

FINDEV INC.

**Notice of Meeting
and
Information Circular**

in respect of an

**ANNUAL MEETING OF SHAREHOLDERS
to be held on June 26, 2017**

INFORMATION CIRCULAR

Dated May 24, 2017

FINDEV INC.
NOTICE OF MEETING OF SHAREHOLDERS
to be held on June 26, 2017

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 Monday, June 26, 2017 at 4:00 p.m. (Toronto time), for the following purposes:

1. to receive the audited financial statements for the year ended December 31, 2016 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 24, 2017 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 8th 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 22, 2017 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 24, 2017 as the record date. Only Shareholders whose names are entered on the register of Findev at the close of business on May 24, 2017 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 24th day of May, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

Signed "*Sruli Weinreb*"

Sruli Weinreb
Chief Executive Officer

FINDEV INC.

INFORMATION CIRCULAR

**FOR THE ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MONDAY, JUNE 26, 2017**

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 Monday, June 26, 2017 at 4:00 p.m. (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 24, 2017 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 8th 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 22, 2017 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 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 24, 2017 as the record date. Shareholders at the close of business on May 24, 2017 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 24, 2017; 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⁽¹⁾, directly and indirectly, 12,476,738 Common Shares of Findev, representing 43.55% 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. (formerly “**TransGaming Inc.**”) was formed by the amalgamation of TransGaming Technologies Inc. and TransGaming Inc. on May 31, 2006 pursuant to the CBCA. 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.

Subsequent to the year ended May 31, 2016, Findev changed its 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 development projects, as more particularly described in its management information circular dated August 23, 2016. Findev also changed its financial year end from May 31 to December 31. Additional information concerning the proposed change of business is available on SEDAR at www.sedar.com.

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, 2016.

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 four (4) Named Executive Officers: Mr. Sruli Weinreb, the current Chief Executive Officer, Mr. Dennis Ensing, the former Chief Executive Officer, Mr. Claude Ayache, the current Chief Financial Officer, and Mr. Ankit Patel, the former 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 ⁽³⁾ Chief Executive Officer and Director	2016 ⁽¹⁾	18,125 ⁽⁵⁾	Nil	Nil	Nil	Nil	18,125
	2016 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A
Dennis Ensing ⁽³⁾ Former Chief Executive Officer	2016 ⁽¹⁾	44,231	200,000	N/A	Nil	Nil	244,231
	2016 ⁽²⁾	216,346	Nil	Nil	Nil	25,000	241,346
Claude Ayache ⁽⁴⁾ Chief Financial Officer	2016 ⁽¹⁾	19,215 ⁽⁶⁾	Nil	N/A	Nil	Nil	19,215
	2016 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A
Ankit Patel ⁽⁴⁾ Former Chief Financial Officer	2016 ⁽¹⁾	60,000	25,000	N/A	Nil	Nil	85,000
	2016 ⁽²⁾	144,231	Nil	Nil	Nil	9,000	153,231
Anthony Heller Director	2016 ⁽¹⁾	N/A	N/A	1,500	N/A	N/A	1,500
	2016 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A
Brice Scheschuk Director	2016 ⁽¹⁾	N/A	N/A	2,500	N/A	N/A	2,500
	2016 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A
David Roff Director	2016 ⁽¹⁾	N/A	N/A	1,750	N/A	N/A	1,750
	2016 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A
Niall Finnegan Director	2016 ⁽¹⁾	N/A	N/A	1,750	N/A	N/A	1,750
	2016 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A
Devon Cranson Director	2016 ⁽¹⁾	N/A	N/A	1,500	N/A	N/A	1,500
	2016 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

1. Financial year ended December 31, 2016.
2. Financial year ended May 31, 2016.
3. On September 23, 2016, Mr. Sruli Weinreb was appointed as the Corporation's CEO. As of that date, Mr. Dennis Ensing's role as the CEO came to an end.
4. On November 1, 2016, Mr. Claude Ayache was appointed as the Corporation's CFO. As of October 31, 2016, Mr. Ankit Patel's role as the CFO came to an end.
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

The following table discloses all compensation securities issued to each NEO and director by Findev in the year ended December 31, 2016.

Compensation securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Sruli Weinreb Chief Executive Officer and Director	Stock Options	300,000 Common Shares	October 20, 2016	0.60	0.60	0.63	October 20, 2024
Claude Ayache Chief Financial Officer	Stock Options	200,000 Common Shares	November 1, 2016	0.60	0.60	0.63	November 1, 2024
Anthony Heller Director	Stock Options	150,000 Common Shares	October 20, 2016	0.60	0.60	0.63	October 20, 2024
Brice Scheschuk Director	Stock Options	200,000 Common Shares	October 20, 2016	0.60	0.60	0.63	October 20, 2024
David Roff Director	Stock Options	150,000 Common Shares	October 20, 2016	0.60	0.60	0.63	October 20, 2024
Niall Finnegan Director	Stock Options	150,000 Common Shares	October 20, 2016	0.60	0.60	0.63	October 20, 2024
Devon Cranson Director	Stock Options	150,000 Common Shares	October 20, 2016	0.60	0.60	0.63	October 20, 2024

The following table discloses each exercise of compensation securities by a NEO or director during the year ended December 31, 2016.

Exercise of Compensation Securities by NEOs and Directors							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value of exercise date
Sruli Weinreb Chief Executive Officer and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Claude Ayache Chief Financial Officer	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Exercise of Compensation Securities by NEOs and Directors							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value of exercise date
Anthony Heller Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Brice Scheschuk Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
David Roff Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Niall Finnegan Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Devon Cranson Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

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.

Employment, Consulting and Management Agreements

Other than as described herein, Named Executive Officers do 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

Except as disclosed below, 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.

Mr. Dennis Ensing's employment agreement provided that in the event of a reorganization of the Corporation pursuant to any transaction intending to be or resulting in a change of business or reverse take-over, Mr. Dennis Ensing shall be entitled to a payment of \$200,000 on termination of his employment. This amount was paid to him during the most recently completed financial year.

SECURITIES ISSUABLE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, as at December 31, 2016, 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.

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

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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.

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.

Subsequent to the year ended May 31, 2016, Findev has undertaken the process of completing 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 development projects, as more particularly described in its management information circular dated August 23, 2016. Additional information concerning the proposed change of business is available on SEDAR at www.sedar.com.

Mr. Anthony Heller, who is a director of the Corporation, is the 100% owner of both Plazacorp Holdings Limited and Plazacorp Investments Limited. As disclosed in the Corporation's management information circular dated August 23, 2016, and approved by the Corporation's shareholders on September 16, 2016, Plazacorp Holdings Limited is a Control Person (as that term is defined by the policies of the TSXV) of the Corporation, and the Corporation has and will extend certain credit facilities to Plazacorp Investments Limited, and its affiliates, as mezzanine financing for real estate development projects.

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, 2016 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, 2016, 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
Sruli Wienreb	Adent Capital Corp. (CBCA – Ontario)	TSX Venture	Director	May 2017	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. 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".

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, 2016 was as follows:

Name	Independent/Non-Independent Status ⁽¹⁾	Financially Literate/Not Financially Literate ⁽¹⁾	Relevant Education and Experience
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 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

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:

Financial Year Ending	Audit Fees	Audit-related Fees	Tax Fees	All Other Fees
December 31, 2016	\$60,000	Nil	Nil	Nil
May 31, 2016	\$58,000	Nil	Nil	\$79,000

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, 2016 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. 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 ⁽³⁾	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
Sruli Weinreb Toronto (Ontario), Canada	Founder and Managing Partner, Plaza Capital Limited	571,500 ⁽⁴⁾	September 16, 2016
Brice Scheschuk, CA Toronto (Ontario), Canada Director	Chief Executive Officer, Globalive Capital CFO, Pragmatic Solutions Past CFO, WIND Mobile	170,238	September 13, 2013
David Roff Toronto (Ontario), Canada	Partner, Globalive Capital, CFO Brock View Rentals and Co-President of Brave Investment Corporation	166,666	September 16, 2016
Niall Finnegan 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:

1. 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.
2. 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

3. 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.
4. These Common shares are held via 2532369 Ontario Inc., which is 100% owned and controlled by Mr. Sruli Wienreb. These Common shares represent approximately 1.99% of the 28,647,441 issued and outstanding Common shares of the Corporation.

