SELECTCORE LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Unaudited

MARCH 31, 2017

SELECTCORE LTD.

MARCH 31, 2017

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NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying condensed unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Selectcore Ltd.

Condensed Consolidated Interim Statement of Financial Position (Unaudited)

(Presented in Canadian Dollars)

As at March 31, 2017

	Note	March 31 2017	December 31 2016
ASSETS			(audited)
CURRENT			
Cash	3	$ 2,287,629	$ 2,601,224
Accounts receivable		483,467	557,662
Inventory		120,177	102,119
Prepaid and other assets		63,243	83,443
		2,954,516	3,344,448
LONG TERM			
Property and equipment	4	248,191	254,935
Intangibles	5	269,481	290,737
		517,672	545,672
		$ 3,472,188	$ 3,890,120
LIABILITIES & SHAREHOLDER'S EQUITY			
CURRENT			
Accounts payable and accrued liabilities		$ 10,901,126	$ 11,183,985
Deferred revenue		159,182	115,082
Demand loan	6,16	2,373,546	2,467,947
Customer deposits		39,200	39,200
		13,473,054	13,806,214
SHAREHOLDER'S EQUITY			
Share capital	7	13,227,357	12,858,501
Contributed and other surplus		6,338,801	6,338,801
Warrant Capital	9	128,004	192,860
Proceeds received for units to be issued		54,286	54,286
Other comprehensive loss		(252,900)	(258,679)
Deficit		(29,496,414)	(29,101,863)
		(10,000,866)	(9,916,094)
		$ 3,472,188	$ 3,890,120

Approved by the Board

Martin C Bernholtz
Director (Signed)

Mohammad Abuleil
Director (Signed)

See accompanying notes

Selectcore Ltd.

Condensed Consolidated Interim Statement of Comprehensive Loss (Unaudited)

(Presented in Canadian Dollars)

For 3 months ended March 31, 2017

	Note	March 31 2017	March 31 2016
REVENUE		$ 981,435	$ 1,079,098
EXPENSES			
Goods and services purchased		396,406	481,907
Salaries and benefits	15	445,153	366,997
General and administrative		344,749	335,265
Foreign exchange (gain) loss		(928)	10,515
Amortization	4,5	36,187	72,777
		1,221,567	1,267,461
Operating loss before Interest		(240,132)	(188,363)
Interest on demand loan		(154,419)	(210,310)
Net loss		(394,551)	(398,673)
Exchange difference on translating foreign operations		5,779	40,556
Comprehensive loss		(388,772)	(358,117)

Loss per share			
Basic and diluted		$ (0.013)	$ (0.012)

Weighted Average number of shares outstanding			
Basic and diluted		30,791,074	30,037,852

See accompanying notes

Selectcore Ltd.

Condensed Consolidated Interim Statements of Cash Flows

(Presented in Canadian Dollars)

For 3 months ended March 31, 2017

	Note	March 31, 2017	March 31, 2016
Cash provided by (used in)			
Operations			
Net loss		$ (394,551)	$ (398,673)
Items not affecting cash			
Amortization		36,187	72,777
Interest on demand loan		154,419	210,310
Unrealized foreign exchange loss (gain)		3,371	42,117
		(200,574)	(73,469)
Net change in non-cash working capital			
Accounts receivable		74,195	48,645
Inventory		(18,058)	17,852
Prepaid and other assets		20,200	39,371
Accounts payable and accrued liabilities		(282,859)	2,171,856
Deferred revenue		44,100	(18,900)
Customer deposits		--	(249)
		(362,996)	2,185,106
Investing			
Additions of intangibles, property and equipment		(8,186)	(54,057)
		(8,186)	(54,057)
Financing			
Exercise of warrants		304,000	--
Repayment of demand loan		(248,819)	(11,000)
Issuance of shares		--	--
		55,181	(11,000)
Net change in cash		(316,001)	2,120,049
Effect of exchange rate changes on cash		2,406	(684)
Cash, beginning of year	3	2,601,224	1,275,106
Cash, end of year	3	$ 2,287,629	$ 3,394,471

Nature of Operations and Going concern (see Note 1)

See accompanying notes

Selectcore Ltd.

