**

***Revenue Recognition – Interest and Fees Earned***

Interest and fees earned is recognized in the consolidated statements of income and comprehensive income using the EIM. The EIM discounts the estimated future cash receipts through the expected life of the loan and mortgage to its carrying amount. When estimating future cash flows, the contractual terms of the mortgage are considered, including origination revenue, interest receipts, principal receipts and contractual end-of-term participation receipts, where applicable. Participation receipts that are contingent upon future events, such as the profitability of the underlying security, are not included in the estimated cash flows. Such amounts are recorded in income when management is reasonably assured of their collection.

***Share-based Compensation***

The Corporation has an incentive stock option plan for grants to eligible directors, officers, senior management and consultants under its incentive stock option plan. The expense of the equity-settled incentive option plan is measured based on fair value of the options granted of each tranche at the grant date. The expense is recognized in proportion to the vesting features of each tranche of the grant and is reflected in equity. When incentive stock options are exercised, any consideration paid, together with the amount recorded in equity, are recorded in share capital.

***Provisions***

Provisions for legal claims, where applicable, are recognized in other liabilities when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting year and are discounted to present value where the effect is material.

***Deferred Financing Costs***

Financing costs related to the Corporation's proposed financing are recorded as deferred financing costs. These costs will be deferred until the proposed financing is completed, at which time the costs will be charged against the proceeds received. If the proposed financing does not close, the costs will be charged to the statements of operations and comprehensive loss.

Incremental costs incurred in respect of raising capital are charged against equity or debt proceeds raised. Costs associated with the issuance of common share are charged to capital stock upon the raising of equity. Costs associated with the issuance of debt are amortized using the effective interest method over the life of the debt.

***Income Tax***

Income tax comprises current and deferred taxes. Income tax is recognized in the consolidated statements of income and comprehensive income, except to the extent that it relates to items recognized directly in equity, in which case, the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the reporting year, using tax rates enacted, or substantively enacted, at the end of the reporting year.



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**3. Summary of Significant Accounting Policies – continued**

Deferred tax is determined based on the temporary differences between the carrying value and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in income. Deferred income tax assets and liabilities are determined based on enacted or substantially enacted tax rates and laws which are expected to apply to the Corporation's taxable income for the year in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

***Earnings per Share***

Basic earnings per share is calculated by dividing the net income attributable to shareholders of the Corporation by the weighted average number of shares outstanding during the year.

Diluted earnings per share is determined by adjusting the net income attributable to shareholders and the weighted average number of shares outstanding, adjusted for the dilutive effects of all convertible securities and granted incentive stock options and warrants, issued and outstanding, if any. No effect has is given to the potential exercise of stock options and warrants in the calculation of diluted net earnings (loss) per share if the effect would be anti-dilutive. Stock options and warrants have a dilutive effect only when the average market price per common share during the period exceeds the exercise price.

**4. Significant Accounting Policies, Judgements and Estimation Uncertainty**

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

***Fair Value of Financial Instruments***

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

***Share-Based Payment Transactions***

The Corporation measures the cost of share-based payment transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate of the share option. The assumptions and models used for estimating fair value for share-based payment transactions are determined at the time of the granting of such share-based compensation.

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**4. Significant Accounting Policies, Judgements and Estimation Uncertainty – continued**

***Impairment of Loans and Mortgages***

At the end of each reporting period, the Corporation reviews the carrying amounts of its loans and mortgages to determine whether there are any indications that those assets had suffered an impairment loss. If any such indication existed, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amounts are the higher of fair value less costs of divestiture 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 loan and mortgage for which the estimates of future cash flows that had to be adjusted.

If the recoverable amount of a loan and mortgage was estimated to be less than its carrying amount, the carrying amount of the loan and mortgage is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Operations and Comprehensive Income (Loss).

When an impairment loss subsequently reverses, the carrying amount of the loan and mortgage is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the loan and mortgage in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Operations and Comprehensive Income (Loss).

***Income Taxes***

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

**5. Changes in Accounting Policies**

**Accounting standards issued and adopted**

The Corporation has not adopted any new or renewed standard including any of the consequential amendments thereto effective January 1, 2017.

**Future Accounting standards issued and to be adopted**

***IFRS 7 - Financial Instruments ("IFRS 7")***

IFRS 7 requires entities to provide disclosure in their financial statements that enable users to evaluate the significance of financial instrument and the nature and extent of risks arising from financial instruments to which an entity is exposed and how the entity manages those risks. It was amended to (i) add guidance on whether an arrangement to service a financial asset that has been transferred constitutes continuing involvement, and (ii) to clarify that the additional disclosure required by the amendments to IFRS 7 is not specifically required for interim periods. The amendments to IFRS 7 are effective for annual periods beginning on or after January 1, 2018. The adoption of IFRS 15 is not expected to have a material effect on the Corporation's financial position.

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**5. Changes in Accounting Policies – continued**

*IFRS 9 – Financial Instruments (“IFRS 9”)*

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments (“IFRS 9”) replacing IAS 39, Financial Instruments Recognition and Measurements. The Corporation intends to adopt IFRS 9 effective January 1, 2018.

*(i) Classification – Financial assets*

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

IFRS 9 contains three principal classification categories for financial assets: (i) measured at amortized cost; (ii) fair value through other comprehensive income (FVOCI); and (iii) fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Upon initial recognition, each financial asset will be classified as either amortized cost, FVOCI or FVTPL. All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding the instrument to collect contractual cash flows and the cash flows represent solely principal and interest. Otherwise it is recorded at FVTPL.