Biographies of Directors

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

Anthony Heller– Director. Age 65

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-five (35) 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 37

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 in 2005 and worked in community outreach in Houston, TX between 2005 and 2008.

Brice Scheschuk – Director. Age 46

Brice Scheschuk, CPA, CA is the CEO of Globalive Capital, CFO of Pragmatic Solutions, past CFO of WIND Mobile and past CEO of Globalive Communications. He has twenty (20+) years’ experience building and operating companies and led the capital raising and due diligence efforts at WIND Mobile and Globalive Communications. He obtained his CA designation at Coopers & Lybrand (now PricewaterhouseCoopers). Selected current and past board and advisory positions include Cranson Capital, Espresso Capital, Globalive Communications, iLookabout (TSX: ILA), OutsideIQ, Partsroom, Plaza Ventures, Pitchpoint Solutions, Pragmatic Solutions, Ryerson Futures, Samba Days/Rewards, SceneDoc, Varicent Software, Web Host Industry Review, WIND Mobile, World of Angus and Zoocasa.

David Roff – Director. Age 46

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 57

Mr. Niall Finnegan has over thirty-three (33) 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 the 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 success 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. 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 36

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 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, intend 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, 2016.

Subsequent to the year ended May 31, 2016, Findev changed its 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 development projects, as more particularly described in its management information circular dated August 23, 2016. Findev also changed its financial year end from May 31 to December 31.

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.

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 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

FINDEV INC. (formerly TransGaming Inc.)
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016, MAY 31, 2016 AND 2015

FINDEV INC.
(formerly TransGaming Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016, MAY 31, 2016 AND MAY 31, 2015

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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 safeguarded 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 28, 2017



April 28, 2017

Independent Auditor's Report

To the Shareholders of Findev Inc. (formerly TransGaming Inc.)

We have audited the accompanying consolidated financial statements of Findev Inc. (formerly TransGaming Inc.) and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2016, May 31, 2016 and May 31, 2015 and the consolidated statements of operations and comprehensive income (loss), shareholders' equity (deficit) and cash flows for the period from June 1 to December 31, 2016 and the year ended May 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, 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.

*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.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Findev Inc. (formerly TransGaming Inc.) and its subsidiaries as at December 31, 2016, May 31, 2016 and May 31, 2015 and its financial performance and their cash flows for the period from June 1 to December 31, 2016 and the year ended May 31, 2016 in accordance with International Financial Reporting Standards.

(Signed) “PricewaterhouseCoopers LLP”

Chartered Professional Accountants, Licensed Public Accountants

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

As at	December 31, 2016	May 31, 2016	May 31, 2015
		(restated see Note 2)	(restated see Note 2)

ASSETS

Cash and cash equivalents	\$ 2,826,876	\$ 1,377,738	\$ 305,715
Receivables (Note 7)	57,910	1,250,837	1,678,465
Prepaid expenses	44,710	247,131	325,148
Loans & mortgage investments (Note 8)	13,006,567	---	---
Assets available for sale (Note 18)	168,997	---	50,918
Property and equipment (Note 18)	---	103,109	127,866
Intangible assets (Note 18)	---	---	897,420
	<u>\$ 16,105,060</u>	<u>\$ 2,978,815</u>	<u>\$ 3,385,532</u>

LIABILITIES

Accounts payable and accrued liabilities (Note 9)	\$ 941,581	\$ 1,136,685	\$ 2,044,417
Deferred revenues	---	83,402	496,420
Notes payable (Note 19)	---	---	1,629,044
	<u>941,581</u>	<u>1,220,087</u>	<u>4,169,881</u>

SHAREHOLDERS' EQUITY (DEFICIT)

Share capital (Note 10)	34,474,681	23,672,579	23,672,579
Contributed surplus and other items (Note 11)	12,393,585	8,592,473	8,990,856
Accumulated other comprehensive loss	---	(4,729,199)	(3,682,584)
Accumulated deficit	<u>(31,704,787)</u>	<u>(25,777,125)</u>	<u>(29,765,200)</u>
	<u>15,163,479</u>	<u>1,758,728</u>	<u>(784,349)</u>
	<u>\$ 16,105,060</u>	<u>\$ 2,978,815</u>	<u>\$ 3,385,532</u>

Nature of Organization (Note 1)
Change of Business and Other Transactions (Note 6)

Approved on behalf of the board of directors:

/s/ "Brice Scheschuk"
Brice Scheschuk, Director

/s/ "Yisroel Weinreb"
Yisroel Weinreb, Director

FINDEV INC. (formerly TransGaming Inc.)
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
(All Amounts are in Canadian Dollars)

	Number of Common Shares	Amount of Common Shares	Contributed Surplus	Other Comprehensive Loss	Accumulated Deficit	Shareholders' Equity (Deficit)
Balance, June 1, 2015 (restated Note 2)	3,337,083	\$ 23,672,579	\$ 8,990,856	\$ (3,682,584)	\$ (29,765,200)	\$ (784,349)
Stock-based compensation	---	---	103,150	---	---	103,150
Extension of warrants	---	---	(501,533)	---	---	(501,533)
Comprehensive income	---	---	---	(1,046,615)	3,988,075	2,941,460
Balance, May 31, 2016 (restated Note 2)	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	---	---	---	---	(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

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

For the Period from to	June 1 December 31, 2016 (7 months)	June 1, 2015 May 31, 2016 (12 months) (Note 18) (Restated Note 2)
REVENUE		
Interest income	\$ 245,963	---
	<u>245,963</u>	<u>---</u>
EXPENSES		
General and administrative (Note 12)	209,911	---
Share based compensation	<u>224,669</u>	<u>---</u>
	<u>434,580</u>	<u>---</u>
Loss from continuing operations	(188,617)	---
Net (loss) income from discontinued operations, net of taxes (Note 18)	<u>(5,524,189)</u>	<u>3,988,075</u>
Net (loss) income for the period	(5,712,806)	3,988,075
Exchange difference on translating foreign operations	<u>4,729,199</u>	<u>(1,046,615)</u>
COMPREHENSIVE (LOSS) INCOME	<u>\$ (983,607)</u>	<u>\$ 2,941,460</u>
Net income (loss) per common share		
Basic net (loss) income from continuing operations per share	\$ (0.01)	\$ 0.00
Diluted net (loss) income from continuing operations per share	<u>(0.01)</u>	<u>0.00</u>
Basic net (loss) income from discontinued operations per share	<u>(0.43)</u>	<u>1.20</u>
Diluted net (loss) income from discontinued operations per share	<u>(0.43)</u>	<u>1.09</u>
Basic net (loss) income per share	<u>(0.44)</u>	<u>1.20</u>
Diluted net (loss) income per share	<u>(0.44)</u>	<u>1.09</u>
Weighted average number of common shares outstanding,		
Basic	<u>12,848,196</u>	<u>3,337,083</u>
Diluted	<u>22,098,558</u>	<u>3,660,425</u>

