

FINDEV INC.

**Notice of Meeting
and
Information Circular**

in respect of an

ANNUAL MEETING OF SHAREHOLDERS

to be held on August 23, 2019

INFORMATION CIRCULAR

Dated July 24, 2019

FINDEV INC.
NOTICE OF MEETING OF SHAREHOLDERS
to be held on August 23, 2019

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 Findev Inc., 10 Wanless Ave, Suite 201, Toronto, ON M4N 1V6, Canada, on Friday, August 23, 2019 at noon (Toronto time), for the following purposes:

1. to receive the audited financial statements for the year ended December 31, 2018 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 July 24, 2019 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 11:59 a.m. on August 21, 2019 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 July 22, 2019 as the record date. Only Shareholders whose names are entered on the register of Findev at the close of business on July 22, 2019 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 July, 2019.

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

/s/ Sruli Weinreb

Sruli Weinreb
Chief Executive Officer

FINDEV INC.

INFORMATION CIRCULAR

**FOR THE ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON FRIDAY, AUGUST 23, 2019**

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 Findev Inc., 10 Wanless Ave, Suite 201, Toronto, ON M4N 1V6, Canada, on Friday, August 23, 2019 at noon (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 July 24, 2019 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 11:59 a.m. (Toronto time) on August 21, 2019 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 July 22, 2019 as the record date. Shareholders at the close of business on July 22, 2019 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 July 22, 2019; 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	11,608,000	40.52%

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, 12,892,738

Common Shares of Findev, representing 45.0% of the presently issued and outstanding Common Shares.

Notes:

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

INFORMATION CONCERNING FINDEV

Findev Inc. was formed by the amalgamation of TransGaming Technologies Inc. and TransGaming Inc. on May 31, 2006 pursuant to the CBCA. On January 1, 2018, Findev Inc. amalgamated with Findev 2017 Inc., a wholly owned subsidiary. The head office and registered office of Findev is located at 10 Wanless Ave., Suite 200, Toronto, Ontario, M4N 1V6. Findev is a reporting issuer in the Provinces of Alberta, British Columbia, Ontario and Quebec.

STATEMENT OF EXECUTIVE COMPENSATION

The purpose of this Statement of Executive Compensation is to provide information about Findev's executive and director compensation, and the decision-making process relating to compensation for the period ended December 31, 2018.

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

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

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

NEO and Director Compensation

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
SruLi Weinreb ⁽³⁾ Chief Executive Officer and Director	2018 ⁽¹⁾	90,000	Nil	Nil	Nil	Nil	90,000
	2017 ⁽¹⁾	90,000	Nil	Nil	Nil	Nil	90,000
	2016 ⁽²⁾	18,125 ⁽⁵⁾	Nil	Nil	Nil	Nil	18,125
Claude Ayache ⁽⁴⁾ Chief Financial Officer	2018 ⁽¹⁾	53,941	Nil	Nil	Nil	Nil	53,941
	2017 ⁽¹⁾	84,039	Nil	Nil	Nil	Nil	84,039
	2016 ⁽²⁾	19,215 ⁽⁶⁾	Nil	N/A	Nil	Nil	19,215
Anthony Heller Director	2018 ⁽¹⁾	N/A	N/A	750	N/A	N/A	750
	2017 ⁽¹⁾	N/A	N/A	750	N/A	N/A	750
	2016 ⁽²⁾	N/A	N/A	1,500	N/A	N/A	1,500
Brice Scheschuk Director	2018 ⁽¹⁾	N/A	N/A	1,000	N/A	N/A	1,000
	2017 ⁽¹⁾	N/A	N/A	1,500	N/A	N/A	1,500
	2016 ⁽²⁾	N/A	N/A	2,500	N/A	N/A	2,500
David Roff Director	2018 ⁽¹⁾	N/A	N/A	750	N/A	N/A	750
	2017 ⁽¹⁾	N/A	N/A	1,000	N/A	N/A	1,000
	2016 ⁽²⁾	N/A	N/A	1,750	N/A	N/A	1,750
Niall Finnegan Director	2018 ⁽¹⁾	N/A	N/A	750	N/A	N/A	750
	2017 ⁽¹⁾	N/A	N/A	1,000	N/A	N/A	1,000
	2016 ⁽²⁾	N/A	N/A	1,750	N/A	N/A	1,750
Devon Cranson Director	2018 ⁽¹⁾	N/A	N/A	750	N/A	N/A	750
	2017 ⁽¹⁾	N/A	N/A	750	N/A	N/A	750
	2016 ⁽²⁾	N/A	N/A	1,500	N/A	N/A	1,500

Notes:

1. Fiscal Period from January 1 to December 31, 2017 and January 1 to December 31, 2018.
2. Fiscal Period from June 1 to December 31, 2016.
3. On September 23, 2016, Mr. SruLi Weinreb was appointed as the Corporation's CEO.
4. On November 1, 2016, Mr. Claude Ayache was appointed as the Corporation's CFO.
5. This amount was paid to a company controlled by Mr. SruLi Weinreb, prior to May 1, 2018.
6. This amount was paid to a company controlled by Mr. Claude Ayache.

Stock Options and Other Compensation Securities

For fiscal year ended December 31, 2018, Findev did not issue any compensation securities to any NEO or director.