Based on its assessment, the Corporation has identified that all of its investments will continue to be measured at amortized costs subject to IFRS 9 impairment rules.

*(ii) Impairment – Financial assets and contract assets*

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with a forward-looking ‘expected credit loss’ (ECL) model. This will require considerable judgement as to how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortized cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs: These are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: These are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset’s credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component; an entity may choose to apply this policy also for trade receivables and contract assets with a significant financing component.

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**5. Changes in Accounting Policies – continued**

*(iii) Classification – Financial liabilities*

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities.

However, under IAS 39 all fair value changes of liabilities designated as at FVTPL are recognized in profit or loss, whereas under IFRS 9 these fair value changes are generally presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of change in the fair value is presented in profit or loss.

The Corporation has not designated any financial liabilities as at FVTPL and the Corporation has no current intention to do so. The Corporation's assessment did not indicate any material impact if IFRS 9's requirements on the classification of financial liabilities were applied at December 31, 2017.

*(v) Disclosures*

IFRS 9 will require extensive new disclosures, in particular about credit risk and ECLs. The Corporation has implemented the system and controls changes that it believes will be necessary to capture the required data.

*(vi) Transition*

Changes in accounting policies resulting from the adoption of IFRS 9 will generally be applied retrospectively, except as described below:

- The Corporation plans to take advantage of the exemption allowing it not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 will generally be recognised in retained earnings and reserves as at January 1, 2018;
- The following assessments have to be made on the basis of the facts and circumstances that exist at the date of initial application:
  - The determination of the business model within which a financial asset is held;
  - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL;

Upon completing the impact of the implementation of IFRS 9, the Corporation determined that there is no impact the financial position of the Corporation.

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

IFRS 15 was issued by the IASB in September 2015 and replaces IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations. This standard establishes principles to address the nature, amount, timing and uncertainty of revenue arising from an entity's contracts with customers. This standard is mandatorily effective for annual reporting periods beginning on or after January 1, 2018. IFRS 15 will have no impact on the Corporation.

*IFRS 16 - Leases ("IFRS 16")*

IFRS 16 sets out principles for the recognition, measurement and disclosure of leases. IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all leases and requires a lessee to recognize right-of-use assets and lease liabilities for leases with terms more than 12 months, unless the underlying asset is of low value. Under IFRS 16, lessor accounting for operating and finance leases will remain substantially unchanged. IFRS is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15. Management is in the process of assessing the impact of IFRS 16 on the Corporation's consolidated financial statements.

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**6. Change of Business and Other Transactions**

On September 16, 2016, the Corporation held a special meeting of its shareholders (the “**Meeting**”) at which the Corporation’s shareholders voted in favour of:

- (i) a change of business from one focused on the digital distribution of games for Smart TVs, next-generation set-top boxes and over-the-top devices, to that of lending to, investing in and financing real estate transactions (“**Proposed COB**”) under the rules of the TSX Venture Exchange (the “**TSXV**”);
- (ii) the sale of Corporation’s GameTree TV business (“**Sale of Assets**”);
- (iii) the creation of a new Control Person (as that term is defined in the policies of the TSXV) in connection with the private placement of \$1,168,125 via subscription receipts to Plazacorp Holdings Limited, (“**Plazacorp Financing**”);
- (iv) the election of new directors of the Board of Directors (“**New Directors**”);
- (v) a consolidation of the common shares of the Corporation by a ratio of up to 35:1 (the “**Consolidation**”);
- (vi) a change of the name of the company to Findev Inc. (“**Name Change**”);
- (vii) the offering by the Corporation of mezzanine financing credit facilities to Plazacorp Investments Limited and/or its affiliated companies (“**Credit Facility**”), and
- (viii) certain amendments to the Corporation’s incentive stock option plan (“**Plan Amendments**”), and together with the Sale of Assets, the Plazacorp Financing, the New Directors, the Consolidation, the Name Change and the Credit Facility, the “**Other Transactions**”.

***Proposed COB***

The Corporation first announced its intention to proceed with the Proposed COB in May 2016. On completion, the Proposed COB constituted a Change of Business under Policy 5.2 of the TSXV and was conditional on, among other things, the Corporation obtaining final TSXV approval. The COB was an arm's length transaction for the purposes of the TSXV. Upon completion of the COB, the Corporation became a Tier 1 investment company and become subject to the TSXV’s Tier 1 listing requirements under its Investment industry segment (the “**Resulting Issuer**”) which immediately began lending, investing and financing real estate projects.

***Sale of Assets***

On May 31, 2016, the Corporation entered into a transition services agreement with GMV for the period commencing June 1, 2016 and ending on the last day of the month in which shareholder approval is obtained (September 30, 2016) for the Sale of Assets whereby any shortfall from the operations of the GameTree TV Business during the transition period will be funded.

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**6. Change of Business and Other Transactions – continued**

On August 16, 2016, the Corporation entered into an asset purchase agreement for the sale of its GameTree TV business to a wholly-owned subsidiary of General Media Ventures Ltd. (“**GMV**”), for the sum of US\$125,000, plus twenty-five percent (25%) of the gross revenue generated by the GameTree TV Business for the seven months following completion of the transaction, with such sum being subject to a US\$150,000 minimum payment as long as revenues do not drop by more than twenty percent (20%) during that period, and an additional sum of US\$50,000 in the event that the gross revenue generated solely from the GameTree TV Business during the twelve month period from completion of the transaction exceeds a minimum of US\$1,500,000. For the purposes of the Sale of Assets, General Media Ventures Limited is dealing at arm’s length with the Corporation.