Condensed Consolidated Interim Statement of Changes in Deficit

(Presented in Canadian Dollars)

For the 3 months ended March 31, 2017

	Share Capital				Proceeds	Accumulated		
					Received for	Other		
			Contributed	Warrant	Units to Be	Comprehensive		
	Number	Amount	Surplus	Capital	Issued	Income (Loss)	Deficit	Tot
Balance, December 31, 2016	30,037,852	$12,858,501	$ 6,338,801	$ 192,860	$ 54,286	$ (258,679)	$(29,101,863)	$(9,916,09
Exercise of warrants	3,800,000	368,856		(64,856)				304,00
Other comprehensive income from translation of foreign entity	--	--	--	--	--	5,779	--	5,77
Net income	--	--	--	--	--	--	(394,551)	(394,55
As at March 31, 2017	33,837,852	$13,227,357	$ 6,338,801	$ 128,004	$ 54,286	$ (252,900)	$(29,496,414)	$(10,000,86
For the year ended December 31, 2015								
Balance, December 31, 2015	30,037,852	$12,858,501	$ 6,338,801	$ 192,860	$ 54,286	$ (279,053)	$(30,946,728)	$(11,781,33
Other comprehensive income from translation of foreign entity	--	--	--	--	--	40,556	--	40,55
Net income	--	--	--	--	--	--	(398,673)	(398,67
As at March 31, 2016	30,037,852	$12,858,501	$ 6,338,801	$ 192,860	$ 54,286	$(238,497)	$(31,345,401)	$(12,139,45

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

SelectCore Ltd. (the "Company") is a leading provider of prepaid payment services and point-of-sale transaction processing solutions for the prepaid financial services and mobile markets. The address of the registered office of Company is 14 William St N, Chatham, ON, N7M 4L1. The Company's shares are listed on the TSX Venture Exchange under symbol SCG.

These consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue its operations in the foreseeable future and that it will be able to realize its assets and discharge its liabilities in the normal course of operations. The facts and circumstances noted below cast significant doubt on the company's ability to continue as going concern.

During the first quarter of 2017, the company incurred a net loss of $394,551 (first quarter of 2016 - Net loss of $398,673). The company had a negative cash flow from operations of $362,996(first quarter of 2016- positive $2,185,106). The Company has a working capital deficiency of $10,518,541 (December 31, 2016 deficit $10,461,766). The working capital deficiency limits the Company's ability to fund capital expenditures and operations.

As of the quarter end, the Company had a collateral account shortfall which was contrary to the terms of a special agreement with a credit union whereby the Company agreed that it shall maintain in a designated special collateral account in a designated bank amount equivalent to the unspent card balance. As at March 31, 2017 the Company had a collateral account shortfall of $3.05 million liable to the credit union and cardholders. This collateral shortfall is already included in the working capital deficiency number noted above. The Company continues to work towards an agreeable resolution with the credit union and simultaneously has been working to address the collateral shortfall.

The continuation of the Company as a going concern is dependent on raising sufficient working capital to maintain operations, reducing operating expenses, and increasing revenues and profits. Management continues to review and implement cost cutting measures including but not limited to a reduction of staff and salaries, streamlining operations, reduction of research and development costs and a reduction in capital expenditures. The Company is pursuing financing alternatives to fund its operations and continue its activities as a going concern. There is no assurance that it will be able to do so in the near future. Without enough financing the Company may be forced to cease operations. In April 2017, the Company raised $2,000,000 through private placement of equity (note 16).

These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the going concern assumption not be appropriate. These adjustments could be material.

The consolidated financial statements were authorized for issuance by the Board of Directors on May 29, 2017.