For fiscal year ended December 31, 2018, no NEO or director of Findev exercised any compensation securities

Stock Option Plans and Other Incentive Plans

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

The Stock Option Plan provides that the Board may from time to time, in its discretion, and in accordance with the requirements of the TSX Venture Exchange (the “**TSXV**”), grant to directors, officers, employees and consultants of the Corporation, non-transferable options to purchase Common Shares of the Corporation. The maximum number of Common Shares reserved for issuance under the Stock Option Plan is ten percent (10%) of the issued and outstanding Common Shares as at the date of the grant of an option under the Stock Option Plan. In connection with the foregoing, the number of the Common Shares reserved for issuance to: (a) any individual director, officer or employee will not exceed five percent (5%) of the issued and outstanding Common Shares; and (b) all consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. Options may be exercised no later than ninety (90) days following cessation of the optionee’s position with the Corporation, provided that if the cessation of office, directorship or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one (1) year after such death, subject to the expiry date of such option. Under the TSXV policies, a rolling stock option plan must be approved and ratified by Shareholders on an annual basis.

As of the date hereof, there are 1,464,000 options that have been granted by the Corporation, exercisable at prices ranging from \$0.60 per share to \$6.125 per share, all of which are still outstanding.

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

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

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

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

Employment, Consulting and Management Agreements

Other than as described herein, Named Executive Officers do 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.

Mr. Sruli Weinreb is paid a monthly salary and Mr. Claude Ayache is compensated based on an hourly rate. There were no significant changes to the Corporation's compensation policies in the most recently completed financial year.

Pension Plan Benefits and Deferred Compensation Plans

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

SECURITIES ISSUABLE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, as at December 31, 2018, 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	1,464,000	\$0.63	1,400,744
Equity compensation plans not approved by Shareholders	Nil	Nil	Nil
Total	1,464,000	\$0.63	1,400,744

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Except as disclosed herein, none of the directors or officers of Findev, nominees for election as a director of Findev, or associates of such persons have been indebted to Findev or any of its subsidiaries at any time since the beginning of the most recently completed fiscal year. No such person has been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by Findev or any of its subsidiaries in respect of the purchase of securities or otherwise. In the normal course of business, Findev has advanced \$10,805,000 to Plazacorp Investments Limited, as it is owned and controlled by a director.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

CORPORATE GOVERNANCE

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

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

Board of Directors

The Board is responsible for overseeing the management of the Corporation and the conduct of the Corporation's affairs generally. The majority of the Board's members are independent. The Board composition for the period ended December 31, 2018 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, 2018, 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
Claude Ayache	Agau Resources Inc. (CBCA – Ontario)	Trading Halt	Director CFO	August 2018 August 2018	Present Present
	Hinterland Metals Inc. (CBCA – Ontario)	Trading Halt	Director CFO	March 2019 January 2019	Present Present
Brice Schedchuk	Globalive Technology Inc. (OBCA – Ontario)	TSX Venture	CFO	November 2018	Present
Anthony Heller	Firm Capital Mortgage Investment Corporation (CBCA – Ontario)	Toronto Stock Exchange	Director	1999	Present
David Roff	Deep Well Oil & Gas Inc. (US SEC)	OTCBB	Director	April 2019	Present
Sruli Wienreb	Adent Capital Corp. (CBCA – Ontario)	TSX Venture	Director	May 2017	Present
	AGAU Resources Inc. (BCAA – Alberta)	TSX Venture	Director	March 2018	Present
	Capicorn Business Acquisition (CBCA – Ontario)	TSX Venture	Director	March 2017	Present

Orientation and Continuing Education

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

Ethical Business Conduct

The Board monitors the ethical conduct of the Corporation and its management and ensures that it complies with applicable legal and regulatory requirements. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law

have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

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

Governance, Nomination and Compensation Committee

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

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

Compensation

The Governance, Nomination and Compensation Committee is responsible for reviewing and determining the adequacy of and form of compensation paid to the Corporation's executives and directors. The committee members evaluate the performance of the executives based on discussion with management and collectively establishing certain metrics, objectives, and the meeting of internal and board approved budgets. The Board, on a discretionary basis, following a review and recommendation by the committee, determines all compensation.

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 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, 2018 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 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemption).

Pre-Approval Policies and Procedures

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

External Auditor Service Fees (By Category)

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

Fiscal Year Ending	Audit Fees	Audit-related Fees	Tax Services Fees	All other Fees
December 31, 2018	\$ 23,381	\$ Nil	\$ Nil	\$ Nil
December 31, 2017	\$ 88,224	\$ Nil	\$ 19,821	\$ Nil

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

Other

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

ANNUAL MEETING BUSINESS

FINANCIAL STATEMENTS AND AUDITORS' REPORT

Audited financial statements for the fiscal period ended December 31, 2018 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 ^{(1), (2)}	Director Since
Anthony Heller ⁽⁶⁾ Toronto (Ontario), Canada	President, Plazacorp Investments Limited	11,608,000 ⁽³⁾	September 16, 2016
Sruli Weinreb ⁽⁶⁾ Toronto (Ontario), Canada	Chief Executive Officer, Findev Inc., Managing Partner, Plaza Capital Limited	862,000 ⁽⁴⁾	September 16, 2016
Brice Scheschuk, CA ^{(5), (6)} Toronto (Ontario), Canada Director	Chief Executive Officer, Globalive Capital CFO, Pragmatic Solutions Past CFO, WIND Mobile	170,238	September 13, 2013

Nominee Name, Position and Place of Residence	Principal Occupation for the Past Five Years	Shares Beneficially Owned Directly or Indirectly ^{(1), (2)}	Director Since
David Roff ⁽⁵⁾ Toronto (Ontario), Canada	Partner, Globalive Capital, CFO Brock View Rentals and Co-President of Brave Investment Corporation	166,666	September 16, 2016
Niall Finnegan ⁽⁵⁾ Toronto (Ontario), Canada	President, Finnegan Marshall Inc.	Nil	September 16, 2016
Devon Cranson Toronto (Ontario), Canada	President, Cranson Capital	68,334	September 16, 2016