Under the asset purchase agreement, the Corporation sold, free of any encumbrances, all of the assets, technology and intellectual property that comprise the GameTree TV business, including all the shares of the Corporation’s wholly-owned subsidiaries TransGaming Digital Home (Israel) Ltd. and TransGaming Ukraine LLC, but excluding all cash, cash equivalents, and accounts receivable and assumed the accounts payables due as at October 31, 2016. GMV assumed only the liabilities and obligations relating to the operation of the GameTree TV business from and after the effective date, including the obligations to employees and contractors of TransGaming Digital Home (Israel) Ltd. and TransGaming Ukraine LLC.

The asset purchase agreement, was subsequently amended to a total sum of US\$225,000 with an effective closing date of November 1, 2016. As at December 31, 2016, there remained CA\$168,997 to collect, which it did during the 2017 fiscal year.

**Plazacorp Financing**

As part of the proposed COB, the Corporation entered into a subscription agreement for subscription receipts with Plazacorp Holdings Limited (Plazacorp Holdings) on August 22, 2016 pursuant to which Plazacorp Holdings acquired 2,225,000 (77,875,000 pre-consolidation) subscription receipts from treasury at a purchase price of \$0.525 (\$0.015 pre-consolidation) per subscription receipt for gross cash proceeds of \$1,168,125 (“**Proceeds**”). Plazacorp Holdings received, on exchange, 2,225,000 common shares at a deemed price of \$0.525 per common share.

**Consolidation**

The Corporation consolidated its common shares by a ratio of 35:1 which took effect following the closing of the COB.

**Name Change**

On September 16, 2016, the Corporation filed a Certificate of Amendment to change its name to Findev Inc.

**Credit Facility**

The Corporation established a secured revolving term credit facility that was made available by the Corporation to Plazacorp Investments Limited and its affiliates as mezzanine financing for certain condominium development projects.

**Plan Amendments**

The Corporation amended its stock option plan from a fixed number to a rolling stock option plan, with the maximum number of shares reserved for issuance being equal to ten percent (10%) of the issued and outstanding shares of the Corporation as at the date of the grant of an option under the amended stock option plan.

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**6. Change of Business and Other Transactions – continued**

***Private Placement***

In connection with the COB and Other Transactions including, but not limited to, the Stock Consolidation, the Corporation completed a private placement of 23,085,358 subscription receipts at a price per subscription receipt of \$0.60 resulting in gross proceeds to the Corporation of \$13,851,215 (“**Private Placement**”).

Each subscription receipt was automatically exercisable, without any further action by the holder of such subscription receipt, and without any additional consideration, into one common share on the satisfaction of certain escrow release conditions described in note 10. In addition, each subscription receipt will include, at no additional cost, one (1) eighteen (18) month common share purchase half-warrant and one (1) thirty-six (36) month common share purchase half-warrant. A full-warrant will entitle the holder to acquire one additional Common share from the treasury of the Corporation at an exercise price of \$0.70. The Corporation may at its sole discretion call the warrants if and when and the Common shares trade at a price equal to or greater than \$1.20 for five consecutive days.

Cranson Capital Securities Inc. (“**Agent**”) acted as the agent for the Private Placement and was paid a cash amount of \$428,161, representing six percent (6.0%) of the aggregate proceeds of the Private Placement raised by the Agent.

**7. Receivables**

As at December 31,	2017	2016
Interest receivable	\$ 48,081	\$ —
Sales tax refundable	23,141	57,910
	<u>\$ 71,222</u>	<u>\$ 57,910</u>

**8. Loan and Mortgage Investments**

As at December 31, 2017, the Corporation had principal balance of loan and mortgage investments of \$15,516,250 (December 31, 2016 - \$13,006,567). The loan and mortgage investments carry a weighted average effective interest rate of 10.63% (December 31, 2016 - 9.98%) and a weighted average term to maturity of 2.8 years (December 31, 2016 - 2.20), with maturities as follows:

Maturity	December 31, 2017	December 31, 2016
Less than one year	\$ 2,516,250	\$ 5,501,483
Between one and five years	13,000,000	7,505,084
More than five years	—	—
	<u>\$ 15,516,250</u>	<u>\$ 13,006,567</u>

During the year, the Corporation received \$34,275 (December 31, 2016 - \$Nil) in financing fees, of which \$18,750 remains to be recognized in income which is included in the above. Also include, in the prior year’s balance is the \$6,567 in transactional costs.

There is one loan issued to Plazacorp Investments Limited and can be prepaid at any time, with the payment of penalty of 3 months of interest.

The loan and mortgage investments are secured by mortgages registered on title and/or other forms of security, including, but not limited to, floating charge debentures, general security agreements, postponement of specific claims and joint and several guarantees.

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**8. Loan and Mortgage Investments – continued**

The Corporation may syndicate certain of its loan and mortgage investments to private investors or to financial institutions, each participating in a prescribed manner per agreement and on an investment by investment basis. In these investments, the investors will assume the same risks associated with the specific investment transaction as the Corporation. Each syndicated loan and mortgage investment has a designated rate of return that the syndicated investors expect to earn from that loan and mortgage investment. As at December 31, 2017 and 2016, the Corporation's principal balance of loans and mortgage syndications were Nil.