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

For the Period from to	June 1 December 31, 2016 (7 months)	June 1, 2015 May 31, 2016 (12 months) (Note 18)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income for the period	\$ (5,712,806)	\$ 3,988,075
Non-cash expenses:		
Non-cash interest	---	138,205
Stock-based compensation	234,474	101,150
Amortization	3,095	986,984
Amortization of loan initiation costs	622	---
Tax recovery of expiration of warrants	---	(192,297)
Gain on disposal of assets	268,199	(6,111,821)
Foreign exchange gain (loss)	<u>4,640,571</u>	<u>(1,488,350)</u>
	(565,845)	(2,576,054)
Net change in operating assets and liabilities		
Receivables	721,339	532,999
Prepaid expenses	202,421	78,017
Accounts payable and accrued liabilities	(409,960)	(907,732)
Deferred revenues	<u>(83,402)</u>	<u>(413,018)</u>
CASH FLOWS USED IN OPERATING ACTIVITIES	<u>(135,447)</u>	<u>(3,285,788)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of notes payable	---	(1,806,528)
Proceeds from issuance of common shares	15,019,340	---
Share issuance costs	<u>(650,600)</u>	<u>---</u>
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>14,368,740</u>	<u>(1,806,528)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in property and equipment	---	(11,003)
Proceeds from disposal of assets	302,285	6,162,204
Investment in loans and mortgages	(13,000,000)	---
Transactional costs	<u>7,189</u>	<u>---</u>
CASH FLOWS (USED IN) PROVIDED BY INVESTING ACTIVITIES	<u>(12,690,526)</u>	<u>6,151,201</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,542,767	1,058,885
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(93,629)	13,138
CASH AND CASH EQUIVALENTS		
- Beginning of the period	<u>1,377,738</u>	<u>305,715</u>
CASH AND CASH EQUIVALENTS		
- End of the period	<u>\$ 2,826,876</u>	<u>\$ 1,377,738</u>
CASH AND CASH EQUIVALENTS, represented as follows:		
Cash	\$ 2,826,876	\$ 1,294,847
Short-term deposit	—	82,891
SUPPLEMENTAL INFORMATION		
Interest received	\$ 246,585	\$ —
Interest paid	—	11,951
Income taxes paid	—	42,611

FINDEV INC. (formerly TransGaming Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Expressed in Canadian Dollars)

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 financial statements consolidate Findev and its wholly owned legal subsidiary, TransGaming Interactive Corp. incorporated in Ontario, collectively these entities are referred to as the Corporation.

The Corporation divested itself of TransGaming Digital Home (Israel) Ltd. and TransGaming Ukraine LLC. during the period ended December 31, 2016, as well as TransGaming Digital Home Inc., a Delaware corporation, as part of the process of converting from a technology company to that of a financial real estate company.

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 May 31, 2015. Concurrently, the shareholders approved a change in fiscal year end from May 31 to December 31.

These audited consolidated financial statements of the Corporation were authorized for issue in accordance with a resolution of the directors on April 28, 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 rather than through a process of liquidation.

FINDEV INC. (formerly TransGaming Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars)

2. Basis of Presentation – continued

Principles of Consolidation

These audited consolidated financial statements of the Corporation include the accounts of Findev Inc. and TransGaming Interactive Corp. 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 non-current assets, 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 effective October 1, 2016. Prior financial statements were presented in United States dollars. This change in presentation currency has been accounted for as a change in accounting policy and prior period transactions affecting share capital, contributed surplus and comprehensive income were converted to the then respective exchange rates since the adoption of IFRS, June 1, 2010. 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.

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.

FINDEV INC. (formerly TransGaming Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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 18.

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.

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 offset 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.

FINDEV INC. (formerly TransGaming Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies – continued

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.

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
Notes payables	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, 2016, May 31, 2016 and 2015.

FINDEV INC. (formerly TransGaming Inc.)
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3. Summary of Significant Accounting Policies – continued

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.

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.

FINDEV INC. (formerly TransGaming Inc.)
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3. Summary of Significant Accounting Policies – continued

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.

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 calculated using the "if converted method" and 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 broker warrants, issued and outstanding, if any. No effect has is given to the potential exercise of warrants and stock options in the calculation of diluted net earnings (loss) per share if the effect would be anti-dilutive.

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.

FINDEV INC. (formerly TransGaming Inc.)
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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 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 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 June 1, 2016.

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, unless by IAS 34. The amendments to IFRS 7 are effective for annual periods beginning on or after January 1, 2018.

FINDEV INC. (formerly TransGaming Inc.)
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5. Changes in Accounting Policies – continued

IFRS 9 – Financial Instruments (“IFRS 9”)

IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities. The final version of IFRS 9 was issued in July 2014 and includes: (i) a third measurement category for financial assets (fair value through other comprehensive income); (ii) a single, forward-looking “expected loss” impairment model, and (iii) a mandatory effective date of annual periods beginning on or after January 1, 2018.

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 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 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15.

IAS 7 – Statement of Cash Flows (“IAS 7”), will expand existing guidance by requiring companies to provide information about changes in their financing liabilities in order to provide investors with information that helps them better understand changes in a company’s debt. The financial reporting impact of adopting IAS 7 should not have a material impact on the financial position of the Corporation and is effective for years beginning on or after January 1, 2017.

Management is in the process of assessing the impact of these new standard on the Corporation’s consolidated financial statements.

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**”)

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6. Change of Business and Other Transactions – continued

- (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.

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.

The asset purchase agreement, was subsequently amended to a total sum of US\$225,000 with an effective closing date of November 1, 2016.

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.

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.

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6. Change of Business and Other Transactions – continued

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.

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 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

	December 31, 2016	May 31, 2016	May 31, 2015
Accounts receivable	\$ —	\$ 770,755	\$ 1,177,760
Sales tax refundable	57,910	8,494	134,488
Refundable tax credit	—	471,588	366,217
	<u>\$ 57,910</u>	<u>\$ 1,250,837</u>	<u>\$ 1,678,465</u>

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8. Loan and Mortgage Investments

As at December 31, 2016, the Corporation had principal balance of loan and mortgage investments of \$13,006,567. The loan and mortgage investments carry a weighted average effective interest rate of 9.98% and a weighted average term to maturity of 2.2 years, with maturities as follows:

Maturity	December 31, 2016	May 31, 2016	May 31, 2015
Less than one year	\$ 5,501,483	\$ —	\$ —
Between one and five years	7,505,084	—	—
More than five years	—	—	—
	<u>\$ 13,006,567</u>	<u>\$ —</u>	<u>\$ —</u>

These loans are guaranteed by Plazacorp Holdings 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.

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, 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, 2016:

	Net Investment	% of net investments
Residential housing development	\$ 13,006,567	100.0
Allowance for loan and mortgage investments loss	- - -	0.0
	<u>\$ 13,006,567</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 of \$214,856 (May 31, 2016 – Nil).

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10. Share capital

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

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, 2016, there remained 8,928,926 common shares and 7,257,498 share purchase warrants in escrow and will be released as follows:

Date	# of shares	# of warrants
June 5, 2017	2,976,309	2,419,166
December 5, 2017	2,976,309	2,419,166
June 5, 2018	2,976,308	2,419,166
	<u>8,928,926</u>	<u>7,257,498</u>

11. Contributed Surplus

The Corporation's contributed surplus consists of the following:

	General	Incentive Stock Option	Warrants	Total
Balance, June 1, 2015	\$ 6,800,335	\$ 595,049	\$ 1,595,472	\$ 8,990,856
Granting of incentive stock options	—	103,150	—	103,150
Extension of warrants	—	—	(501,533)	(501,533)
Balance, May 31, 2016	6,800,335	698,199	1,093,939	8,592,473
Granting of incentive stock options	—	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	<u>\$ 8,120,031</u>	<u>\$ 190,984</u>	<u>\$ 4,082,570</u>	<u>\$ 12,393,585</u>

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11. Contributed Surplus – continued

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
Weighted average risk-free interest rate	0.50%
Weighted average expected volatility	53.3%
Dividend yield	0.0%
Fair value	\$0.31660 - 0.33039

The following table reconciles outstanding and exercisable stock options as at December 31, 2016, May 31, 2016 and 2015:

	Number	Weighted Average Exercise Price
Balance, June 1, 2015	256,232	\$ 10.13
Forfeited	(111,689)	11.51
Balance, May 31, 2016	144,543	\$ 9.21
Granted	1,450,000	0.60
Cancelled	(127,686)	7.51
Balance, December 31, 2016	1,466,857	\$ 0.63

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

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11. Contributed Surplus – continued

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, 2016.