2. BASIS OF PRESENTATION

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee (IFRIC"). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended December 31, 2016.

Basis of presentation

These consolidated financial statements are prepared on the historical cost basis which are measured at the fair value, with changes being recognized in other comprehensive income and financial assets classified as "fair value through profit and loss", which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for the cash flow information. Comparative figures for 2016 have been reclassified to conform to the current period's presentation.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, 1382285 Ontario Limited ("SelectComm"), 2143436 Ontario Limited ("SelectCore Comm"), Local Fone Service, Inc. ("LFS"), SelectCore USA, LLC ("SelectCore US") and 2314606 Ontario Limited ("SelectCore Financial Services").

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities generally accompanying a shareholding of more than one half of the voting rights in its subsidiaries. Subsidiaries are fully consolidated from the date on which control is transferred to the Company.

Inter-Company transactions, balances and unrealized gains or losses between subsidiaries are eliminated in preparing the consolidated financial statements. The financial statements of the subsidiaries are prepared for the same reporting period as the reporting company using consistent accounting policies.

Functional and presentational currency

The Company's presentation currency is Canadian dollar. The functional currency for SelectCore Ltd, SelectComm, SelectCore Comm, and LFS is the Canadian dollar as this is the principal currency of the economic environment in which subsidiaries operate. The functional currency for SelectCore USA LLC is US dollar, as this is the principal currency of the economic environment in which subsidiaries operate.

(Presented in Canadian Dollars)

3. CASH

Cash includes restricted cash balances of $2,203,390 (December 31, 2016 - $2,564,200) in designated special collateral accounts in designated banks representing the amounts equivalent to the unspent cards balances under the terms of the special agreements with credit union/financial institution as further explained in Note 1. Withdrawals from the accounts can only be made with the approval of the credit union/financial institution.

4. PROPERTY AND EQUIPMENT

Activity during the period ended March 31, 2017 is as follows:

Cost	Terminals	Electronic Equipment	Office Furniture & Fixtures	Totals
Balance January 1, 2017	954,264	793,472	185,678	1,933,414
Additions/Reclass	-	1,957	6,229	8,186
Balance March 31, 2017	954,264	795,429	191,907	1,941,600
Accumulated Depreciation				
Balance January 1, 2017	872,525	644,467	161,486	1,678,478
Depreciation for the period	5,978	7,391	1,562	14,931
Balance March 31, 2017	878,503	651,858	163,048	1,693,409
Net Book Value March 31, 2017	75,761	143,571	28,859	248,191

Activity during the period ended March 31, 2016 is as follows:

Cost	Terminals	Electronic Equipment	Office Furniture & Fixtures	Leasehold Improvements	Totals
Balance, January 1, 2016	$ 954,264	$ 792,945	$ 185,678	$ 57,197	$ 1,990,084
Additions	-	-	-	-	-
Effect of foreign exchange	-	-	-	-	-
Balance, March 31, 2016	$ 954,264	$ 792,945	$ 185,678	$ 57,197	$ 3,292,880
Accumulated Depreciation					
Balance, January 1, 2016	$ 843,506	$ 611,217	$ 155,788	$ 57,197	$ 1,667,708
Depreciation for the period	8,101	8,936	1,534	-	18,571
Effect of foreign exchange	-	-	-	-	-
Balance Mar 31, 2016	$ 851,607	$ 620,153	$ 157,322	$ 57,197	$ 2,623,962
Net Book Value Mar. 31/16	$ 102,657	$ 172,792	$ 28,356	$ -	$ 303,805

(Presented in Canadian Dollars)

5. INTANGIBLES

	Computer Software	
Cost	**31-Mar-17**	**31-Dec-16**
Balance January 1, 2017	1,302,795	1,248,739
Additions/Reclass	-	54,056
Balance March 31, 2017	1,302,795	1,302,795
Accumulated Depreciation		
Balance January 1, 2017	1,012,057	883,477
Depreciation for the period	21,257	128,581
Balance March 31, 2017	1,033,314	1,012,058
Net Book Value March 31, 2017	269,481	290,737