The following table presents details of the loan and mortgage investments as at December 31, 2017:

	Net Investment	% of net investments
Residential housing development	\$ 13,000,000	83.8
Land and lot inventory	2,516,250	16.2
	<u>15,516,250</u>	<u>100.0</u>
Allowance for loan and mortgage investments loss	—	0.0
	<u>\$ 15,516,250</u>	<u>100.0</u>

**9. Accounts payable and accrued liabilities**

Accounts payable are comprised of trade payables and accrued liabilities as well as dividends payable of \$214,856 (December 31, 2016 – \$214,856).

**10. Share capital**

The Corporation is authorized to issue an unlimited number of common shares.

On September 16, 2016, the shareholders of the Corporation approved a consolidation of its common shares by a ratio of 35 to 1. All numbers of shares and per share amounts prior to the share consolidation have been restated to give effect to the share consolidation as if it had occurred on June 1, 2016. Concurrently, the shareholders approved a change in fiscal year end from May 31 to December 31.

During the period ended December 31, 2016, the corporation completed the following equity raises:

- a) It raised \$1,168,125 via the issuance of 2,225,000 common shares at a price of \$0.525; and
- b) It raised \$13,851,215 via the issuance of 23,085,358 common shares, one (1) eighteen (18) month Common share purchase half-warrant and one (1) thirty-six (36) month common share purchase half-warrant. A full-warrant will entitle the holders to acquire one additional Common share from the treasury of the Corporation at an exercise price of \$0.70. The Corporation may at its sole discretion call the warrants if and when and the Common shares trade at a price equal to or greater than \$1.20 for five consecutive days

Upon the COB, as per TSXV policies, insiders of the Corporation going forward deposited the common shares of the Corporation which they either owned prior to the COB or as a result of acquiring additional securities of the Corporation via the Plazacorp Financing or the Private Placement. Accordingly, 11,905,237 common shares and 9,676,664 warrants were deposited in trust, with 25% released upon the release of the TSXV Bulletin, which was December 2, 2016, and 25% of the original amount placed in escrow to be released every 6 months thereafter.

As of December 31, 2017, there remained 2,976,308 common shares and 2,419,166 share purchase warrants in escrow and will be released on June 5, 2018.



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**11. Contributed Surplus**

The Corporation's contributed surplus consists of the following:

	Incentive Stock			Total
	General	Option	Warrants	
Balance, May 31, 2016	\$ 6,800,335	\$ 698,199	\$ 1,093,939	\$ 8,592,473
Compensation Expense	—	234,474	—	234,474
Cancellation of incentive stock options	741,689	(741,689)	—	—
Expiry of warrants	578,007	—	(578,007)	—
Issuance of warrants	—	—	3,566,638	3,566,638
Balance, December 31, 2016	8,120,031	190,984	4,082,570	12,393,585
Compensation Expense	—	252,896	—	252,896
Balance, December 31, 2017	<u>\$ 8,120,031</u>	<u>\$ 443,880</u>	<u>\$ 4,082,570</u>	<u>\$ 12,646,481</u>

a) Incentive Stock options

The Corporation's Incentive Stock Option Plan ("Plan") provides for the issuance of a maximum of 10% of the issued and outstanding common shares at an exercise price equal or greater than the market price of the Corporation's common shares on the date of the grant to directors, officers, employees and consultants to the Corporation. The option period for options granted under the Plan is for a maximum period of 10 years. Options granted may vest over certain time periods within the option period, which will limit the number of options that may be exercised. Each stock option is exercisable into one common share of the Corporation at the price specified within the terms of the option.

The number of common shares reserved for issuance under the Plan is a rolling 10% of the issued and outstanding common shares. Stock option issuances are recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest that have not yet been forfeited. Stock compensation expense adjustments for anticipated forfeitures have been determined to be immaterial.

During fiscal period ending 2016, the fair value of the options granted based on the Black Scholes option-pricing model was calculated using the following assumptions:

Period ended	December 31, 2016
Number of incentive stock options	1,450,000
Exercise price	\$ 0.60
Expected life	8.0 years
Vesting Period	1.0 year
Weighted average risk-free interest rate	0.50%
Weighted average expected volatility	53.3%
Dividend yield	0.0%
Fair value	\$0.31660 - 0.33039

There were no options granted during the fiscal year ending December 31, 2017.

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**11. Contributed Surplus – continued**

The following table reconciles outstanding incentive stock options as at December 31, 2017 and 2016:

	Number	Weighted Average Exercise Price
Balance, May 31, 2016	144,543	\$ 9.21
Granted	1,450,000	0.60
Cancelled	(127,686)	7.51
Balance, December 31, 2017 and 2016	<u>1,466,857</u>	<u>\$ 0.63</u>

Upon the cancelling of incentive stock option, the cumulative amount previously expensed is transferred from contributed surplus - incentive stock options to contributed surplus - general.

The following table summarizes the weighted average exercise price and the weighted average remaining contractual life of the options outstanding and exercisable as at December 31, 2017.