Notes:

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

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

- These Common shares are held by Plazacorp Holdings Limited, which is 100% owned and controlled by Mr. Anthony Heller. These Common shares represent approximately 40.52% of the 28,647,441 issued and outstanding Common shares of the Corporation. In addition, Plazacorp Holdings Limited holds warrants to purchase an additional 9,274,998 Common Shares.
- These Common shares are held via 2532369 Ontario Inc., which is 100% owned and controlled by Mr. Sruli Wienreb. These Common shares represent approximately 3.01% of the 28,647,441 issued and outstanding Common shares of the Corporation.
- Messrs. Scheschuk, Roff, and Finnegan comprise the Audit Committee, as well as the Compensation, Governance and Nominating Committee.
- Messrs. Heller, Scheschuk, and Weinreb comprise the Investment Committee.

Biographies of Directors

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

Anthony Heller– Director. Age 67

Mr. Anthony Heller is the President of Plazacorp Investments Limited (“**Plazacorp Investments**”) which he founded in 1981 with the vision of developing retail commercial real estate. Plazacorp Investments developed shopping centers during the 1980s, including several mixed-use commercial-residential projects. In the early 1990s, its focus shifted to the development of residential condominiums. He has thirty-six (36) years of experience in real estate developments and has initiated and completed approximately \$2.1 billion of development projects. Mr. Anthony Heller has been involved in venture capital financings and has consulted with both privately held and publicly traded companies in which he has invested. He has been an independent director of Firm Capital Mortgage Investment Corporation (TSE: FCU) since 1999. He has invested in and provided guidance to many successful early-stage technology companies including YAK Communications, which was founded in 1998 and sold to Globalive for \$80 million in 2006.

Sruli Weinreb – Director and CEO. Age 39

Mr. Sruli Weinreb is the founder and managing partner of Plaza Capital Limited (“**Plaza Capital**”). Plaza Capital supports many North American early stage growth companies with strategic debt placements and equity investments. He is also the Chief Executive Officer of Lake Central Air Services Inc., the world’s

leading modification and integration partner for the airborne geophysical survey industry. Before founding Plaza Capital in 2013, Mr. Sruli Weinreb was the CEO of eMobile Inc. a telecom arbitrage company with a specialization in international roaming which he co-founded in 2008. His entry into tech investments and finance was preceded by an extended period of academic immersion with a concentration in Judaic Theology. He received his doctorate ordination in Jerusalem at The Jerusalem Kollel in 2005 and worked in community outreach in Houston, TX between 2005 and 2008.

Brice Scheschuk – Director. Age 48

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

David Roff – Director. Age 48

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 59

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

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

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

Devon Cranson – Director. Age 39

Mr. Devon Cranson is the founder and president of Cranson Capital, a boutique investment banking firm founded in 2006. He has deep expertise in all aspects of commercial financing, M&A and securities. He is a Certified Management Accountant (CMA), Chartered Public Accountant (CPA) and a licensed

Mortgage Agent. He is a member of the Society of Management Accountants, the Association for Corporate Growth (ACG), the Private Capital Markets Association (PCMA) and the National Exempt Market Association (NEMA).

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

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

Penalties or Sanctions

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

Corporate Cease Trade Orders

No director of Findev proposed for re-election has, within the ten (10) years prior to the date of this Information Circular, been a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation for a period of more than thirty (30) consecutive days.

Bankruptcies

No director of Findev proposed for re-election has, within the ten (10) years prior to the date of this Information Circular, been a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

No director of Findev proposed for re-election has, within the ten (10) years preceding the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

APPOINTMENT OF AUDITORS

Findev recommends that Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants (“**DMCL**”) be re-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. DMCL was first appointed on March 12, 2019.

The persons designated in the enclosed form of proxy, unless instructed otherwise, intends to vote FOR the re-appointment of DMCL, 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, 2018, attached hereto.

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

EXHIBIT "A"

FINDEV INC.

AUDIT COMMITTEE CHARTER

I. Establishment and Purpose

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

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

II. Composition

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

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

III. Committee Meetings and Procedures

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

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

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

IV. Duties and Responsibilities of the Committee

To fulfill its responsibilities and duties the Committee shall:

A. Documents Review/Financial Reporting Processes

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

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

B. Independent External Auditor

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

The Committee shall:

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

- review and advise the Board with respect to the planning, conduct and reporting of the annual audit, including but not limited to:
 - any difficulties encountered, or restriction imposed, by management during the annual audit;
 - any significant accounting or financial reporting issue;
 - the auditors' evaluation of the Company's system of internal controls, procedures and documentation;
 - the post audit or management letter containing any findings or recommendation of the external auditor, including management's response thereto and the subsequent follow-up to any identified internal control weaknesses;
 - any other matters the external auditor brings to the Committee's attention; and
 - discuss with management the assessment of the auditor's performance.
- review the auditor's report on all material subsidiaries.
- meet periodically, and at least annually, with the external auditor without management present and ensure that the external auditor is accountable to the Board and the Audit Committee as representatives of the shareholders of the Company.
- review and discuss with the external auditors all significant relationships that the external auditors and their affiliates have with the Company and its affiliates in order to determine the external auditors' independence, including, without limitation: (i) requesting, receiving and reviewing, on a periodic basis, a formal written statement from the external auditors delineating all relationships that may reasonable 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.
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

FINDEV INC.
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017
CONTENTS

	Page
Management's Responsibility	2
Independent Auditor's Report	3
Consolidated Statements of Financial Position	5
Consolidated Statements of Shareholders' Equity	6
Consolidated Statements of Operations and Comprehensive Income	7
Consolidated Statements of Cash Flows	8
Notes to the Consolidated Financial Statements	9 – 28



Management's Responsibility

To the Shareholders of Findev Inc.:

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

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

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

Dale Matheson Carr-Hilton Labonte LLP, an independent firm of Chartered Professional Accountants, has been appointed to audit the financial statements and report directly to the shareholders; their report follows. The external auditor has full and free access to, and meets 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 29, 2019



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Findev Inc.