Exercise Price	Options Outstanding	Expiry Date	Outstanding	Weighted Average Price	Quantity	Exercisable
			Weighted Average Remaining Life			Weighted Average Price
\$ 6.125	2,857	April 22, 2019	2.3 years	\$ 6.125	2,143	\$ 6.125
6.125	14,000	February 2, 2020	3.1 years	6.125	9,214	6.125
0.600	1,250,000	October 20, 2024	7.8 years	0.60	Nil	0.600
0.600	200,000	November 2, 2024	7.8 years	0.60	Nil	0.600

b) Warrants

The following is a summary of outstanding warrants as at December 31, 2016, May 31, 2016 and 2015:

	Number of Warrants	Amount	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Outstanding, May 31, 2015	690,881	\$ 1,595,472	\$ 11.77	1.35
Outstanding, May 31, 2016	228,571	1,093,939	8.68	1.25
Outstanding, December 31, 2016	23,263,901	4,082,570	0.62	2.05

During the period ending December 31, 2016, 50,000 (May 31, 2016 – 462,310) warrants expired with exercise prices \$18.55 (May 31, 2016 - \$5.48 to \$15). Accordingly, the fair value associated with these warrants of \$578,007 was reallocated from contributed surplus - warrants to contributed surplus - general.

12. Expenses by nature

	December 31, 2016	May 31, 2016
Professional services	\$ 172,425	—
Premises related	697	—
Public and investor relations	354	—
Regulatory reporting	36,435	—
	<u>\$ 209,911</u>	<u>\$ —</u>

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13. Income taxes

i) The Company's income tax rate differs from the statutory rate of approximately 26.5% (2016 & 2015 – 26.5%) as follows:

For the period ended	December 31, 2016	May 31, 2016
Pre-tax income (loss) for the period before income taxes	\$ (5,712,806)	\$ 3,988,075
Pre-tax loss from discontinued operations	5,255,990	1,615,288
Pre-tax loss (gain) from sale of discontinued operations	268,199	(5,603,363)
Pre-tax loss from continuing operations	(188,617)	—
Expected income tax benefit (expense) based on statutory rate	(50,000)	—
Stock-based compensation expense	62,000	28,000
Other non-deductible expenses	(33,000)	(837,000)
Foreign tax rate differential	—	(4,000)
Other	—	(738,000)
Adjustment in respect of prior periods	—	(608,000)
Capital loss carried forward	—	—
Income tax (recovery) expense	\$ (21,000)	\$ (2,159,000)
Valuation Allowance	21,000	2,017,000
Income tax (recovery) expense included in discontinued operations	\$ —	\$ (142,000)

ii) As at December 31, 2016, the Corporation had accumulated income tax losses for federal and provincial income tax purposes of approximately \$12,542,000 (May 31, 2016 – \$12,582,000). These loss carry-forward may be used to offset future years' federal and provincial taxable income and commence expiring in 2031.

In addition, the Corporation has approximately \$40,000 in capital losses that can be carried forward indefinitely.

iii) Scientific Research and Experimental Development Expenses and Tax Credits

The Corporation also had approximately \$3,470,000 (May 31, 2016 - \$3,470,000) in unclaimed scientific research and experimental development expenses that may be used to reduce taxable income in the future.

As at December 31, 2016, the Corporation also had approximately \$1,750,000 (May 31, 2016 - \$1,770,000) in unclaimed investment tax credits that may be used to offset federal income taxes payable in the future.

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

The Corporation has not recognized net deferred income tax assets as at December 31, 2016 of approximately \$9,768,000 (May 31, 2016 - \$9,169,000) relating primarily to loss carry-forwards, unclaimed scientific research and experimental development expenses and other temporary differences. 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 Company is reflecting uncertainties associated with the realization of all deferred income tax assets.

14. 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, 2016	May 31, 2016
Revenues		
Interest income	\$ 246,585	\$ —
Expenses		
Professional Fees	\$ 112,842	\$ —
Included with accounts payable	\$ 37,704	\$ Nil
Expenses charged to Share Capital	518,774	Nil

Payments to key management

As at or for the period ended	Dec. 31, 2016	May 31, 2016
Directors' Fees	\$ 3,250	—
Management Fees	37,340	—
Stock-based compensation	224,669	—

In addition to the above, discontinued operations includes \$5,750 (May 31, 2016 – Nil \$ Nil) in directors fees, \$363,231 (May 2016 \$617,638) during the period for management fees and Stock-based Compensation of \$9,805 (May 31, 2016 – Nil).

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, 2016 and May 31, 2016, no key management personnel were indebted to the Corporation, with the exception that the Corporation's loans are currently to Plazacorp Investments Limited and its affiliates, which are owned and controlled by a director.

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15. 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.

16. 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 regard 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.

17. 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	December 31, 2016	May 31, 2016	May 31, 2015
Cash	\$ 2,826,876	\$ 1,377,738	\$ 305,715
Receivables	57,910	1,250,837	1,678,465
Loans and mortgage investments	13,006,567	—	—
Financial Liabilities	December 31, 2016	May 31, 2016	May 31, 2015
Accounts payables	\$ 941,581	\$ 1,136,685	\$ 2,044,417
Notes payables	—	—	1,629,044

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17. Financial instruments and risk management – continued

Fair value

As at December 31, 2016, May 31, 2016 and 2015, 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 period ended December 31, 2016, the Corporation's largest borrower 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.

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 \$2,826,876 (May 2016 - \$1,377,738, May 2015 - \$305,715). As at December 31, 2016, 100% (May 31, 2016 – 86%, May 31, 2015 – 28.7%) of cash and cash equivalents were held in Canadian chartered banks.

Interest rate risk on income and expense

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.

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17. Financial instruments and risk management – continued

Currently, if there is a shift in interest rates of 10% were to occur, the impact on cash and the related loss for the year would not be deemed material, as the impact on its revenues would be approximately \$13,000.

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 \$941,581 (May 31, 2016 - \$1,220,087, May 31, 2015 - \$4,169,881) with all of it having expected settlement dates within one year or where conditions exist that could result in accelerated payment.

18. 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 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 21% of 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.

For the period ended	December 31, 2016	May 31, 2016
Revenues	\$ 776,347	\$ 2,898,768
Cost of Sales	133,594	604,205
Gross Profit	642,753	2,294,563
Operating expenses	1,258,172	5,906,659
Foreign currency exchange gain (loss)	4,640,571	(1,488,350)
	(5,255,990)	(1,615,288)
Gain (loss) on sale of assets	(268,199)	6,111,821
Net income (loss) from discontinued operations	\$ (5,524,189)	\$ 3,988,075

As at December 31, 2016, there remained a receivable of \$168,997.

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18. Discontinued Operations – continued

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

For the period ended	December 31, 2016	May 31, 2016
Cash used by discontinued operations	\$ (182,044)	\$ (3,285,789)
Cash used by discontinued financing activities	—	(1,806,528)
Cash provided by discontinued investing activities	302,285	6,151,201

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.

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 licences, 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 licenced 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 licence term (if term based).

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

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18. Discontinued Operations – continued

The Corporation's licence sales often included multiple elements, which typically included software licences 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.

Professional services including PCS

If the professional services were deemed essential to the functionality of the licenced software, licence 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 licence 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.

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18. Discontinued Operations – continued

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.

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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18. 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.

FINDEV INC. (formerly TransGaming Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Expressed in Canadian Dollars)

18. 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)
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
As at May 31, 2016			
Cost	\$ 449,928	\$ 5,761,805	\$ 6,211,734
Accumulated amortization	(449,928)	(5,761,805)	(6,211,734)
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

Amortization of \$3,095 (May 31, 2016 - \$897,420) 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).

FINDEV INC. (formerly TransGaming Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Expressed in Canadian Dollars)

18. 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 December 31, 2016 of \$4,640,571 (May 31, 2016 - \$1,488,350) where the primary driver was intercompany transactions which is reflected within discontinued operations and the divestiture of the foreign operations.

19. Notes payables

On June 16, 2015, the outstanding principal and interest, totaling \$1,817,614 at the time, was repaid in full.

20. Earnings Per Share

The Calculation of earnings per share

	December 31, 2016	May 31, 2016
Denominator basic and diluted earnings per share		
Weighted average number of Common shares outstanding	12,848,196	3,337,083
Dilutive effect of incentive stock options	438,923	94,771
Dilutive effect of warrants	8,811,439	228,571
Diluted weighted average Common shares	<u>22,098,558</u>	<u>3,660,425</u>

21. Subsequent Events

On January 30, 2017, the Corporation advance \$1,019,475 on a mortgage secured by land and the buildings on the land. This loan is with an arms-length party and is not guaranteed by Plazacorp.