Exercise Price	Options Outstanding	Expiry Date	Outstanding		Exercisable	
			Weighted Average Remaining Life	Weighted Average Price	Quantity	Weighted Average Price
\$ 6.125	2,857	April 22, 2019	1.3 years	\$ 6.125	2,143	\$ 6.125
6.125	14,000	February 2, 2020	2.1 years	6.125	9,214	6.125
0.600	1,250,000	October 20, 2024	6.8 years	0.60	1,250,000	0.600
0.600	200,000	November 2, 2024	6.8 years	0.60	200,000	0.600

b) Warrants

The following is a summary of outstanding warrants as at December 31, 2017 and 2016.:

	Number of Warrants	Amount	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Outstanding, December 31, 2016	23,263,901	\$ 4,082,570	\$ 0.62	2.05
Outstanding, December 31, 2017	23,263,901	4,082,570	0.62	1.05

No warrants expired or were exercised during the year ended December 31, 2017. During the period ended December 31, 2016, 50,000 warrants expired with an exercise price of \$18.55. Accordingly, the fair value associated with these warrants of \$578,007 was reallocated from contributed surplus - warrants to contributed surplus - general.

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**12. Expenses by nature**

December 31,	2017	2016
Bank charges	\$ 4,901	\$ —
Insurance	47,748	—
Interest	101	—
Office	3,365	697
Professional services	295,374	172,425
Regulatory reporting	59,023	36,789
	\$ 410,512	\$ 209,911

**13. Income taxes**

i) The Corporation's income tax rate differs from the statutory rate of approximately 26.5% (2016 - 26.5%) as follows:

For the period ended December 31,	2017	2016
Pre-tax income (loss) for the period before income taxes	\$ 1,407,083	\$ (5,712,806)
Pre-tax (income) loss from discontinued operations	(516,044)	5,255,990
Pre-tax loss from sale of discontinued operations	—	268,199
Pre-tax income (loss) from continuing operations	891,040	(188,617)
Expected income tax benefit (expense) based on statutory rate	236,000	(50,000)
Stock-based compensation expense	67,000	62,000
Other non-deductible expenses	(49,000)	(33,000)
Other	—	—
Income tax (recovery) expense	254,000	(21,000)
Utilization of previously unrecognized non-capital loss carry forward amounts	(254,000)	—
Valuation Allowance	—	21,000
Income tax (recovery) expense included in discontinued operations	\$ —	\$ —

ii) As at December 31, 2017, the Corporation had accumulated income tax losses for federal and provincial income tax purposes of approximately \$10,875,000. These losses carry-forward may be used to offset future years' federal and provincial taxable income and commence expiring in 2031.

iii) Scientific Research and Experimental Development Expenses and Tax Credits

The Corporation also had approximately \$707,000 in unclaimed scientific research and experimental development expenses as at December 31, 2017, which may be used to reduce taxable income in the future, without expiry.

As at December 31, 2017, the Corporation also had approximately \$1,750,000 in unclaimed investment tax credits, which may be used to offset federal income taxes payable in the future and commence expiring in 2027. As at December 31, 2017, the Corporation also had approximately \$1,656,000 in unclaimed Provincial tax credits, which may be used to offset provincial income taxes payable in the future and commence expiring in 2029.

The potential benefit of these expenses and investment tax credits has not been recognized in the consolidated financial statements.

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**13. Income Taxes – continued**

iv) Deferred Income Tax Assets

In assessing the ability to realize deferred income tax assets, management considers whether it is probable that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent on the generation of future taxable income during the years in which those temporary differences become deductible. No deferred income tax asset has been recognized in respect of these non-capital losses and other temporary differences, as the Corporation is reflecting uncertainties associated with the realization of all deferred income tax assets.

**14. Dividend Payable**

The dividends declared in 2017 and 2016 were \$856,424 (\$0.03 per common share) and \$214,856 (\$0.0075 per common share) respectively. Dividends paid in 2017 and 2016 were \$856,424 (\$0.03 per common share) and \$Nil, respectively.

**15. Transactions with related parties and payments to key management**

Related party transactions include transactions with parties related by common directors and transactions with other private entities owned or controlled by officers and directors. All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties. The following table summarizes the related party transactions occurring during the fiscal period.

As at or for the period ended	Dec. 31, 2017	Dec. 31, 2016
Revenues		
Interest income	\$ 1,368,384	\$ 246,585
Expenses		
Professional Fees	24,648	112,842
Loans and mortgage investments	13,000,000	13,006,566
Included with accounts payable	4,954	37,704
Expenses charged to Share Capital	—	518,774

Payments to key management

As at or for the period ended	Dec. 31, 2017	Dec. 31, 2016
Directors' Fees	\$ 5,000	\$ 3,250
Management Fees	174,039	37,340
Stock-based compensation	252,896	224,669

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**15. Transactions with related parties and payments to key management – continued**

In addition to the above, for the period ending December 31, 2016 discontinued operations included \$5,750 in directors fees, \$363,231 for management fees and Stock-based Compensation of \$9,805.

The key management personnel of the Corporation include the Chief Executive Officer, Chief Financial Officer and the Board of Directors.

During the period ended December 31, 2017 and 2016, no key management personnel were indebted to the Corporation, with the exception that certain of the Corporation's loans and mortgage investments are currently issued to Plazacorp Investments Limited and/or its affiliates which are owned and controlled by a director.

**16. Commitments and contingencies**

The Corporation, from time to time, may be involved in various claims, legal and tax proceedings and complaints arising in the ordinary course of business. The Corporation is not aware of any pending or threatened proceedings that would have a material adverse effect on the financial condition or future results of the Corporation.

**17. Capital management**

The Corporation manages its common shares, stock options, warrants and accumulated deficit as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk, as there are no external restrictions on it.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets in order to adjust the amount of cash on its balance sheet.