Opinion

We have audited the consolidated financial statements of Findev Inc. (the "Corporation"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and comprehensive income, shareholder's equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

Other Matter

The consolidated financial statements of Findev Inc. for the year ended December 31, 2017 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 27, 2018.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Otto Ehinger.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

April 29, 2019

An independent firm associated with
Moore Stephens International Limited

MOORE STEPHENS

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

As at December 31, **2018** **2017**

ASSETS

Cash and cash equivalents	\$ 299,007	\$ 615,780
Receivables (Note 6)	54,531	71,222
Prepaid expenses	17,811	16,405
Loans & mortgage investments (Note 7 and 14)	<u>16,452,887</u>	<u>15,516,250</u>
	<u>\$ 16,824,236</u>	<u>\$ 16,219,657</u>

LIABILITIES

Accounts payable and accrued liabilities (Note 8 and 14)	<u>\$ 244,686</u>	<u>\$ 255,623</u>
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SHAREHOLDERS' EQUITY

Share capital (Note 9)	34,474,681	34,474,681
Contributed surplus (Note 10)	12,646,481	12,646,481
Accumulated deficit	<u>(30,541,612)</u>	<u>(31,157,128)</u>
	<u>16,579,550</u>	<u>15,964,034</u>
	<u>\$ 16,824,236</u>	<u>\$ 16,219,657</u>

Nature of Organization (Note 1)
 Commitments and Contingencies (Note 15)

Approved on behalf of the board of directors:

 /s/ "Brice Scheschuk"
 Brice Scheschuk, Director

 /s/ "Yisroel Weinreb"
 Yisroel Weinreb, Director

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

	Number of Common Shares	Amount of Common Shares	Contributed Surplus	Accumulated Deficit	Shareholders' Equity
Balance, January 1, 2017	28,647,441	\$ 34,474,681	\$ 12,393,585	\$ (31,704,787)	\$ 15,163,479
Stock-based compensation	---	---	252,896	---	252,896
Dividends declared (Note 13)	---	---	---	(859,424)	(859,424)
Comprehensive income	---	---	---	1,407,083	1,407,083
Balance, December 31, 2017	28,647,441	\$ 34,474,681	\$ 12,646,481	\$ (31,157,128)	\$ 15,964,034
Expected credit risk recognised on adoption of IFRS 39 (Note 5)	---	---	---	(30,000)	(30,000)
Dividends declared (Note 13)	---	---	---	(859,424)	(859,424)
Comprehensive income	---	---	---	1,504,940	1,504,940
Balance, December 31, 2018	28,647,441	\$ 34,474,681	\$ 12,646,481	\$ (30,541,612)	\$ 16,579,550

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

For the year ended December 31,	2018	2017
REVENUE		
Interest income (Note 14)	\$ 1,761,079	\$ 1,554,448
EXPENSES		
General and administrative (Note 11)	256,139	410,512
Share based compensation (Note 10)	<u>---</u>	<u>252,896</u>
	<u>256,139</u>	<u>663,408</u>
Net income (loss) from continuing operations	1,504,940	891,040
Net income (loss) from discontinued operations, net of taxes (Note 18)	<u>---</u>	<u>516,043</u>
COMPREHENSIVE (LOSS) INCOME	<u>\$ 1,504,940</u>	<u>\$ 1,407,083</u>
Net income (loss) per common share		
Basic net (loss) income from continuing operations per share	<u>\$ 0.05</u>	<u>\$ 0.03</u>
Diluted net (loss) income from continuing operations per share	<u>0.05</u>	<u>0.03</u>
Basic net (loss) income from discontinued operations per share	<u>0.00</u>	<u>0.02</u>
Diluted net (loss) income from discontinued operations per share	<u>0.00</u>	<u>0.02</u>
Basic net (loss) income per share	<u>0.05</u>	<u>0.05</u>
Diluted net (loss) income per share	<u>0.05</u>	<u>0.05</u>
Weighted average number of common shares outstanding (Note 20)		
Basic	<u>28,647,441</u>	<u>28,647,441</u>
Diluted	<u>28,647,441</u>	<u>28,647,441</u>

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

For the year ended December 31,	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income for the period	\$ 1,504,940	\$ 1,407,083
Non-cash expenses:		
Amortization of loan initiation costs	---	6,567
Amortization of financing fee	(18,750)	(15,525)
Loan loss provision	58,000	---
Stock-based compensation	---	252,896
Loan and mortgage investments:		
Investment in loans and mortgages	(2,735,857)	(17,335,000)
Repayments of loans and mortgages	1,730,000	14,800,000
Financing fee received	---	34,275
Net change in operating assets and liabilities		
Receivables	16,691	(13,312)
Prepaid expenses	(1,406)	28,305
Accounts payable and accrued liabilities	<u>(10,937)</u>	<u>(685,958)</u>
CASH FLOWS (USED IN) OPERATING ACTIVITIES	<u>(542,651)</u>	<u>(1,520,669)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	<u>(859,424)</u>	<u>(859,424)</u>
CASH FLOWS (USED IN) PROVIDED BY FINANCING ACTIVITIES	<u>(859,424)</u>	<u>(859,424)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in assets held for sale	<u>---</u>	<u>168,997</u>
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	<u>---</u>	<u>168,997</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(316,773)	(2,211,096)
CASH AND CASH EQUIVALENTS		
- Beginning of the period	<u>615,780</u>	<u>2,826,876</u>
CASH AND CASH EQUIVALENTS		
- End of the period	<u>\$ 299,007</u>	<u>\$ 615,780</u>

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(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's common shares are listed on the TSX Venture Exchange ("**TSXV**") under the symbol FDI.

