iLOOKABOUT Corp.

Unaudited Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2017 and 2016

iLOOKABOUT Corp.
Unaudited Condensed Interim Consolidated Statements of Financial Position
(in Canadian dollars)

As at	Note	September 30, 2017	December 31, 2016
Assets			
Current Assets:			
Cash		$ 7,399,453	$ 2,221,432
Trade and other receivables, net		1,091,999	677,125
Prepaid expenses and other current assets		229,963	163,575
		8,721,415	3,062,132
Non-current Assets:			
Equipment		324,085	429,736
Intangible assets		1,682,798	1,851,643
		2,006,883	2,281,379
Total Assets		$ 10,728,298	$ 5,343,511
Liabilities and Shareholders' Equity			
Current Liabilities:			
Accounts payable and accrued liabilities		$ 1,804,444	$ 1,205,631
Unearned revenue		1,131,591	980,084
Current portion of long-term debt	*4*	11,350	10,947
		2,947,385	2,196,662
Non-current Liabilities:			
Unearned revenue		278,743	531,228
Long-term debt	*4*	9,514	18,066
		288,257	549,294
Shareholders' Equity		7,492,656	2,597,555
Total Liabilities and Shareholders' Equity		$ 10,728,298	$ 5,343,511

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

iLOOKABOUT Corp.
Unaudited Condensed Interim Consolidated Statements of Comprehensive Income (Loss)
(in Canadian dollars)

	Note	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Revenue	*7, 8*	$ 2,461,007	$ 2,255,283	$ 7,017,839	$ 6,597,679
Direct operating expenses	*7*	876,077	860,807	2,451,371	2,805,909
Gross margin		1,584,930	1,394,476	4,566,468	3,791,770
Other operating expenses:					
Technology		362,112	366,572	1,303,965	1,132,751
Selling and business development		230,564	223,520	692,505	830,224
General and administration		826,361	689,048	2,665,151	2,087,759
		1,419,037	1,279,140	4,661,621	4,050,734
Earnings (loss) from operations		165,893	115,336	(95,153)	(258,964)
Finance income (costs)		10,843	(308)	10,623	(14,888)
Foreign exchange gain (loss)		(65,897)	10,874	(122,687)	(50,652)
Earnings (loss) for the period		$ 110,839	$ 125,902	$ (207,217)	$ (324,504)
Other comprehensive income:					
Items that will not be reclassified to earnings (loss) for the period:					
Foreign exchange gain (loss) on the translation of foreign operations		41,068	(4,183)	68,198	38,712
Comprehensive income (loss) for the period		**$ 151,907**	**$ 121,719**	**$ (139,019)**	**$ (285,792)**
Weighted average number of common shares					
Basic	*10*	83,614,784	60,313,784	74,230,228	60,313,784
Diluted	*10*	86,609,983	63,394,145	74,230,228	60,313,784
Earnings (loss) per share					
Basic	*10*	$ -	$ -	$ -	$ (0.01)
Diluted	*10*	$ -	$ -	$ -	$ (0.01)

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

iLOOKABOUT Corp.
Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(in Canadian dollars)

Nine months ended September 30, 2017

	Note	Common share capital	Warrant capital	Contributed surplus	Deficit	Translation reserve	Total Equity
Balance at December 31, 2016		$ 13,302,626	$ 338,077	$ 5,424,757	$ (16,144,245)	$ (323,660)	$ 2,597,555
Loss for the period		-	-	-	(207,217)	-	(207,217)
Other comprehensive income:							
Foreign exchange gain on the translation of foreign operations		-	-	-	-	68,198	68,198
Comprehensive loss for the period		-	-	-	(207,217)	68,198	(139,019)
Issuance of common shares and warrants	*5 (c)*	4,423,773	133,423	-	-	-	4,557,196
Warrants exercised	*5 (a)*	290,194	(68,044)	-	-	-	222,150
Warrants expired	*5 (d)*	-	(97,554)	97,554	-	-	-
Options exercised	*5 (b)*	52,031		(25,031)	-	-	27,000
Share-based compensation	*8*	-	-	227,774	-	-	227,774
Balance at September 30, 2017		$ 18,068,624	$ 305,902	$ 5,725,054	$ (16,351,462)	$ (255,462)	$ 7,492,656