To facilitate the management of its capital requirements, the Corporation prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry and market conditions.

The Corporation's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

Management reviews its approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable.

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**18. Financial instruments and risk management**

The Corporation's financial instruments have been classified into categories that determine their basis of measurement and for items carried at fair value, where changes in fair value are recognized in the Statement of Operations and Comprehensive Income (Loss):

Financial Assets	Dec. 31, 2017	Dec 31, 2016
Cash	\$ 615,780	\$ 2,826,876
Receivables	71,222	57,910
Loans and mortgage investments	15,516,250	13,006,567
Financial Liabilities	Dec 31, 2017	Dec 31, 2016
Accounts payables and accrued liabilities	\$ 255,623	\$ 941,581

***Fair value***

As at December 31, 2017 and 2016, the estimated fair values of cash and cash equivalents, receivables, and accounts payable and accrued liabilities approximate their respective carrying values due to their short-term nature.

The fair value of the loans and mortgages investments approximates its carrying value as the majority of the loans are repayable in full at any time per agreement. There is no quoted price in an active market for the mortgage and loan investments. The Corporation makes its determinations of fair value based on its assessment of the current lending market for mortgage and loan investments of same or similar terms. As a result, the fair value of mortgage and loan investments is based on Level 3 of the fair value hierarchy.

The fair values of loans payable approximate their carrying values due to the fact that the majority of the loans are: (i) repayable in full, at any time, upon the repayment of the underlying loan that secures the loan payable, and (ii) the interest rates at market value.

***Credit risk***

Credit risk is the possibility that a borrower under one of the loans and mortgages investments, may be unable to honour their debt commitment as a result of a negative change in the borrowers' financial position or market conditions that could result in a loss to the Corporation.

Any instability in the real estate sector or an adverse change in economic conditions in Canada could result in declines in the value of real property securing the Corporation's investments. There have been significant increases in real estate values in various sectors of the Canadian market over the past few years. A correction or revaluation of real estate in such sectors will result in a reduction in values of the real estate securing mortgage loans that comprise the Corporation's investment portfolio. This could result in impairments in the mortgage loans or loan losses in the event the real estate security has to be realized upon by the lender. The Corporation's maximum exposure to credit risk is represented by the fair values of amounts receivable and the investment portfolio.

For the year ended December 31, 2017, the Corporation's two largest borrowers accounted for 100% of revenues of continuing operations.

The Corporation's exposure to credit risk for its loans and mortgage portfolio by geographic area is limited to Toronto, Ontario.

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**18. Financial instruments and risk management – continued**

***Interest rate risk on income and expense***

The Corporation also has credit risk relating to cash and cash equivalents, which it manages by dealing with large Canadian chartered banks. The Corporation's maximum exposure to credit from banks is \$615,780 (December 31, 2016 - \$2,826,876). As at December 31, 2017 – 100% (December 31, 2016 - 100%) of cash and cash equivalents were held in Canadian chartered banks.

Interest rate risk is the risk that fair value of future cash flows of financial assets or financial liabilities will fluctuate because of changes in the market interest rates.

The Corporation's current loan portfolio is not subject to interest rate fluctuations, nor are its current liabilities. There is however, the risk of not being able to reinvest its capital at the same or greater rates due to the fluctuation of interest rates. In addition, as the Corporation expands its operations the loans which it may make may incorporate variable interest rates that shall fluctuate with the market.

Currently, if a shift in interest rates of 1% were to occur, the impact on cash and the related gain (loss) for the year would have an impact on revenues of approximately \$165,000 (2016 - \$130,000). Management does not deem this to be material as it could and would continue to meet its operating expenses as well as its dividend policy.

***Liquidity risk***

Liquidity risk is the risk the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities. The Corporation's objective for liquidity risk management is to maintain sufficient liquid financial resources to fund operations and to meet commitments and obligations in the most cost-effective manner possible. The Corporation achieves this by maintaining sufficient cash and cash equivalents and managing working capital. The Corporation monitors its financial resources on a regular basis and updates its expected use of cash resources based on the latest available data.

The Corporation's financial liabilities, classified as current, primarily consist of trade payables and accrued liabilities. Current liabilities were \$255,623 (December 31, 2016 - \$941,581) with all of it having expected settlement dates within one year or where conditions exist that could result in accelerated payment.

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**19. Discontinued Operations**

On June 16, 2015, the Corporation sold its cross-platform portability technology to NVIDIA for an aggregate purchase price of US\$3.75 million, satisfied by payment of US\$3.375 million on the date of closing and US\$0.375 million ("Holdback Funds") paid on June 15, 2016. The assets included the technology that formed the Corporation's Graphics and Portability Group which included Cider, its core-enablement or translation and related technologies, along with associated customer relationships.

On April 20, 2016, the Corporation also signed an agreement with a third party for the full assignment of all rights, title and interest in the Corporation's SwiftShader technology, including TransGaming patents, licensed know-how and licensed intellectual property for total consideration of US\$1.25 million.

On November 1, 2016, the Corporation divested itself of its remaining software and game related active business for US\$225,000, where such amount was to be settled with an immediate payment of US\$50,000 and 2f future sales. Of the US\$50,000, US\$30,000 was collected prior to December 31, 2016 and the balance was received in February and April 2017.

The current period gain of \$516,043 was due to a revision of the estimated remaining liabilities related to the Corporation's previous business and has been included in discontinued operations.