These audited consolidated financial statements of the Corporation were authorized for issue in accordance with a resolution of the directors on April 29, 2019.

2. Basis of Presentation

Statement of Compliance

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

Basis of Presentation

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

Principles of Consolidation

These consolidated financial statements of the Corporation include the accounts of Findev and its wholly-owned subsidiary, Findev Lending Inc. ("**FLI**"). All 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 on a going concern basis under the historical cost convention, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

Functional and Presentation Currency

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

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

2. Basis of Presentation – continued

Critical Judgments and Estimates

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

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

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

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

Critical judgements and estimates are disclosed in Note 4.

3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements in accordance with IFRS with the exception of the adoption of IFRS 9 that is described in greater detail in Note 5.

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.

Investment in Non-Derivative Financial Assets and Derivative Assets

Investments in non-derivative financial assets and derivative assets that are not traded in an active market are valued based on the results of valuation techniques – using observable market inputs where possible, on such a basis and in such a manner established by the management. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other commonly used by market participants and which make the maximum use of observable inputs.

Share Capital

Share capital, common shares and equity instruments are any contracts 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.

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies – continued

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 considering 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.

Unearned Income

Unearned income includes commitment fees received from borrowers, which are amortized over the contractual terms of the respective loan and mortgage investments.

Revenue Recognition – Interest Income and Fees Earned

Interest income and fees earned is recognized in the consolidated statements of operations and comprehensive income using the effective interest rate method (“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 its collectability.

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 contributed surplus. When incentive stock options are exercised, any consideration paid, together with the amount recorded in contributed surplus, 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 financings are recorded as deferred financing costs. These costs will be deferred until the financing is completed, at which time the costs will be charged against the proceeds received. If the 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 shares are charged to share capital upon the raising of equity. Costs associated with the issuance of debt are amortized using the EIM over the life of the debt.

Income Tax

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

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies – continued

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

4. Significant Accounting Policies, Judgements and Estimation Uncertainty

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

Fair Value of Financial Instruments

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

Share-Based Payment Transactions

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

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

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 the expectation of future impairment losses, taking into consideration the value of the recoverable amount and an adjustment to the expected future impairment, if any, with such amount being reflected as a reduction in revenues within the Statement of Operations and Comprehensive Income.

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

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

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.

Fair value of the investment in convertible debentures

The Corporation measures the investments in convertible debentures at fair value. Estimating fair value for the convertible debentures requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the debentures. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model such the time to expiration, volatility, dividend yield and risk rate of the debentures.

5. Changes in Accounting Policies

Accounting standards issued and 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 instruments and the nature and extent of risks arising from financial instruments to which an entity is exposed and how the entity manages those risks. It was amended to (i) add guidance on whether an arrangement to service a financial asset that has been transferred constitutes continuing involvement, and (ii) to clarify that the additional disclosure required by the amendments to IFRS 7 is not specifically required for interim periods. The amendments to IFRS 7 are effective for annual periods beginning on or after January 1, 2018. The adoption of IFRS 7 has not had a material effect on the Corporation’s financial position.

IFRS 9 – Financial Instruments (“IFRS 9”)

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments (“**IFRS 9**”) replacing IAS 39, Financial Instruments Recognition and Measurements. The Corporation has adopted IFRS 9 effective January 1, 2018, without restatement of comparative periods. Changes in accounting policies resulting from the adoption of IFRS 9 as of January 1, 2018 are described below:

Classification & Measurement of Financial Assets

Recognition and initial measurement

The Corporation on the date of origination or purchase recognizes loans, debt and equity securities, deposits and subordinated debentures at the fair value of consideration paid. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities are initially recognized on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument.

The initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss.

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

5. Changes in Accounting Policies – continued

Financial assets which include both debt and equity instruments.

Debt Instruments

Debt instruments, including loans and debt securities, are classified into one of the following measurement categories:

- i. Amortized cost;
- ii. Fair value through other comprehensive income (“**FVOCI**”);
- iii. Fair value through profit or loss (“**FVTPL**”) for trading related assets.

Classification of debt instruments is determined based on:

- i. The business model under which the asset is held; and
- ii. The contractual cash flow characteristics of the instrument.

Business Model Assessment

Business model assessment involves determining whether financial assets are managed in order to generate collection of contractual cash flows. The Corporation takes into consideration the following factors:

- i. How the performance of assets in a particular portfolio is evaluated and reported;
- ii. The risks that affect the performance of assets held within a business model and how those risks are managed; and
- iii. Whether the assets held for trading purposes;

Cash Flow Characteristics Assessments

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement. Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (“**SPPI**”)

Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.

In performing this assessment, the Corporation takes into consideration contractual features that could change the amount or timing of contractual cash flows, such that the cash flows are no longer consistent with a basic lending arrangement.

If the Corporation identifies any contractual features that could modify the cash flows of the instrument such that they are no longer consistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Debt instruments measured at amortized cost

Debt instruments are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortization is included in Interest income in the Consolidated Statement of Income.

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

5. Changes in Accounting Policies – continued

Impairment on debt instruments measured at amortized cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit losses (“**ACL**”) in the Consolidated Statement of Financial Position.

Debt instruments measured at FVOCI

Debt instruments are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets’ cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive Income (“**OCI**”), unless the instrument is designated in a fair value hedge relationship.