6. DEMAND LOAN

	March 31, 2017	December 31, 2016
Debt financing facility	$ 2,525,000	$ 2,525,000
Repayment	(2,375,548)	(2,126,728)
Addition	564,446	564,446
Interest	1,659,648	1,505,229
	$ 2,373,546	$ 2,467,947

On January 31, 2013, the Company obtained a secured loan facility in the amount of $2,525,000. Proceeds were used to repay a previous term loan of $2,814,628.

This loan bears an interest rate of 24% per annum, plus management and maintenance fees in the amount of 0.25% per month of the outstanding principal obligations. The maturity date of this loan is January 31, 2018. It was secured by a promissory note and a general security agreement, covering all of the assets of the Company. This promissory note was executed on February 1, 2013 and this was due on February 1, 2016. The Company incurred $101,000 in transaction costs of which $25,000 was paid to certain officers and directors of the company. The Company has the option to repay any or all of the outstanding principal at any time.

The Company issued to the lender 2,525,000 warrants each exercisable into one common share of the company at $0.15 per share for a period matching the maturity of the loan. These warrants were valued at $101,000 using the following assumptions: expected volatility of 129% (based on historical share prices), risk-free interest rate at 1.08% expected life of 2 years, dividend yield of $Nil and a share price of $0.08.

On April 1, 2017, the interest rate was reduced to 12% per annum. On May 16, the interest rate was reduced to 6% per annum.

Also see note 16.

(Presented in Canadian Dollars)

7. SHARE CAPITAL

Authorized: Unlimited common shares

Issued and fully paid:

	March 31, 2017		December 31, 2016	
	Number	Amount	Number	Amount
Ordinary Shares	**33,837,852**	**$ 13,227,357**	30,037,852	$ 12,858,501
Total	**33,837,852**	**$ 13,227,357**	30,037,852	$ 12,858,501

On July 17, 2015, the company issued 11,300,000 common shares in a private placement at a price of $0.05 per share for gross proceeds of $565,000. Each unit consisted of one common share and one common share purchase warrant. Each common share purchase warrant is exercisable for one common share at an exercise price of $0.08 no later than July 17, 2017.

During the quarter ended March 31, 2017, 3,800,000 warrants were exercised.

8. STOCK OPTIONS

The Board of Directors has adopted a stock option plan for the Company (the "Plan"). Pursuant to the Plan, the Board of Directors may, from time to time at its discretion, allocate non transferable options to purchase shares to directors, officers and technical consultants of the Company.

Under the Plan, the aggregate number of shares to be issued upon the exercise of options granted thereunder may not exceed 10% of outstanding shares. Furthermore, the aggregate number of shares to be issued upon exercise of the options granted there under to any one director or officer shall not exceed 5% of the issued and outstanding shares and the number of shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding shares. Options shall expire no later than five years after the date of grant. Options may be exercised no later than ninety (90) days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

The exercise price of options granted pursuant to the Plan shall be set by the Board of Directors and shall not be less than the applicable discount permitted by the TSX-V or such other stock market on which the shares are then traded. The options issued under the plan vest according to the provisions determined by the Board at the time of grant.

The Company has no stock options outstanding at March 31, 2017.

(Presented in Canadian Dollars)

9. WARRANTS

The Company had following warrants outstanding at March 31, 2017.

	Number of warrants	Weighted average exercise price	Value of warrants
Balance, January 1, 2016	11,300,000	$0.08	$ 192,860
Granted, private placements	-	-	-
Exercised	-	-	-
Expired or cancelled	-	-	-
Balance, December 31, 2016	11,300,000	$0.08	$ 192,860
Granted, private placements	-	-	-
Exercised	3,800,000	$0.08	64,856
Expired or cancelled	-	-	-
Balance, March 31, 2017	7,500,000	$0.08	$ 128,004

Date of Expiry	Number of Warrants	Exercise Price	Grant Date Fair Value of Warrants
17-Jul-17	7,500,000	$0.08	$128,004

The warrants granted were valued using the Black-Scholes option pricing model with the following assumptions, quoted at their weighted averages.