On March 16, 2017, the Corporation declared a dividend of \$0.0075 per Common share to holders of record on March 31, 2017, and payable on April 13, 2017.

On March 20, 2017, the Corporation completed a loan to Plazacorp Investments Limited in the amount of \$1.3 million at an interest rate of 12% maturing March 20, 2018.

FINDEV INC.(formerly Transgaming Inc.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED DECEMBER 31, 2016
DATED APRIL 28, 2017

Disclosure Regarding Forward-Looking Statements

This Management's Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets. Other risks may be disclosed from time to time in Findev Inc.'s public disclosures.

Findev Inc.
Management's Discussion and Analysis
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Unless otherwise indicated, in this Management's Discussion and Analysis ("**MD&A**") all references to "**dollar**" or the use of the symbol "\$" are to the Canadian Dollar.

The financial statements were prepared in conformity with Canadian Generally Accepted Accounting Principles that have been revised to incorporate International Financial Reporting Standards ("**IFRS**"), which require management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the financial statements and reporting amounts. Findev Inc. ("**Findev**" or "**Corporation**") bases its estimates on historical experience, current trends and other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from estimates.

ITEM 1 - Overview

Findev Inc. ("**Findev**", "**the Corporation**") (formerly known as Transgaming Inc.) has its common shares listed on the TSX Venture Exchange ("**TSXV**") for trading under the symbol FDI.

Findev is a real estate financing company that lends money to real estate projects that are identified as uniquely positioned to generate above average returns in a two to three year timeframe. Findev focuses on lending to residential and retail development projects within the Greater Toronto Area ("**GTA**"). Findev provides public market participants an opportunity to invest in an asset class that is typically available only to institutional and high net worth investors who qualify as accredited investors.

The Corporation is focused on creating long-term capital appreciation for its shareholders in conjunction with providing an attractive yield, paid out quarterly. This provides shareholders with immediate cash flow while management works to create long-term capital appreciation. The Corporation paid consecutive quarterly dividends since it changed the nature of its business (as referenced below).

The Corporation targets real estate projects that include condominiums, purpose-built rentals, townhouses, low-rise/subdivisions, and retail developments. It makes debt-investments which provide attractive returns while mitigating down-side risk through the asset/loan ratios.

The Corporation's mortgage and loan investments have taken and are expected to take the form of:

- land loans registered in first or second position at the earlier stages of real estate development; or
- registered/unregistered mezzanine or subordinated debt financings of real estate developments that have either progressed to the construction phase or are approaching the construction phase.

Mortgages are loans secured by real estate assets, and may include additional forms of security. Unregistered loans are not secured by real estate assets, but are secured by other means, such as personal guarantees or pledges of shares of the entity that owns the development project.

The Corporation's loans are generally for a period of one to three years, bridging projects through their development cycle. In some cases, as projects progress, land loans will be subordinated to construction financing. The mortgage and loan 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.

The Corporation may syndicate certain of its loan and mortgage investments to private investors or financial institutions. In these cases, investors will assume the same risks, associated with the specific investment transaction, as the Corporation.

The Corporation leverages the collective experience of its directors and management team to access a variety of financing opportunities within the real estate market including land development, joint ventures, takeovers of at-risk and distressed developments, and construction projects. This provides the Corporation with preferential and unique opportunities to build value for shareholders while establishing stronger mutually beneficial relationships with other lenders, equity sources, and real estate developers.

Findev's unique market advantages include its expertise in real estate development and access to its development partners. This provides Findev with a strategic advantage in lending to developers engaged in challenging projects. Many existing real estate financiers lack the development expertise to take over an incomplete project from a borrower in default. With access to development partners, it can assume greater execution risk when lending to developers, resulting in higher "developer-like" returns. In addition, Findev's subordinated participation in the capital structure enables senior lenders to provide the appropriate amount of senior financing to the developer at cost efficient rates and with preferential terms.

Management believes that the housing market in the **GTA** has insufficient supply (new starts combined with resale) to meet demand from purchasers. The following factors support this thesis:

- Population in the GTA continues to grow as immigration levels from other countries and net positive migration levels from Canada's weaker economic areas remain steady
- The GTA continues to have a strong labour market with low unemployment levels
- Interest rates remain low making home-buying accessible
- A weak Canadian dollar drives demand for real estate from both domestic and foreign investors

While prices have risen dramatically in recent years, management believes that there will be continued upward pressure on housing prices due to a decrease in the supply of housing for the following reasons:

- Scarcity of land resulting from green belt legislation as well as development over the past 20 years has led to significant reductions in low-rise development across the GTA
- Despite the large number of new condos completed over the past several years, vacancy rental rates have remained under 2%

In addition to being a non-bank lender and an alternative source of capital, Findev is strongly aligned with Plazacorp Investments Limited ("**Plazacorp**"), one of Toronto's most prominent real estate developers. Plazacorp is a significant shareholder in Findev. Plazacorp has completed 34 condominium projects throughout the City of Toronto, representing total revenues in excess of \$2 billion. In addition, it has 12 projects under development, representing approximately 4,400 units, expected to generate additional revenue in excess of \$1.4 billion.

Findev's relationship with Plazacorp provides it with access to a pool of real estate and investment talent. This strategic relationship brings invaluable connections and deep industry experience to all Findev projects, enabling a more successful and profitable outcome for all project stakeholders.

Current Loans and Investments Portfolio

The Corporation has deployed an aggregate of \$15,326,663, net of transaction costs and discounts, through debt instruments yielding a weighted average of 10.5% annually. The following summary is a breakdown of Findev's current portfolio:

Loan	Invested Capital Amount	Interest Rate %	Issue Date	Maturity Date
Plaza (Musee)	\$ 5,501,803	10.0%	13-Oct-16	31-Dec-17
Plaza (Wellesley)	5,505,086	10.0%	28-Oct-16	31-Dec-19
Plaza (Wellesley) II	2,000,299	10.0%	17-Nov-2016	31-Dec-19
Land Development loan	1,019,475	15.0%	30-Jan-17	30-Jan-18
Plaza (Abell St)	1,300,000	12.0%	20-Mar-17	20-Mar-18
Total	<u>\$ 15,326,663</u>			

Loan Details

Plaza (Musee): "Musee – King Adelaide West", by Musee Residences Corp., is a single condominium tower, comprising 433 residential units, with approximately 5,490 sq. ft. of retail and guest suites, above a four-level below grade parking garage containing 417 parking stalls, located at 523-525 Adelaide Street West, Toronto, Ontario. Findev advanced \$5,500,000 as mezzanine financing, secured against ~\$27,500,000 (~20% loan to value) in anticipated proceeds post registration of the condominium. The maturity date of the "Musee – King Adelaide West" loan is December 31, 2017.

Plaza (Wellesley) I & II: "50 at Wellesley Station", by Wellesley Residences Corp., is a mixed-use residential and retail condominium project including 378 residential condominiums (including ten (10) townhouse units) and approximately 2,494 sq. ft. of retail space, with a three-level below grade parking garage of approximately 82,500 sq. ft. located at 50 Wellesley Street East, Toronto, Ontario. Findev advanced an aggregate of \$7,500,000 as mezzanine financing, secured against \$34,000,000 (~22% loan to value) in anticipated proceeds, to be realized after registration of the condominium. The maturity date of the "50 at Wellesley Station" loan is December 31, 2019.

Land Development Loan: proposed 4-storey stacked townhouse development in Toronto. A total of 179 units are planned over four townhouse blocks, with 205 underground parking spaces. The site includes a mix of 83 one bedroom units and 96 two bedroom units, with select suites offering rooftop patios. The location provides tremendous access to shopping and employment. Additionally, the site is ideally located several minutes from the DVP. Findev advanced a second mortgage in the amount of \$1,035,000 and is behind a first mortgage of \$5,000,000. The land has an estimated value of \$12,000,000 which provides the corporation security with a relatively low loan to value ratio of ~51%. The maturity date of this loan is January 30, 2018.