For the period ended, December 31,	2017	2016
Revenues	\$ —	\$ 776,347
Cost of Sales	(419,103)	133,594
Gross Profit	419,103	642,753
Operating expenses	(96,940)	1,258,172
Foreign currency exchange gain (loss)	—	(4,640,571)
	516,043	(5,255,990)
Loss on sale of assets	—	(268,199)
Net income (loss) from discontinued operations	\$ 516,043	\$ (5,524,189)

The impact of the discontinued operations on the cash flows is as follows:

For the period ended, December 31,	2017	2016
Cash used by discontinued operations	\$ —	\$ (182,044)
Cash used by discontinued financing activities	—	—
Cash provided by discontinued investing activities	168,997	302,285

The following is a Summary of Significant Accounting Policies relating to discontinued operations that are no longer relevant to the current business of the Corporation.



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**19. Discontinued Operations – continued**

**Revenue recognition**

*General*

The Corporation's discontinued operation's revenues were derived from the sale, development and licensing of platform enablement technology and the related provision of post-contract customer support (PCS) in addition to the sale of graphics rendering technology, and the provision of professional services for video game development (stand-alone services), the sale of online video games, and online subscription services.

*Licensing*

The Corporation's sale of Cider licenses, its video game enablement technology, which often includes the rendering of professional services to enable the gaming content, was accounted for as service revenue. Revenue was recognized on the licensing and professional services together by reference to the stage of completion of the transaction at the end of the reporting period when the outcome of a transaction involving the rendering of services can be estimated reliably. The outcome of a transaction could be estimated reliably when the amount of revenue can be measured reliably, it was probable that the economic benefits associated with the transaction would flow to the entity, the stage of completion of the transaction at the end of the reporting period would be measured reliably, and the costs incurred for the transaction and the costs to complete the transaction could be measured reliably. Revenue on a given contract was recognized proportionately with its percentage of completion. The stage of completion was measured based on direct expenses incurred as a percentage of the total direct expenses to be incurred.

If the professional services associated with the license was not deemed essential to the functionality of the licensed software, revenue from licensed software was accounted for as a sale of goods. The Corporation recognized revenue on sales of goods when the entity had transferred to the buyer the significant risks and rewards of ownership of the goods, if the entity retained neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue was able to be measured reliably, and it was probable that the economic benefits associated with the transaction would flow to the entity and the costs incurred or to be incurred would in respect of the transaction would be measured reliably. These criteria were generally met at the earlier of delivery or the inception of the license term (if term based).

The sale of Swift Shader technology was recognized over the term of the license if the term was clearly defined and if at the completion of the term, use of the licensed software ceased. Where licensed software rights cannot practicably be revoked the license was deemed perpetual and revenue was recorded using the criteria described in the previous paragraph for sales of goods.

The Corporation's license sales often included multiple elements, which typically included software licenses with professional services and PCS. The components in such arrangement were assessed to determine whether they could be sold separately and could be treated as a separately identifiable component for the purpose of revenue recognition. When there were separately, identifiable components in an arrangement, the arrangement consideration was allocated to the separate components on a relative fair value basis. If components were not separately identifiable, revenue recognition was deferred until all revenue recognition criteria had been met. The revenue recognition policy described above was then applied to each component.

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**19. Discontinued Operations – continued**

*Professional services including PCS*

If the professional services were deemed essential to the functionality of the licensed software, license fees, PCS and professional services revenue were recognized by reference to the stage of completion as described above.

If services were not deemed essential to the functionality of the software (or when professional services are provided on a stand-alone basis), the services revenue were then recognized as the services was delivered to the customer.

*Online and Smart TV distribution*

Revenue from the sale of online video games or those sold through managed service operators was recognized when the game was delivered to the customer. Terms of the sale ensured that the risks and rewards were transferred, that there was no ongoing control over the permitted use of a game for the duration purchased, sales amounts were defined, payment was processed at the time of purchase and related costs are measurable.

*Subscription fees*

Revenue from subscription fees was recognized on a monthly basis as services are provided.

*Unbilled and deferred revenue*

Amounts were generally billable on reaching certain performance milestones, as defined by individual contracts. Revenues in excess of contract billings were recorded as unbilled revenue. Deferred revenue resulted from advance payments of support and maintenance, payments made in advance of the delivery of enablement or distribution services, and license revenues where the Corporation had not met the criteria for revenue recognition, as described above.

***Property and Equipment***

Property and equipment and intangible assets were recorded at cost less accumulated amortization and impairment losses to write off the cost of the assets to their residual values over their estimated useful lives. Cost included expenditures that were directly attributable to the acquisition of the asset. Subsequent costs were included in the asset's carrying value or recognized as a separate asset, as appropriate, only when it was probable that future economic benefits associated with the item would flow to the Corporation and the cost could be measured reliably. The cost and accumulated amortization of replaced assets were derecognized when replaced. Repairs and maintenance costs were charged to the consolidated statements of operations and comprehensive income (loss) during the year in which they were incurred.

The major categories of property and equipment were amortized to operations over their estimated useful lives on the following bases:

Asset	Depreciation method and Rate
Office equipment	20% diminishing balance
Computer equipment	30% diminishing balance
Office furniture	20% diminishing balance
Leasehold improvements	Straight-line over lease term

Residual values, method of amortization, and useful lives of these assets were reviewed annually and adjusted if appropriate.