Nine months ended September 30, 2016

	Note	Common share capital	Warrant capital	Contributed surplus	Deficit	Translation reserve	Total Equity
Balance at December 31, 2015		$ 13,173,500	$ 717,230	$ 4,558,722	$ (15,646,886)	$ (344,379)	$ 2,458,187
Loss for the period		-	-	-	(324,504)	-	(324,504)
Other comprehensive loss:							
Foreign exchange gain on the translation of foreign operations		-	-	-	-	38,712	38,712
Comprehensive loss for the period		-	-	-	(324,504)	38,712	(285,792)
Warrants expired		-	(63,050)	63,050	-	-	-
Share-based compensation	*8*	-	-	260,578	-	-	260,578
Balance at September 30, 2016		$ 13,173,500	$ 654,180	$ 4,882,350	$ (15,971,390)	$ (305,667)	$ 2,432,973

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

iLOOKABOUT Corp.
Unaudited Condensed Interim Consolidated Statements of Cash Flows
(in Canadian dollars)

	Note	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Cash flows from operating activities			
Loss for the period		$ (207,217)	$ (324,504)
Adjustments for:			
Loss on disposal of equipment		45,188	8,528
Loss (gain) on disposal of intangible assets		231	(387)
Amortization of equipment		91,408	111,391
Amortization of intangible assets		173,383	173,887
Unrealized foreign exchange loss		134,724	53,584
Finance income (costs)		(10,623)	14,888
Share-based compensation expense		227,774	260,578
		454,868	297,965
Changes in non-cash operating assets and liabilities	*11*	(54,983)	(539,334)
Interest paid		(1,144)	(177,571)
Interest received		11,766	286
Tax credits received		71,557	62,061
Cash provided by (used in) operating activities		482,064	(356,593)
Cash flows from financing activities			
Repayment of secured term credit facility		-	(600,000)
Repayment of debt financing of vehicles	*4*	(8,149)	(7,676)
Proceeds from issuance of common shares	*5 (c)*	4,557,196	-
Proceeds from warrants exercised	*5 (a)*	222,150	-
Proceeds from options exercised	*5 (b)*	27,000	-
Cash provided by (used in) financing activities		4,798,197	(607,676)
Cash flows from investing activities			
Purchase of equipment		(30,945)	(193,961)
Proceeds on disposal of equipment		-	10,410
Purchase of intangible asset		(4,769)	(4,816)
Proceeds on disposal of intangible assets		-	775
Cash used in investing activities		(35,714)	(187,592)
Increase (Decrease) in cash for the period		5,244,547	(1,151,861)
Effect of exchange rate fluctuations on cash		(66,526)	(14,872)
Cash - beginning of period		2,221,432	2,600,269
Cash - end of period		$ 7,399,453	$ 1,433,536

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

(in Canadian dollars)

1. Corporate Information

iLOOKABOUT (the ñCompanyò) is a software, data analytics, and visual intelligence company focused on real property, serving primarily the property assessment, property taxation, municipal, insurance, and appraisal sectors, both public and private, in Canada and the United States (ñUSò).

The Company primarily operates from locations at 175 Bloor Street East, Suite 1105, Toronto, Ontario and at 383 Richmond Street, Suite 408, London, Ontario, Canada.

The Companyôs shares are traded in Canada on the TSX Venture Exchange (ñTSX-Vò) under the symbol ILA.

The consolidated financial statements comprise the subsidiaries presented below.

Subsidiary[1]	Voting Securities	Jurisdiction of Incorporation	Year End
iLOOKABOUT Inc.	100%	Ontario	December 31
iLOOKABOUT (US) Inc.	100%	Delaware	December 31
Municipal Tax Advisory Group Inc.	100%	Ontario	December 31
MTAG Paralegal Professional Corporation[2]	0%	Ontario	December 31

Note:
1. Subsidiaries are legal entities controlled by the Company. Control exists when the Company has power to direct the relevant activities of an entity and is exposed to or has rights to variable returns from its involvement with the entity. In certain circumstances, the Company may have control over an entity in which it does not own more than 50% voting interest. In making this determination, the Company considers all relevant facts and circumstances in assessing whether it has power over the entity including rights arising from contractual arrangements that allow the Company to direct the relevant activities and be exposed to variable returns of the entity, among other considerations.
2. MTAG Paralegal Professional Corporation was formed in compliance with the regulations of the Law Society of Upper Canada *(as defined in the Law Society Act)*. The property tax paralegal practice in Ontario is organized as a separate professional corporation to comply with the regulations of the *Law Society Act*. While, the Company does not have any voting rights in this entity, the Company controls the entity through contractual arrangements.

2. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board (ñIASBò). The notes presented in these interim consolidated financial statements include only significant changes and transactions occurring since the Companyôs last year end and are not fully inclusive of all disclosures required by International Financial Reporting Standards (ñIFRSò) for annual financial statements. These interim consolidated financial statements should be read in conjunction with the Companyôs annual audited consolidated financial statements as at and for the year ended December 31, 2016, which are available on SEDAR.

These interim consolidated financial statements were approved by the Board of Directors on November 24, 2017.

3. Significant Accounting Policies

These interim consolidated financial statements follow the same accounting policies and methods of application as the consolidated financial statements as at and for the year ended December 31, 2016.

The accounting policies have been consistently applied by the Companyôs subsidiaries.

(a) ***New accounting policies adopted***

On July 1, 2017, the Company adopted the following accounting policy.

Non-monetary transactions:

Revenue and expense are recognized by the Company when goods or services are provided in exchange for dissimilar goods or services. Revenue is measured at the fair value of the goods or services received, adjusted by any cash or cash equivalents received or paid, unless the fair value cannot be measured reliably. In such cases, the revenue is measured at the fair value of the goods or services given up, adjusted by any cash or cash equivalents received or paid. These fair value estimates can affect the amount and timing of revenue and expense recognition resulting from non-monetary transactions. The determination of such fair values requires management to apply judgement when making these estimates. Actual results could differ materially from these estimates.

(b) ***Accounting pronouncements not yet adopted***

The IASB has issued new standards and amendments to existing standards. These changes in accounting are not yet effective, and could have an impact on future periods.

IFRS 9 - Financial Instruments
In July 2014, the IASB issued the final publication of the IFRS 9 standard, superseding the current IAS 39 - Financial Instruments: recognition and measurement standard. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. The standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. Management is assessing the impact of this standard on the consolidated financial statements.

(Note 3 – continued)

IFRS 15 - Revenue from Contracts with Customers
In May 2014, the IASB issued IFRS 15 which supersedes existing standards and interpretations including but not limited to IAS 11 ï Construction Contracts, IAS 18 ï Revenue, and IFRIC 13 - Customer Loyalty Programmes.

IFRS 15 introduces a single model for recognizing revenue from contracts with customers with the exception of certain contracts under other IFRSs such as IAS 17 - Leases. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the expected consideration receivable in exchange for transferring those goods or services. This is achieved by applying the following five steps:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also provides guidance relating to the treatment of contract acquisition and contract fulfillment costs. The standard is effective for annual periods beginning on or after January 1, 2018.

The Company will have the option to either:
- apply IFRS 15 with full retrospective effect; or
- recognize the cumulative effect of initially applying IFRS 15 as an adjustment to opening equity at the date of initial application.

The Company has commenced an implementation plan to develop the necessary accounting policies, estimates and judgments required to adopt IFRS 15. The implementation plan includes an assessment of the standard and the Companyọs policy as well as any changes required to business processes, systems and internal controls upon adoption of IFRS 15. The Company is not currently in a position to make a reliable estimate of the impact of IFRS 15 on its consolidated financial statements, but has determined that the quantitative impact is likely to be significant. Additional disclosure with respect to the nature of revenue and the status of performance obligations is also expected.

IFRS 16 - Leases
In January 2016, the IASB issued the final publication of the IFRS 16 - Leases standard, which will supersede the current IAS 17 - Leases standard. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The accounting treatment for lessors will remain largely the same as under IAS 17.

The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted, but only if the entity is also applying IFRS 15. The Company will have the option to either:
- apply IFRS 16 with full retrospective effect; or
- recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application.

Management is assessing the impact of this standard on the consolidated financial statements.