Plaza (Abell): The project on Abell Street is a 482 unit residential condominium project located at 48 Abell Street, Toronto. Already one of Toronto's most desirable neighbourhoods, the western rim of Queen Street West has become a haven for fashionistas, artisans, foodies and many of the city's trendiest condominiums. The project, which is located across the street from the Drake Hotel, is at the heart of this über-hip community. At the time of the loan, construction was complete and registration was imminent. The building is now registered, and the loan will be repaid in May, 2017. Findev advanced \$1,300,000 as mezzanine financing, secured against \$35,000,000 (~4% loan to value) in anticipated proceeds, to be realized after registration of the condominium.

Change of Business ("COB") of the Corporation

The Corporation, with the approval of its shareholders, was recapitalized to enable it to execute its new strategic plan described above. To do so the following steps were taken:

- The common shares were consolidated on the basis of 35 old common shares for 1 new common share;
- \$15,019,340 was raised via the following transactions:
 - the issuance of 2,225,000 common shares at a price of \$0.525 per common share; and
 - 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
- the sale of its legacy technology business;
- the change of name to Findev Inc.

For further information regarding the change of business, the reader is directed to the Change of Business Circular, available at www.sedar.com.

ITEM 2 - Selected Annual Information

The following is the Corporation's selected annual information for the preceding three fiscal years:

	December 2016	May 2016	May 2015
Net revenues	\$ 245,963	\$ Nil	\$ Nil
(Loss) Income before discontinued operations	(188,617)	Nil	Nil
Loss per share before discontinued operations - basic	(0.01)	0.00	0.00
Loss per share before discontinued operations - dilutive	(0.01)	0.00	0.00
Net (loss) income	(5,712,806)	3,988,075	(3,047,548)
Loss per share - basic	(0.44)	1.20	(0.91)
(Loss) Earnings per share - dilutive	(0.44)	1.10	(0.91)
Total assets	16,105,060	2,978,815	3,385,532
Long term financial liabilities	Nil	Nil	Nil
Cash dividends declared per share	0.0075	0.00	0.00

For further audited financial information, please refer to the Corporation's audited financial statements that have been filed on SEDAR

ITEM 3 - Results of Operations

For the seven-month period ending December 31, 2016 versus 12 months ending May 31, 2016

During the period that ended December 31, 2016, the Corporation converted its business focus from that of a technology company to one that focuses on financing residential and retail development projects within the **GTA** and deploys capital using varied financial structure models that span the debt/equity spectrum.

As part of this change, its new fiscal year end is now December 31, instead of May 31, and its reporting currency also changed from US dollars to Canadian dollars. The business of the Corporation, before the COB, was carried out through operations with functional currencies other than Canadian dollars. As a result of the COB, the functional currency for the new business is the Canadian dollar. Prior period results have been restated to reflect the change in the reporting currency.

Having disposed of its technology business, the Corporation does not have any comparable prior period continuing business activities.

The revenues from continuing operations for the period beginning June 1, 2016 and ending December 31, 2016 was \$245,963 versus nil for the 12 months ended May 31, 2016. As the current business has only been operational since mid-October, the Corporation anticipates the revenues from continuing operations to rise significantly during the current fiscal year.

For the 7 months ended December 31, 2016, general and administrative expenditures from continuing operations were \$209,911 versus nil for the for the 12 months ended May 31, 2016. The current operations were in existence for approximately 3 months, subsequent to the change of business. Management anticipates the annualized amount of operating expenses to be significantly less going forward as there were considerable non-recurring charges relating to the change of the business activity, with some of these expenses also occurring during the first quarter of 2017.

For the 7 months ended December 31, 2016, stock-based compensation from continuing operations was \$224,669 versus nil for the 12 months ended May 31, 2016. The Corporation granted its new management team and directors 1,450,000 incentive stock options at an exercise price of \$0.60. These

options vest 25% every three (3) months, and therefore, such non-cash expenses will be incurred throughout 2017.

Loss from continuing operations for the 7 month period ended December 31, 2016 was \$188,617 versus nil for the 12 months ended May 31, 2016. The loss was due to non-recurring expenditures that were incurred relating to the COB. Management expects to have income from continuing operations going forward.

The net loss from continuing operations for the 7 month period ended December 31, 2016 was \$188,617, resulting in a loss per share of \$0.01 based on 12,848,196 weighted average common shares outstanding – basic. There is no difference for the dilutive weighted average common shares of 22,098,558, as it would have been anti-dilutive. For the period ended May 31, 2016, the Corporation had income from continuing operations of nil, resulting in earnings per share of nil based on 3,337,083 weighted average common shares outstanding for the previous period. There is no difference for the dilutive weighted average common shares of 3,660,425.

Net loss from discontinued operations for the 7 months ended December 31, 2016 was \$5,524,189 versus a profit of \$3,988,075 for the period ended May 31, 2016. The loss in the more recent period was due to the divestiture of the Corporation's GameTree TV business for US\$225,000, as well as the divestiture of all remaining assets that were not required for the new business, which generated a loss of \$268,199. The current period loss also includes \$4,729,199 of cumulative exchange differences due to the translation of foreign operations reclassified from other comprehensive income as a result of the de-consolidation of the foreign operations. There remains a receivable of \$168,997 as at December 31, 2016 from the sale of the discontinued operations.

For the period ending May 31, 2016, 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.

The net loss for the 7 month period ended December 31, 2016 was \$5,712,806, resulting in a loss per share of \$0.44 based on 12,848,196 weighted average common shares outstanding – basic. There is no difference for the dilutive weighted average common shares of 22,098,558, as it would have been anti-dilutive. For the period ended May 31, 2016, the Corporation had a net income of \$3,988,075 resulting in a earnings per share of \$1.20 based on 3,337,083 weighted average common shares outstanding for the previous period. The dilutive earnings per share \$1.09 based on 3,660,425 weighted average common shares fully diluted.

During the period, the Corporation completed the following financings:

1. It raised \$1,168,125 via the issuance of 2,225,000 common shares at a price of \$0.525; and
2. 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 the common shares trade at a price equal to or greater than \$1.20 for five consecutive days

The proceeds of the financings helped to finance the change of business and the Corporation's investments in real estate loans as the Corporation invested \$13 million in its loan portfolio to yield 9.98%.

The Corporation had a cash and cash equivalents balance as at December 31, 2016 of \$2,826,876 (May 31, 2016 - \$1,377,738), with working capital of \$7,658,384 (May 31, 2016 – \$1,655,619).

ITEM 4 - Summary of Quarter Results

The following table sets forth, for each quarter ended on the date indicated for the past eight quarters, information relating to the Corporation's revenue, net loss and loss per common share as prepared in accordance with Canadian GAAP.

	Net Revenues	(Loss) Income from continuing operations	Net (Loss) Income	Loss/share: basic from continuing operations	(Loss) earnings share diluted
December 31, 2016	\$ 245,962	\$ (188,617)	\$ (889,004)	\$ 0.01	\$0.28
August 31, 2016	—	—	(94,604)	0.00	(0.01)
May 31, 2016	—	—	1,918,408	0.00	0.20
February 29, 2016	—	—	(636,224)	0.00	(0.07)
November 30, 2015	—	—	(813,719)	0.00	(0.18)
August 31, 2015	—	—	2,472,995	0.00	1.25
May 31, 2015	—	—	(5,476,641)	0.00	(0.26)
February 28, 2015	—	—	211,367	0.00	0.06

For the four months ended December 31, 2016 versus the three months ended November 30, 2015

During the four months that ended December 31, 2016, the Corporation converted its business focus from that of a technology company to one that focuses on residential and retail development projects within the GTA and deploys capital using varied financial structure models that span the debt/equity spectrum.

As part of this change, its fiscal year end was changed to December 31 instead of May 31 and its reporting currency also changed from US dollars to Canadian dollars. The business of the Corporation, before the COB, was carried out through operations with functional currencies other than Canadian dollars. As a result of the COB, the functional currency for the new business is the Canadian dollar. Prior period results have been restated to reflect the change in the reporting currency.