Impairment on debt instruments measured at FVOCI is calculated using the expected credit loss approach. The ACL on debt instruments measured at FVOCI does not reduce the carrying amount of the asset in the Consolidated Statement of Financial Position, which remains at its fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognised in OCI with a corresponding charge to Provision for impairment losses in the Consolidated Statement of Income. The accumulated allowance recognised in OCI is recycled to the Consolidated Statement of Income upon derecognition of the debt instrument.

Debt instruments measured at FVTPL

Debt instruments measured at FVTPL include assets held for trading purposes, assets held as part of a portfolio managed on a fair value basis and assets whose cash flows do not represent payments that are solely payments of principal and interest.

These instruments are measured at fair value in the Consolidated Statement of Financial Position, with transaction costs recognized immediately in the Consolidated Statement of Income as part of Non-interest income. Realized and unrealized gains and losses are recognized as part of Non-interest income in the Consolidated Statement of Income.

Equity Investments

Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase. For equity instruments measured at FVTPL, changes in fair value are recognized as part of Non-interest income in the Consolidated Statement of Income.

The Corporation can elect to classify non-trading equity instruments at FVOCI. This election will be used for certain equity investments for strategic or longer-term investment purposes. The FVOCI election is made upon initial recognition on an instrument-by instrument basis and once made is irrevocable.

Impairment

The impairment model measures credit loss allowances using a three-stage approach based on the extent of credit deterioration since origination:

Stage 1 – Where there has not been a significant increase in credit risk (SIR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.

Stage 2 – When a financial instrument experiences a SIR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

5. Changes in Accounting Policies – continued

Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

Measurement of expected credit loss

The probability of default (“**PD**”), exposure at default (“**EAD**”), and loss given default (“**LGD**”) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio. Details of these statistical parameters/inputs are as follows:

PD: The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.

EAD: The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD: The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

Macroeconomic Factors

In its models, the Corporation relies on forward looking information as economic inputs, such as house price indices. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgement.

Assessment of Significant Increases in Credit Risks (“SIR**”)**

At each reporting date, the Corporation assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macro- economic factors, management judgement and delinquency and monitoring.

The common assessments for SIR on investment portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the borrower and the geographical region. Quantitative models may not always be able to capture all reasonable and supportable information that may indicate a significant increase in credit risk. Qualitative factors may be assessed to supplement the gap. With regards to delinquency and monitoring, there is a rebuttable presumption that the credit risk of the financial instrument has increased since initial recognition when contractual payments are more than 30 days overdue.

Presentation of allowance for credit losses in the Statement of Financial Position

- i. Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the financial assets;
- ii. Debt instruments measured at fair value through other comprehensive income: no allowance is recognized in the Statement of Financial Position because the carrying value of these assets is their fair value. However, the allowance determined is presented in the accumulated other comprehensive income.

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

5. Changes in Accounting Policies – continued

Definition of default

The Corporation considers a financial instrument to be in default as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. This includes events that indicate:

- i. Significant financial difficulty of the borrow;
- ii. Default or delinquency in interest or principal payments;
- iii. High probability of the borrower entering a phase of bankruptcy or financial reorganization;
- iv. Measurable of decrease in the estimated future cash flows of the loan or the underlying assets that back the loan.

The Corporation considers that default has occurred and classifies the financial asset as impaired when it is more than 90 days past due, unless reasonable and supportable information demonstrates that a more lagging default criterion is applicable.

Reconciliation of IAS 39 to IFRS 9

The following table provides the impact from the transition to IFRS 9 on the Consolidated Statement of Financial Position at transition date, January 1, 2018. The impact consists of re-measurements. These adjustments reflect the movement of balances between carrying values of the items on the Consolidated Statement of Financial Position with an impact to shareholders' equity.

As at Jan 1, 2018	Note	IAS 39 Measurement Basis	IAS 39 Carrying Amount	Re-classification	Re-measurement	IFRS 9 Carrying Amount	IFRS Measurement Basis
Cash and cash equivalent		Loans and receivables	\$ 615,780			\$ 615,780	Amortized cost
Receivables	6	Loans and receivables	71,222			71,222	Amortized cost
Prepaid expenses		Amortized costs	16,405			16,405	Amortized cost
Loans and mortgages	7	Loans and receivables	15,516,250		(30,000)	15,486,250	FVTPL
			<u>\$ 16,219,657</u>	<u>\$ 0</u>	<u>\$ (30,000)</u>	<u>\$ 16,189,657</u>	
Accounts payables and accrued liabilities	8	Other liabilities	\$ 255,623			\$ 255,623	Amortized cost
Capital stock	9		\$ 34,474,681			\$ 34,474,681	
Contributed surplus	10		12,646,481			12,646,481	
Accumulated deficit			(31,157,128)		(30,000)	(31,187,128)	
			<u>\$ 15,964,034</u>	<u>\$ 0</u>	<u>\$ (30,000)</u>	<u>\$ 15,934,034</u>	
			<u>\$ 16,219,657</u>	<u>\$ 0</u>	<u>\$ (30,000)</u>	<u>\$ 16,189,657</u>	

Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

- The Corporation has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings and reserves as at January 1, 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9, but rather those of IAS 39.
- The determination of the business model within which a financial asset is held have been made on the basis of the facts and circumstances that existed at the date of initial application

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

5. Changes in Accounting Policies – continued

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. Upon adopting IFRS 15, there was no impact on the financial position of the Corporation.