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**19. Discontinued Operations – continued**

***Intangibles acquired separately***

Intangibles with finite useful lives that were acquired separately were carried at cost less accumulated amortization and accumulated impairment losses. Amortization was recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method were reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangibles with indefinite useful lives that were acquired separately were carried at cost less accumulated impairment losses.

***Internally-generated intangibles***

Expenditure on research activities was recognized as an expense in the period in which it was incurred.

An internally-generated intangible arising from development (or from the development phase of an internal project) was recognized if, and only if, all of the following had been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangibles was the sum of the expenditure incurred from the date when the intangibles first met the recognition criteria listed above. Where no internally-generated intangibles could be recognized, development expenditure was recognized in the Consolidated Statement of Operations and Comprehensive Loss in the period in which it was incurred.

Subsequent to initial recognition, internally-generated intangibles are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangibles that are acquired separately.

***Intangibles acquired in a business combination***

Intangibles acquired in a business combination and recognised separately from goodwill were initially recognised at their fair value at the acquisition date (which was regarded as their cost).

Subsequent to initial recognition, intangibles acquired in a business combination were reported at cost less accumulated amortization and/or accumulated impairment losses, on the same basis as intangibles that were acquired separately.

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**19. Discontinued Operations – continued**

*Identifiable intangible assets*

The Corporation's intangible assets had finite useful lives and were carried at cost less accumulated amortization. Intangible assets were amortized over their estimated useful lives on the following bases:

Computer software	Straight-line over four years
Contract and distribution agreements	Straight-line over four years

Costs associated with maintaining computer software programs were recognized as an expense as incurred.

***Impairment of tangible and intangible assets other than goodwill***

At the end of each reporting period, the Corporation reviewed the carrying amounts of its property and equipment and intangibles to determine whether there were any indication that those assets had suffered an impairment loss. If any such indication existed, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it was not possible to estimate the recoverable amount of an individual asset, the Corporation estimated the recoverable amount of the cash-generating unit to which the asset belonged. When a reasonable and consistent basis of allocation could be identified, corporate assets were 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 could be identified.

Intangibles with indefinite useful lives and intangibles not yet available for use were tested for impairment at least annually, and whenever there was an indication that the asset may be impaired.

Recoverable amount was the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows were discounted to their present value using a pre-tax discount rate that reflected current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows that had to be adjusted.

If the recoverable amount of an asset (or cash-generating unit) was estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) was reduced to its recoverable amount. An impairment loss was recognized immediately in the Statement of Operations and Comprehensive Loss.

When an impairment loss subsequently reversed, the carrying amount of the asset (or a cash-generating unit) was increased to the revised estimate of its recoverable amount, but so that the increased carrying amount did 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 was recognized immediately in the Statement of Operations and Comprehensive Loss.

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**19. Discontinued Operations – continued**

	Computer Software	Acquired Content Licenses and Distribution Agreements	Total
Year ended May 31, 2016			
Opening net carrying value	\$ 39,916	\$ 857,504	\$ 897,420
Amortization for the year	(39,916)	(857,504)	(897,420)
	\$ —	\$ —	\$ —
As at May 31, 2016			
Cost	\$ 449,928	\$ 5,761,805	\$ 6,211,734
Accumulated amortization	(449,928)	(5,761,805)	(6,211,734)
	\$ —	\$ —	\$ —

Amortization of \$Nil (2016 - \$3,095) is included in the Consolidated Statement of Operations and Comprehensive Income (Loss) in discontinued operations. Intangible assets were disposed of with the sale of the former business.

***Foreign currency translation***

Items included in these consolidated financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The consolidated financial statements are presented in Canadian dollars (the “**presentation currency**”).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of assets and liabilities denominated in currencies other than an operation’s functional currency are recognized in the consolidated statements of operations and comprehensive income (loss).

The results and financial position of all the group entities (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a) assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- b) income and expenses for each consolidated statement of operations and comprehensive income (loss) are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the rate on the dates of the transactions); and
- c) all resulting exchange differences are recognized in other comprehensive income (loss).

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**19. Discontinued Operations – continued**

***Foreign currency risk***

Foreign currency risk arises because of fluctuations in foreign currency exchange rates. The Corporation's objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows by matching its foreign-denominated cash balances to the extent practical to CAD dollar obligations. The Corporation previously conducted a significant portion of its business activities in foreign countries. The financial assets and financial liabilities that are denominated in foreign currencies are affected by changes in the foreign currency exchange rates between the Canadian dollar and these foreign currencies. The Corporation recognized a foreign currency exchange gain in the period ended of Nil (December 31, 2016 of \$4,640,571) where the primary driver was intercompany transactions which is reflected within discontinued operations and the divesture of the foreign operations.

**20. Earnings Per Share**

In calculating the diluted earnings per share, issued and outstanding incentive stock options and warrants were not considered as they would have been anti-dilutive.

December 31,	2017	2016
Denominator basic and diluted earnings per share		
Weighted average number of Common shares outstanding	28,647,441	12,848,196
Dilutive effect of incentive stock options	—	438,923
Dilutive effect of warrants	—	8,811,439
Diluted weighted average Common shares	28,647,441	22,098,558

**21. Reclassification**

For comparative reasons, certain prior period numbers have been reclassified. In the current year, the Company has revisited the presentation of its lending activities in the consolidated statements of cash flows to reflect current business operations. Previously, such cash flows were presented as investing activities.