Having disposed of its remaining technology business activities, the Corporation does not have any comparable prior period continuing business activities.

The revenues from continuing operations for the four months ending December 31, 2016 was \$245,963 versus nil for the three months ended November 30, 2015. As the current business was only operational since mid-October, the Corporation anticipates the revenues from continuing operations to rise as the balance of its capital is deployed and invested.

For the four months ended December 31, 2016, general and administrative expenditures from continuing operations were \$209,911 versus nil for the for the three months ended November 30, 2015. The current operations were in existence for approximately three months, subsequent to the COB. There were considerable non-recurring charges relating to the change of the business activity, with some of these expenses occurring during the first quarter of 2017. Management anticipates the subsequent quarterly expenditures to be significantly lower.

For the four months ended December 31, 2016, stock-based compensation from continuing operations was \$224,669 versus nil for the three months ended November 30, 2015. The Corporation granted its new management team and directors 1,450,000 incentive stock options at an exercise price of \$0.60. These options vest 25% every three (3) months, and therefore, a similar non-cash experience will be incurred throughout 2017, including in the fourth quarter.

Loss from continuing operations for the four months period ended December 31, 2016 was \$188,617 versus nil for the three months ended November 30, 2015. As the loss resulted from non-recurring expenditures that were incurred relating to the change of business, management expects the Corporation to realize income from continuing operations in the future.

The net loss from continuing operations for the four-month period ended December 31, 2016 was \$188,617, resulting in a loss per share of \$0.01 based on 20,096,820 weighted average common shares outstanding – basic. There is no difference for the dilutive weighted average common shares of 36,231,925, as it would have been anti-dilutive. For the period ended November 30, 2015, the Corporation had income from continuing operations of nil for earnings per share of nil based on 3,337,083 weighted average common shares outstanding for the previous period. There is no difference for the dilutive weighted average common shares of 3,660,425.

Net loss from discontinued operations for the four months ended December 31, 2016 was \$5,506,960 versus a loss of \$591,662 for the period ended November 30, 2015. The loss in the more recent period was due to the divestiture of the Corporation's GameTree TV business for US\$225,000, as well as the divestiture of all remaining assets that were not required for the new business, which generated a loss of \$268,199. The current period loss also includes \$4,640,571 of cumulative exchange differences due to the translation of foreign operations reclassified from other comprehensive income as a result of the de-consolidation of the foreign operations. There remains a receivable of \$168,997 as at December 31, 2016 from the sale of the discontinued operations.

The net loss for the four-month period ended December 31, 2016 was \$5,695,578, resulting in a loss per share of \$0.28 based on 20,096,820 weighted average common shares outstanding – basic. There is no difference for the dilutive weighted average common shares of 36,036,497, as it would have been anti-dilutive. For the period ended November 30, 2015, the Corporation had a net loss of \$591,662 for an loss per share of \$0.18 based on 3,337,083 weighted average common shares outstanding for the previous period. The dilutive earnings per share were \$0.18 based on 3,660,425 weighted average common shares fully diluted.

During the period the Corporation completed the following financings:

1. It raised \$1,168,125 via the issuance of 2,225,000 common shares at a price of \$0.525; and
2. 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 the common shares trade at a price equal to or greater than \$1.20 for five consecutive days.

The proceeds of the financings helped to finance the change of business and the Corporation's investments in real estate loans as the Corporation invested \$13 million in its loan portfolio to yield 9.98%.

The Corporation had a cash and cash equivalents balance as at December 31, 2016 of \$2,826,876 (November 30, 2015 - \$664,066), with working capital of \$7,658,384 (May 31, 2016 – \$1,655,619).

ITEM 5 - Liquidity

As at December 31, 2016, the Corporation had a cash balance of \$2,826,876, with working capital of \$7,658,384 (May 31, 2016 - \$1,655,619).

The Corporation currently has the following options issued and outstanding:

Exercise Price	Options Outstanding	Expiry Date	Outstanding	Weighted Average Remaining Life	Weighted Average	Quantity	Exercisable
					Price		Weighted Average Price
\$ 6.125	2,857	April 22, 2019		2.3 years	\$ 6.125	2,143	\$ 6.125
6.125	14,000	February 2, 2020		3.1 years	6.125	9,214	6.125
0.600	1,250,000	October 20, 2024		7.8 years	0.60	Nil	0.600
0.600	200,000	November 2, 2024		7.8 years	0.60	Nil	0.600

The Corporation currently has the following warrants issued and outstanding:

Quantity	Type	Exercise Price	Expiry Dates
178,571	Share Purchase Warrant	\$ 3.50	July 5, 2018
11,542,665	Share Purchase Warrant	0.60	April 7, 2018
11,542,665	Share Purchase Warrant	0.60	October 7, 2019

The Corporation has a real estate loan portfolio that generates approximately \$400,000 in revenue per quarter.

ITEM 6 - Capital Resources

Management believes that the cash flow is sufficient for the Corporation to meet its current expenditures and to maintain its dividend policy of \$0.03 per common share per year.

Subject to the real estate financing opportunities that may be originated, Findev may seek to raise additional funds to accelerate such development. The timing and ability of the Corporation to fulfill this objective will depend on the liquidity of the financial markets as well as the willingness of investors to finance the business. Future financing may be completed by the issuance of the Corporation's securities such as equity, as well as debt financing, which includes financial instruments that permit the holder to receive additional common shares.

ITEM 7 - Off-Balance Sheet Arrangements

As of the date of this MD&A, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

ITEM 8 - Transactions With Related Parties

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, 2016	May 31, 2016
Revenues		
Interest income	\$ 246,585	\$ —
Expenses		
Professional Fees	\$ 112,842	\$ —

Included with accounts payable	\$	37,704	\$	Nil
Expenses charged to Share Capital		518,774		Nil

Payments to key management were as follows:

As at or for the period ended	Dec. 31, 2016	May 31, 2016
Directors' Fees	\$ 3,250	—
Management Fees	37,240	—
Stock-based compensation	224,669	—

In addition to the above, discontinued operations includes \$5,750 (May 31, 2016 - \$Nil) in directors fees, \$363,231 (May 2016 \$617,638) during the period for management fees and Stock-based Compensation of \$9,805 (May 31, 2016 – \$Nil).

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, 2016 and May 31, 2016, no key management personnel were indebted to the Corporation, with the exception that a majority of the Corporation's loans are to Plazacorp and its affiliates which are owned and controlled by a director.

ITEM 9 - Proposed Transactions

As of the date of this document, there is no proposed transaction that management of the Corporation believes would require the approval of the Board of Directors of the Corporation as well as the Shareholders of the Corporation.

ITEM 10 - Risk Factors

The following risk factors relate to the Corporation's activities subsequent to the completion of its COB. These risks, to which the Corporation is now subject, were previously disclosed within the Corporation's information circular, made available to all shareholders prior to providing the Corporation with its approval to proceed with the COB. This information is also available on the regulator's web site, SEDAR.

Controlling interest of Plazacorp Holdings

Of the issued and outstanding common shares of the Corporation, 40% is controlled by Plazacorp Holdings Inc. ("**Plazacorp Holdings**") which is controlled by Mr. Anthony Heller, a director of the Corporation. Plazacorp Holdings also owns 4,637,500 Share Purchase Warrant that expire April 7, 2018 and an additional 4,637,500 Share Purchase Warrant that expire on October 7, 2019.

As a result, Plazacorp Holdings has the ability to influence the Corporation, including without limitation the election and removal of directors, amendments to the Corporation's articles of amalgamation and by-laws and the approval of any business combination. The interests of Plazacorp Holdings may not in all cases be aligned with interests of other Shareholders.

Future sales of Corporation's Common Shares by Plazacorp Holdings

Subject to compliance with applicable securities laws, Plazacorp Holdings may sell some or all of its common shares in the future. No prediction can be made as to the effect, if any, such future sales of the Corporation's common shares will have on the market price of the Corporation's common shares prevailing from time to time. However, the future sale of a substantial number of the Corporation's common shares by Plazacorp Holdings, or the perception that such sales could occur, could adversely affect the prevailing market prices of the Corporation's common shares.