Future Accounting standards issued and to be adopted

IFRS 16 - Leases (“IFRS 16”)

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

6. Receivables

As at December 31,	2018	2017
Interest receivable	\$ 37,281	\$ 48,081
Commodity tax refundable	17,250	23,141
	<u>\$ 54,531</u>	<u>\$ 71,222</u>

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

7. Loan and Mortgage Investments

As at December 31, 2018, the Corporation had principal balance of loan and mortgage investments of \$16,452,887 (December 31, 2017 - \$15,516,250). The loan and mortgage investments carry a weighted average effective interest rate of 11.15% (December 31, 2017 – 10.63%) and a weighted average term to maturity of 1.42 years (December 31, 2017 - 2.80), with maturities as follows:

Maturity	December 31, 2018	December 31, 2017
Less than one year	\$ 4,770,887	\$ 2,516,250
Between one and five years	11,770,000	13,000,000
More than five years	—	—
	16,540,887	15,516,250
Allowance for loan and mortgage investments loss	(88,000)	—
	\$ 16,452,887	\$ 15,516,250

During the year, the Corporation received \$Nil (December 31, 2017 - \$34,275) in financing fees but recognized \$2,994 in 2018, which was previously received.

There is one loan issued to Plazacorp Investments Limited of \$11,270,000 (December 31, 2017 - \$13,000,000) and it can be prepaid at any time.

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, 2018 and 2017, 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, 2018:

	Net Investment	% of net investments
Residential housing development	\$ 11,270,000	68.14
Land and lot inventory	4,770,887	28.84
Special situations	500,000	3.02
	16,540,887	100.00
Allowance for loan and mortgage investments loss	(88,000)	(0.53)
	\$ 16,452,887	99.47

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

7. Loan and Mortgage Investments – continued

The special situation loan is an investment in 500 convertible debentures with a face value of \$1,000 each due on August 3, 2021 bearing a coupon rate at 10% per annum if paid in cash or 12 % per annum if paid by issuing shares at the 20 day volume weighted average price of the borrow. The convertible debentures are convertible at any time at \$0.70 per common share or 1,429 shares per \$1,000 subject to certain price adjustment provisions. In addition, the Corporation also received in aggregate 714,500 warrants in connection with the convertible debentures subscription. The warrants expire on August 3, 2021 are exercisable at \$0.80 per share subject to certain price adjustment provisions. The fair value of these convertible debentures and warrants at December 31, 2018 is \$500,000 based on a discounted cash flow bases and using a Black Scholes option pricing model to value the conversion feature and the detachable warrants.

8. Accounts payable and accrued liabilities

Accounts payable are comprised of trade payables and accrued liabilities as well as dividends payable of \$214,856 (December 31, 2017 – \$214,856).

9. Share capital

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

10. Contributed Surplus

The Corporation's contributed surplus consists of the following:

	Incentive Stock			Total
	General	Option	Warrants	
Balance, January 1, 2017	8,120,031	190,984	4,082,570	12,393,585
Issuance of incentive stock options	—	252,896	—	252,896
Balance, December 31, 2017	8,120,031	443,880	4,082,570	12,646,481
Expiration of warrants	3,174,327	—	(3,174,327)	—
Balance, December 31, 2018	\$ 11,294,358	\$ 443,880	\$ 908,243	\$ 12,646,481

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.

There were no options granted during the fiscal year ending December 31, 2018 and 2017.

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

11. Contributed Surplus – continued

The following table reconciles outstanding incentive stock options as at December 31, 2018 and 2017:

	Number	Weighted Average Exercise Price
Balance, January 1, 2017	1,466,857	\$ 0.63
Granted	—	N/A
Exercised	—	N/A
Forfeited	—	N/A
Balance, December 31, 2017 and 2018	<u>1,466,857</u>	<u>\$ 0.63</u>

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

The following table summarizes the weighted average exercise price and the weighted average remaining contractual life of the options outstanding and exercisable as at December 31, 2018.

Exercise Price	Options Outstanding	Expiry Date	Outstanding		Exercisable		
			Weighted Average Remaining Life	Weighted Average Price	Quantity	Weighted Average Price	
\$ 6.125	2,857	April 22, 2019	0.3 years	\$ 6.125	2,857	\$ 6.125	
6.125	14,000	February 2, 2020	1.1 years	6.125	10,250	6.125	
0.600	1,250,000	October 20, 2024	5.8 years	0.60	1,250,000	0.600	
0.600	200,000	November 2, 2024	5.8 years	0.60	200,000	0.600	

b) Warrants

During the fiscal year ending December 31, 2018, 11,542,665 warrants expired with an exercise price of \$0.70 as well as 178,571 warrants with an exercise price of \$3.50, which were issued in October 2016 and July 2013 respectively. Accordingly, the fair value associated with these warrants of \$3,174,327 was reallocated from contributed surplus - warrants to contributed surplus - general. There were no warrants that expired or that were exercised during the year ended December 31, 2017.

In addition, on November 14, 2018, the TSXV approved the extension of 11,542,665 warrants with an exercise price of \$0.70 that were originally to expire on October 7, 2019 to October 7, 2021, with no other terms were amended.