	2015
Expected dividend yield	0.00%
Expected volatility	152%
Risk free interest rate	1.40%
Expected life	2 years

On July 17, 2015, the company issued 11,300,000 common shares in a private placement at a price of $0.05 per share for gross proceeds of $565,000. In addition, for each issued common share, the company issued one (1) warrant exercisable into one (1) common share expiring in 24 months which, if exercised, will lead to proceeds per Warrant of $0.08. The issued common shares and warrants are subject to a hold period expiring on November 18, 2015.

Upon expiry of the warrants, related outstanding balance in warrant capital will be transferred to contribute surplus.

During the quarter ended March 31, 2017, 3,800,000 warrants were exercised.

10. COMMITMENTS

The Company has net lease commitments for premises and equipment requiring the following minimum annual payments:

Within 1 year	$	101,634
2 to 6 years	$	151,672
	$	**253,306**

11. SEGMENT INFORMATION

The Company operates primarily in two industry segment, its distribution division, which sells prepaid wireless airtime and its Financial Services division provides prepaid credit card services.

	Distribution		Financial Services		Total	
$ Millions	2017	2016	2017	2016	2017	2016
Revenue	0.66	0.91	0.32	0.16	0.98	1.07
Assets	0.60	0.58	2.87	4.27	3.47	4.85
Net Profit/(Loss)	(0.36)	(0.28)	(0.03)	(0.12)	(0.39)	(0.40)

12. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares, warrant reserve, contributed surplus and deficit, equity portion of long term debt, proceeds received for units to be issued, accumulated other comprehensive income and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its growth activities, and to maintain its ongoing operations. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity and or debt financing.

The Company’s overall capital risk management strategy during the period ended March 31, 2017 and in 2016 has been to expedite customer payments and reduce credit terms offered to certain customers.

13. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by the accounting and finance department under policies approved by the Board of Directors. This department identifies and evaluates financial risks in close cooperation with management. The finance department is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

(a) Market Risk

(i) Currency Risk

The Company operates primarily in Canada and has a subsidiary in USA. The Company has exposure to foreign exchange risk. Foreign exchange risk arises from purchase and sales transactions, as well as recognized financial assets and liabilities denominated in foreign currencies.

The Company's main objective in managing its foreign exchange is to maintain Canadian cash on hand to support Canadian forecasted cash flows over a 12 month horizon. To achieve this objective, the Company monitors forecasted cash flows in foreign currencies and attempts to mitigate the risk by modifying the nature of cash held.

Balances denominated in USD at March 31, 2017 and 2016 are as follows:

	2017	**2016**
Cash	**$ 104,694**	$ (9,266)
Accounts receivable and other receivables	**20,937**	80,668
Accounts payable and accrued liabilities	**(1,060,296)**	(502,693)
Total net receivable (liability)	**$ (934,665)**	$ (431,291)

Fluctuations in the Canadian dollar exchange rate have an impact on the Company's results from operations. They can impair the ability of the Company to pay its foreign currency-denominated expenses.

Fluctuation of the U.S. dollar relative to the Canadian dollar of 5% would impact net loss by approximately $ 46,733 at March 31, 2017 (2016 impact net loss $21,564).

(ii) Interest rate risk:

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk.

The Company's demand loan has fixed interest rates. Fluctuations in market rates of interest would not change the Company's interest expense.

FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The maximum exposure to credit risk of the Company at period-end is the carrying value of its cash, accounts receivable and amounts due from related parties.

The Company manages credit risk by maintaining bank accounts with Schedule 1 banks in Canada and investing only in cash.