Real Estate Sector Risks

Investing in real estate development projects can be speculative in nature and the value of the Corporation's investments may be subject to significant fluctuations. Such businesses entail a degree of risk, regardless of the skill and experience of the Corporation's management and board of directors. There can be no assurance that the Corporation will be operated successfully. Further, since a significant aspect of the potential return to the shareholders will be based on the revenue generated by real estate developments, there can be no assurance that such business activities will generate revenues sufficient to meet the operational or financing needs of the Corporation or to return the funds invested.

The Corporation will also be subject to the risks inherent in the development of residential projects located in the City of Toronto, including the inability to obtain re-zoning approvals within a reasonable time or at all, the inability to obtain construction or mortgage financing on reasonable terms or at all, the inability to sell or complete sales of a sufficient number of residential units at reasonable prices or at all, the failure or refusal of purchasers of residential units to complete their transactions, undisclosed liabilities relating to the development projects, fluctuations in interest rates, fluctuations in or volatility of real estate markets, failure to repay or refinance mortgages resulting in foreclosures or powers of sale, construction delays due to strikes or shortages of materials or labour, the inability of the Corporation to achieve profitability in its investment strategy, competition from other properties, limits on insurance coverage and increases in development costs caused by general economic conditions.

Risk of Lack of Diversification of Investments

Investments concentrated in specific sectors are generally more volatile than the overall market. Investing in one specific sector, entails greater risk and greater potential reward than investing in all sectors of the economy. If a sector declines or falls out of favour, the values of most or all of the companies in that sector will generally fall faster than the value of other investments as a whole. The opposite is equally true.

Due Diligence Risks

The due diligence process undertaken by the Corporation in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making such investments, the Corporation will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence investigations, the Corporation may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence investigations and making an assessment regarding an investment, the Corporation will rely on resources available, including information provided by investee and, in some circumstances, third party investigations. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Credit Risks

The debt securities in which the Corporation will invest in are subject to credit and liquidity risk. Any loan investment may become a defaulted obligation for a variety of reasons, including non-payment of principal or interest, as well as covenant violations by the borrower in respect of the underlying loan documents. A defaulted loan may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such defaulted loan. In addition, such negotiations or restructuring may be extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such defaulted loan. In addition, substantial costs and resources in such situations may be imposed on the Corporation, further affecting the value of its investment. The liquidity of the defaulted loans may also be limited, and to the extent that the defaulted loans are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon, which would adversely affect the financial position of the Corporation and consequently, the market value of the common shares of the Corporation.

Collection Risks

The Corporation may invest in loans, debt securities or equities which rank behind other securities and obligations issued by the investee, all or a significant proportion of which may be secured on that investee's assets. The corporation may, therefore, be subject to collection risk in relation to such investments. The characterisation of an investment as a secured debt obligation does not mean that such debt will necessarily have repayment priority with respect to all other obligations of a borrower. Borrowers may have, and/or may be permitted to incur, other debt and liabilities that rank equally with or senior to the debt in which the Corporation invests in. If other indebtedness is incurred that ranks in parity in right of payment or proceeds of collateral with respect to debt securities in which the Corporation invests in, the Corporation would have to share on an equal basis any distributions with other creditors in the event of a liquidation, reorganisation, insolvency, dissolution or bankruptcy of such a borrower. Consequently, there is no guarantee that the Corporation would receive any value for its holdings of a borrower's debt obligations or any securities it may hold if the borrower or issuer were to go enter into insolvency, liquidation or other restructuring proceedings.

Interest Rates Risks

Interest rate risk arises due to exposure to the effects of future changes in the prevailing level of interest rates. The Corporation is exposed to interest rate risk arising from an increase in interest rates that can adversely effect the value of the underlying security of its mortgage and loan investment portfolio. Rising interest rates can have a negative impact on real estate development profitability and potentially effect a borrowers ability to repay a loan. The Corporation mitigates this risk by the general short term nature of its loan and mortgage investments.

No Guaranteed Return or Dividends

There is no guarantee that an investment in the Corporation will earn any positive return in the short term or long term. To date, the Corporation has paid a limited amount of dividends to holders of its common shares and the Corporation is not required to pay any dividends on its common shares on a going forward basis. Any decision to pay dividends will be made on the basis of the Corporation's earnings, financial position, cash flow needs and other conditions as they may arise from time to time.

Risks of Competition

The Corporation will face competition from other capital providers, all of which compete with it for investment opportunities. These competitors may limit the Corporation's opportunities to finance construction projects that are attractive to the Corporation. The Corporation may be required to invest otherwise than in accordance with its Investment Policy and strategy in order to meet its investment objectives. If the Corporation is required to invest other than in accordance with its Investment Policy and strategy, its ability to achieve its desired rates of return on its investments may be adversely affected.

Risks of Fluctuations in the Value of the Resulting Issuer and the Shares

The book value of the Corporation's common shares and its market value will fluctuate with changes in the market value of the Corporation's investments. Such changes in value may occur as the result of various factors, including general economic and market conditions, the performance of corporations who have borrowed from the Corporation and changes in interest rates which may affect the value of interest-bearing securities owned by the Corporation. An investment in the Corporation is speculative and may result in the loss of a substantial portion of an investor's investment. Only potential investors who are experienced in high risk investments and who can afford to lose a substantial portion of their investment should consider such an investment.

Market Disruption Risks

War and occupation, terrorism and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events could also have an acute effect on individual corporations or related groups of corporations. These risks could also adversely affect securities markets, inflation and other factors relating to the securities that would be held from time to time. Such events could, directly or indirectly, have a material effect on the prospects of the Corporation.

Stress in the Global Economy

Global financial conditions such as reduction in credit, combined with reduced economic activity and the fluctuations in the Canadian dollar, may adversely affect businesses and the real estate development industry. Adverse effects on the capital markets generally make the raising of capital by equity or debt financing more difficult and the Corporation will be dependent upon the capital markets to raise additional funds. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Corporation's business, operating results, and financial condition.

Financing Risks

Additional funding will be required to complete the proposed or future real estate development projects. There is no assurance that any such funds will be available. Failure to obtain additional financing, if required, on a timely basis, could cause the Corporation to reduce or delay execution of its business plan. The primary source of funds currently available to the Corporation is derived from the issuance of equity. There is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Corporation.

Risk of Dilution from Possible Future Offerings

The Corporation may issue additional securities from time-to-time to raise funding for its business and such issuances may be dilutive to Shareholders.

Dependence upon Key Management

The Corporation will depend on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Corporation's operations expand, additional general management resources will be required. The Corporation may not be able to attract and retain additional qualified personnel and this would have a negative effect on the Corporation's operations. The Corporation currently maintains no "key man" life insurance on any members of its management or directors.

ITEM 11 - Critical Accounting Estimates

The Corporation's financial statements are impacted by the accounting policies used, as well as the estimates and assumptions made by management during their preparation. The Corporation's accounting policies are described within the financial statements filed on SEDAR and incorporated by reference, which includes a discussion on accounting estimates considered to be significant to the Corporation.

ITEM 12 - Changes in Accounting Policies

The Corporation would like to direct readers to its audited financial statements for the fiscal period ending December 31, 2016, which are incorporated by reference and can be found at www.sedar.com.

ITEM 13 - Financial Instruments and Other Instruments

The Corporation would like to direct readers to its audited financial statements for the fiscal period ending December 31, 2016 which are incorporated by reference and can be found at www.sedar.com.

ITEM 14 - Other MD&A Requirements

As defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, requires that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

The Corporation has evaluated the effectiveness of its disclosure controls and procedures, as defined, and has concluded that they were effective as of the end of the period covered by this MD&A as well as of the date of this MD&A.

The Corporation has evaluated its internal controls and financial reporting procedures and have found them to be effective with the objective of reporting the Corporation's financial transactions.

The Corporation is not required to file an Annual Information Form under current securities legislation and thus has not filed one; however, an Information Circular in connection with the Corporation's current business of real estate lending dated August 23, 2016 has been filed electronically at www.sedar.com.