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

10. Contributed Surplus – continued

The following is a summary of outstanding warrants as at December 31, 2017 and 2018:

	Number of Warrants	Amount	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Outstanding, December 31, 2017	23,263,901	\$ 4,082,570	\$ 0.72	1.05
Outstanding, December 31, 2018	11,542,665	908,243	0.70	2.80

11. Expenses by nature

December 31,	2018	2017
Bank charges	\$ 901	\$ 4,901
Insurance	18,428	47,748
Interest	24	101
Management fees (Note 14)	94,097	90,000
Office	2,213	3,365
Professional services	105,040	205,374
Regulatory reporting	35,436	59,023
	<u>\$ 256,139</u>	<u>\$ 410,512</u>

12. Income taxes

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

For the period ended December 31,	2018	2017
Pre-tax income (loss) for the period before income taxes	\$ 1,504,940	\$ 1,407,083
Pre-tax (income) loss from discontinued operations	—	(516,044)
Pre-tax income (loss) from continuing operations	<u>1,504,940</u>	<u>891,040</u>
Expected income tax expense based on statutory rate	399,000	236,000
Non-deductible provisions	23,000	—
Stock-based compensation expense	—	67,000
Other non-deductible expenses	(34,000)	(49,000)
Income tax (recovery) expense	<u>388,000</u>	<u>254,000</u>
Utilization of previously unrecognized non-capital loss carry forward amounts	(388,000)	(254,000)
Income tax expense for the year	<u>\$ —</u>	<u>\$ —</u>

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

12. Income taxes – continued

ii) As at December 31, 2018, the Corporation had accumulated income tax losses for federal and provincial income tax purposes of approximately \$9,371,000 (December 31, 2017 - \$10,875,000). These losses carry-forward may be used to offset future years' federal and provincial taxable income and commence expiring in 2032.

iii) Scientific Research and Experimental Development Expenses and Tax Credits

The Corporation also had approximately \$707,000 in unclaimed scientific research and experimental development expenses as at December 31, 2018, which may be used to reduce taxable income in the future, without expiry.

As at December 31, 2018, the Corporation also had approximately \$1,750,000 in unclaimed investment tax credits, which may be used to offset federal income taxes payable in the future and commence expiring in 2027.

The potential benefit of these expenses and investment tax credits has not been recognized in the consolidated financial statements, as the recoverability is not more likely than not due to the fact the Corporation's Loan and Mortgage Investments either expire within two to five years or they may be prepaid at any time which is currently the primary source of income.

iv) Deferred Income Tax Assets

In assessing the ability to realize deferred income tax assets, management considers whether it is probable that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent on the generation of future taxable income during the years in which those temporary differences become deductible. No deferred income tax asset has been recognized in respect of these non-capital losses and other temporary differences, as the Corporation's Loan and Mortgage Investments either expire within two to five years or they may be prepaid at any time which is currently the primary source of income.

13. Dividend Payable

The dividends declared in 2018 and 2017 were \$859,424 (\$0.03 per common share) and \$859,424 (\$0.03 per common share) respectively. Dividends paid in 2018 and 2017 were \$859,424 (\$0.03 per common share) and \$859,424 (\$0.03 per common share), respectively.

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

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, 2018	Dec. 31, 2017
Revenues		
Interest income	\$ 1,232,099	\$ 1,368,384
Expenses		
Professional Fees	25,753	24,648
Loans and mortgage investments	11,270,000	13,000,000
Included with accounts payable	5,088	4,954

Payments to key management

As at or for the period ended	Dec. 31, 2018	Dec. 31, 2017
Directors' Fees	\$ 4,000	\$ 5,000
Management Fees	143,941	174,039
Stock-based compensation	—	252,896

The key management personnel of the Corporation include the Chief Executive Officer, Chief Financial Officer and the Board of Directors. During the fiscal year ended December 31, 2018 and 2017, no key management personnel were indebted to the Corporation, with the exception that certain of the Corporation's loans and mortgage investments are currently issued to Plazacorp Investments Limited and/or its affiliates which are owned and controlled by a director.

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.

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

16. Capital management – continued

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

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

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	Dec. 31, 2018	Dec 31, 2017
Cash	\$ 299,007	\$ 615,780
Receivables	54,531	71,222
Loans and mortgage investments	16,452,887	15,516,250
Financial Liabilities	Dec 31, 2018	Dec 31, 2017
Accounts payables and accrued liabilities	\$ 244,686	\$ 255,6231

Fair value

As at December 31, 2018 and 2017, 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 loans and mortgage investment portfolio.

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

17. Financial instruments and risk management – continued

For the year ended December 31, 2018, the Corporation's three largest borrowers accounted for 100% of revenues of continuing operations.

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

Interest rate risk on income and expense

The Corporation also has credit risk relating to cash and cash equivalents, which it manages by dealing with large Canadian chartered banks. The Corporation's maximum exposure to credit from banks is \$299,007 (December 31, 2017 - \$615,780). As at December 31, 2018, 100% of cash and cash equivalents were held in Canadian chartered banks (December 31, 2017 - 100%).

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

Currently, if a shift in interest rates of 1% were to occur, the impact on cash and the related gain (loss) for the year would have an impact on revenues of approximately \$165,000 (2017 - \$165,000). Management does not deem this to be material as it could and would continue to meet its operating expenses as well as its dividend policy.

Liquidity risk

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

The Corporation's financial liabilities, classified as current, primarily consist of trade payables and accrued liabilities. Current liabilities were \$244,686 (December 31, 2017 - \$255,623) with all of it having expected settlement dates within one year or where conditions exist that could result in accelerated payment.

FINDEV INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

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

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

For the period ended, December 31,	2018	2017
Revenues	\$ —	\$ —
Cost of Sales	—	(419,103)
Gross Profit	—	419,103
Operating expenses	—	(96,940)
Net income (loss) from discontinued operations	\$ —	\$ (516,043)

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

For the period ended, December 31,	2018	2017
Cash provided by discontinued investing activities	\$ —	\$ 168,997

19. Earnings Per Share

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

December 31,	2018	2017
Denominator basic and diluted earnings per share		
Weighted average number of Common shares outstanding	28,647,441	28,647,441
Dilutive effect of incentive stock options	—	—
Dilutive effect of warrants	—	—
Diluted weighted average Common shares	28,647,441	28,647,441