(in Canadian dollars)

4. Long-term debt

		September 30, 2017		December 31, 2016
Debt financing of vehicles		20,864		29,013
	$	**20,864**	**$**	**29,013**
Due within 1 year	$	11,350	$	10,947
Due between 1 and 5 years		9,514		18,066
	$	**20,864**	**$**	**29,013**

Debt financing of vehicles

		Carrying Value
Balance, December 31, 2016	$	29,013
Repayment of financing		(8,149)
Balance, September 30, 2017	**$**	**20,864**

5. Common Share and Warrant Capital

			September 30, 2017		December 31, 2016	
	Expiry date	**Exercise price**	**Issued**	**Amount**	**Issued**	**Amount**
Issued and outstanding:						
Common shares			83,614,784	$ 18,068,624	61,388,784	$ 13,302,626
Share purchase warrants:						
Series G warrants	March 29, 2017	0.31	-	-	576,611	97,554
Series I warrants	January 24, 2017	0.15	-	-	1,481,000	68,044
Series J warrants	January 24, 2018	0.15	1,481,000	76,160	1,481,000	76,160
Series L warrants	October 24, 2021	0.40	1,000,000	96,319	1,000,000	96,319
2017 Broker warrants	May 16, 2019	0.25	1,044,000	133,423	-	-
			3,525,000	305,902	4,538,611	338,077
Share capital and warrant capital			87,139,784	$ 18,374,526	65,927,395	$ 13,640,703

The authorized capital is an unlimited number of common shares and an unlimited number of preference shares, issuable in series. The common shares have no par value and are each entitled to one vote. All issued common shares are fully paid.

(in Canadian dollars)

(Note 5 – continued)

The following table presents changes in common shares:

		Number of shares		Amount
Balance, December 31, 2016		**61,388,784**	**$**	**13,302,626**
Warrants exercised	(a)	1,481,000		290,194
Options exercised	(b)	225,000		52,031
Common shares issued	(c)	20,520,000		4,423,773
Balance, September 30, 2017		**83,614,784**	**$**	**18,068,624**

The following table presents changes in warrant capital:

		Number of warrants		Amount
Balance, December 31, 2016		**4,538,611**	**$**	**338,077**
Warrants exercised	(a)	(1,481,000)		(68,044)
Warrants expired	(d)	(576,611)		(97,554)
Warrants issued	(c)	1,044,000		133,423
Balance, September 30, 2017		**3,525,000**	**$**	**305,902**

(a) ***Warrants exercised***

In January 2017, 1,481,000 Series I purchase warrants previously issued under a private placement to the Executive Chair of the Company, were exercised for 1,481,000 Common Shares at an exercise price of $0.15 per share, for gross proceeds of $222,150.

(b) ***Stock Options exercised***

In March 2017, 50,000 stock options with an exercise price of $0.12 per share were exercised, resulting in the issuance of 50,000 Common Shares, for gross proceeds of $6,000.

In April 2017, 125,000 stock options with an exercise price of $0.12 per share were exercised, resulting in the issuance of 125,000 Common Shares, for gross proceeds of $15,000.

In May 2017, 50,000 stock options with an exercise price of $0.12 per share were exercised, resulting in the issuance of 50,000 Common Shares, for gross proceeds of $6,000.

(in Canadian dollars)

(Note 5 – continued)

(c) *Common Shares and Warrants issued*

In May 2017, the Company completed a brokered public offering. In total, 20,520,000 common shares were issued for gross proceeds of $5,130,000, less cash based issuance costs of $572,804. Net proceeds from the public offering were allocated to common share capital.

In addition to cash compensation, brokers of the public offering completed in May 2017 were granted a total of 1,044,000 warrants, having an exercise price of $0.25, and a term to expiry of 24 months.

The fair value of the warrants granted, being $133,423, was determined at the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2017 Broker Warrants
Exercise price	$0.25
Risk free interest rate	0.72%
Expected dividend yield	0%
Expected share volatility	98%
Expected life	24 months

(d) *Warrants expired*

In March 2017, 576,611 Series G common share purchase warrants previously issued for the purchase of 576,611 common shares at a price of $0.31 expired, unexercised.

6. Related party transactions

(i) In January 2017, 1,481,000 Series I purchase warrants previously issued under a private placement to the Executive Chair of the Company, were exercised for 1,481,000 Common Shares at an exercise price of $0.15 per share.

(ii) In May 2017, the Company completed a public offering for gross proceeds of $5,130,000. The Company׳s CEO purchased 700,000 Common Shares at a price of $0.25 per share under this public offering.

(iii) In May 2017, the Company׳s CFO exercised 50,000 stock options at an exercise price of $0.12 per share, resulting in the issuance of 50,000 Common Shares, for gross proceeds of $6,000.