Cash is held with Canadian chartered banks.

Financial instruments that potentially subject the Company to credit risk consist of accounts receivable, amounts due from related parties and other receivables. The Company does not require collateral or other security for accounts receivable or amounts due from related parties. The Company estimates its provision for uncollectable amounts based on analysis of the specific amount and debtor's payment history and prospects.

Top three customers represent 71% of accounts receivable at March 31, 2017 (2016 - three customers represented 68%). Subsequent to the March 31, 2017, 31% (2016 – 52%) of the balance was collected. As at March 31, 2017, approximately $141,819 (2016 - $$565,222) of the Company's receivable were past due the average credit period of 60 days of which approximately $129,341 (2016 - $396,620) have been allowed for.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at March 31, 2017, the Company has accounts payable and accrued liabilities and demand loan of $13,274,672 due within 12 months (December 31, 2016: $13,651,932), cash of $2,287,629 (December 31, 2016 - $2,601,224) and receivables of $483,467 (December 31, 2016 - $557,662) to meet its current obligations. As a result the Company has liquidity risk.

(d) Economic Dependence

Two customers, each accounting for more than 10% of total revenues, represent 45% of the Company's revenue in the current quarter (2016 - Two customers, each accounting for more than 10% of total revenues, represented 42% of total revenues).

The Company depends on large telecommunications carriers to provide certain products and services. If these carriers were unwilling or unable to provide such products and services in the future, the Company's ability to provide products and services to its customers may be adversely affected and the Company might not be able to obtain similar services from alternative carriers on a timely basis or on terms favorable to the Company.

(Presented in Canadian Dollars)

FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Fair value

The estimated fair values of accounts receivable, accounts payable, accrued liabilities and long term debt approximates their carrying values due relatively short term nature of the instruments and/or floating interest rates of the instruments.

14. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The following summarizes the Company's related party transactions for the period:

		March 31, 2017	March 31, 2016
Salaries and benefits	$	43,892	34,892
Accounts payable	$	337,672	259,571

An entity that is related to a director of the Company has a 21.8% interest in the lender of the demand loan as at March 31, 2017.

15. KEY MANAGEMENT COMPENSATION

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company. Company's key management personnel include Chief Executive Officer & President, Chief Financial Officer and Vice President.

Remuneration of Directors and key management of Company was as follows:

	Three months ended Mar 31, 2017	Three months ended Mar 31, 2016
Salaries and Benefits	**$ 70,296**	$ 62,954
Total	**$ 70,296**	$ 62,954

16. SUBSEQUENT EVENTS

On April 3, 2017, the Company granted 3,380,000 incentive stock options to various officers, directors, employees and consultants. The options are exercisable at $0.17 per option for a period of three years from the date of grant, vesting pursuant to the terms of the Company's Stock Option Plan.

On April 13, 2017, the Company completed a private placement. The Company issued 13,333,333 units at a price of $0.15 per unit and raised aggregate proceeds of $2,000,000. Each unit consists of one common share and one common share purchase warrant with an exercise price of $0.20 for a period of three years.

On April 20,2017, the Company was served by PACE Savings & Credit Union Limited ("**PACE**") with a Statement of Claim filed in the Ontario Superior Court of Justice (the "**Claim**") for the amount of $4,000,000. The Claim relates to the shortfall of a secured cash pledge ("Secured Deposit"), as per the Special Account

Agreement executed between the Company and All Trans Financial Services Credit Union Limited ("**All Trans**"), which was acquired by PACE. The Company has been disclosing this shortfall in its financial statements during the previous years.

After March 31, 2017 and up to May 26, 2017, the Company had repaid $1,306,835 for the demand loan. Also, in May 2017, interest of $770,047 was waived by the lenders and the interest rate has been reduced to 6% per annum effective May 16, 2017.

On May 5, 2017, the Company signed a definitive agreement for a joint venture with First Global Data Corp.