(Note 6 – continued)

(iv) MTAG Paralegal Professional Corporation was formed in compliance with the regulations of the Law Society of Upper Canada *(as defined in the Law Society Act)*. The property tax paralegal practice in Ontario is organized as a separate professional corporation to comply with the regulations of the *Law Society Act*. The Executive Chair of the Company, a paralegal licensed in the Province of Ontario, is the sole shareholder of the professional corporation; however, the Company controls the entity through contractual arrangements. The contractual arrangements provide that all economic benefit or loss resulting from the entity will be received by the Company. In September 2017, MTAG Paralegal Professional Corporation commenced the delivery of paralegal services.

(v) To provide for ongoing support and development of the technology software assets purchased in 2015 (the ñSoftwareò) from Yeoman & Company Paralegal Professional Corporation (ñYCPò), the Company entered into a consulting agreement with YCP (the ñConsulting Agreementò). Two of the principals of YCP are the sons of the Executive Chair of the Company. The Consulting Agreement has a term of twenty years, ending in December 2034, and provides for an annual fee of $265,000 plus 15% of revenue recognized and received by the Company from end customers (the ñYCP Feesò) for use of the Software. For the three and nine months ended September 30, 2017, the Company paid YCP Fees of $89,039 and $303,417 (three months and nine months ended September 30, 2016 ï $84,439 and $268,948) to YCP, which were included in direct operating expense and technology expense.

(vi) YCP relicenses and/or utilizes the Companyôs Software in order to provide services to YCPôs end customers. Included in revenue for the three and nine months ended September 30, 2017 are software licence fees of $6,900 and $25,275 (three and nine months ended September 30, 2016 ï $6,088 and $23,319).

(vii) One of the premises occupied by the Company is rented on an annual basis from a related company owned by an officer and director of the Company. For the three and nine months ended September 30, 2017, the Company paid rent to the related company of $3,000 and $9,000, (three and nine months ended September 30, 2016 - $3,000 and $9,000), which is included in general and administration expense.

These transactions are in the normal course of operations and are measured at the transaction amount, being the amount of consideration established and agreed to by the related parties.

7. Non-monetary transactions

The Company licenses real property related data from a third party for use in one of the Companyôs applications. Compensation to the licensor for this data is made by the Company through a combination of cash payments, access to one of the Companyôs applications and the provision of custom development services. The data licensing expense is recognized evenly over the period of access to the data, and the revenue related to the provision of services by the Company is recognized as those services are delivered. As the timing of access to the data and delivery of services by the Company may not align, the related revenue and expense may not match in a reporting period. For the three and nine months ended September 30, 2017, visual and data services revenue of $12,326 and direct operating expense of $129,333, related to this transaction, were recognized.

(in Canadian dollars)

8. Revenue

The Company operates and reports its results as one operating segment, which is real property related products and services.

Nature of services:
The Company generates revenue from the provision of visual and data services, and from consulting services.

	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Visual and data services	$ 2,289,451	$ 2,021,679	$ 6,425,745	$ 5,927,920
Consulting services	171,556	233,604	592,094	669,759
Total	$ 2,461,007	$ 2,255,283	$ 7,017,839	$ 6,597,679

Significant customers:

Customers representing more than 10% of revenue are classified as significant customers.

For the three months ended September 30, 2017, the Company had two significant customers; one represented 56% and the other represented 11% of total revenue. For the three months ended September 30, 2016, the Company had two significant customers; one represented 53%, and the other represented 12% of total revenue.

For the nine months ended September 30, 2017, the Company had one significant customer; representing 56%, of total revenue. For the nine months ended September 30, 2016, the Company had two significant customers; one represented 54%, and the other represented 16% of total revenue.

At September 30, 2017, three customers each accounted for more than 10% of trade accounts receivable, totalling approximately 57% of trade accounts receivable at that time, of which 100% was collected subsequent to September 30, 2017

At December 31, 2016, two customers each accounted for more than 10% of trade accounts receivable, totalling approximately 62% of trade accounts receivable at that time, of which 100% was collected subsequent to December 31, 2016.

(in Canadian dollars)

(Note 8 – continued)

Geographic information:

Geographically, the Company operates primarily in Canada and the United States.

Information regarding the revenue of each geographic area is included below:

	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Canada	$ 2,008,930	$ 1,898,077	$ 5,954,200	$ 5,822,009
United States	452,077	357,206	1,063,639	775,670
Total	$ 2,461,007	$ 2,255,283	$ 7,017,839	$ 6,597,679

Equipment and intangible assets were entirely located in Canada.

9. Share-based compensation

Stock Options:

The number and weighted average exercise prices of options to purchase common shares are as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years
Outstanding December 31, 2016	5,727,475	$ 0.264	3.0
Exercised	(225,000)	$ 0.120	
Granted	290,000	$ 0.280	
Outstanding September 30, 2017	5,792,475	$ 0.271	2.5

The options outstanding at September 30, 2017 have exercise prices ranging from $0.145 to $0.335. All options outstanding had a contractual life of 5 years upon grant. Of the 5,792,475 unexercised options as at September 30, 2017, 4,206,725 had vested and were exercisable.

(in Canadian dollars)

(Note 9 – continued)

The fair value of options granted during the period was determined at the date of grant using the Black-Scholes option pricing model with the following assumptions:

Exercise price	$0.17
Common Share Value at Grant Date	$0.23
Risk free interest rate	1.51%
Expected dividend yield	0%
Expected share volatility	118%
Expected life	60 months

For the three and nine months ended September 30, 2017, the Company recorded share-based compensation expense of $46,609 and $145,274 (three and nine months ended September 30, 2016 - $80,316 and $178,078) related to stock options granted to employees, officers, directors and consultants which is included in selling and business development expense and general and administration expense.

Deferred Share Units:

The following table presents changes in Deferred Share Units (ñDSUsò):

	Number of Units				Amount
Outstanding December 31, 2016	1,785,792	$	0.30	$	491,325
Granted	358,694	$	0.23		82,500
Outstanding September 30, 2017	2,144,486	$	0.27	$	573,825

For the three and nine months ended September 30, 2017, the Company recorded share-based compensation expense of $nil and $82,500 (three and nine months ended September 30, 2016 ï $nil and $82,500) related to DSUs granted to directors, which is included in general and administration expense.

(in Canadian dollars)

10. Earnings (loss) per share

	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Numerator (basic) -				
Earnings (loss) for the period	$ 110,839	$ 125,902	$ (207,217)	$ (324,504)
Denominator - Number of common shares				
Weighted average number of common shares outstanding, basic	83,614,784	60,313,784	74,230,228	60,313,784
Effects of dilutive securities				
Options	396,084	579,691	-	-
Warrants	454,628	981,005	-	-
Deferred share units	2,144,486	1,519,665	-	-
Weighted average number of common shares outstanding, diluted	86,609,982	63,394,145	74,230,228	60,313,784
Earnings (loss) per share:				
Basic	$ -	$ -	$ -	$ (0.01)
Diluted	$ -	$ -	$ -	$ (0.01)

Basic earnings per share (ñEPSò) is calculated using the weighted average number of common shares outstanding during the period.

For the three months ended September 30, 2017 and September 30, 2016, diluted earnings per share did not take into account any outstanding warrants or options whose exercise price exceeded the average share price for the period (ñnot in the moneyò). As at September 30, 2017, there were a total of:

- 2,044,000 warrants not in the money (September 30, 2016 ï 3,909,944); and
- 3,898,725 options not in the money (September 30, 2016 ï 3,608,725).

For the nine months ended September 30, 2017, diluted loss per share did not take into account any outstanding warrants, options, or deferred share units as their effect would be anti-dilutive for these periods. As at September 30, 2017, there were a total of:

- 3,525,000 warrants outstanding (September 30, 2016 ï 6,871,944);
- 5,792,475 options outstanding (September 30, 2016 ï 5,802,475); and
- 2,144,486 deferred share units outstanding (September 30, 2016 ï 1,519,665);

(in Canadian dollars)

11. Supplementary cash flow information

	Period Ended	
	September 30, 2017	**September 30, 2016**
Changes in non-cash operating assets and liabilities:		
Trade and other receivables	$ (486,430)	$ (899,243)
Prepaid expenses and other current assets	(66,388)	(47,194)
Accounts payable and accrued liabilities	598,813	3,788
Unearned revenue	(100,978)	403,315
	$ (54,983)	**$ (539,334)**

12. Financial risk management

The Company is exposed to credit risk, liquidity risk, foreign exchange risk, and interest rate risk from its financial assets and liabilities. Financial risk management strategies are designed to ensure the Companyҫs risks and related exposures are consistent with its business objectives and risk tolerance. There have been no significant changes to the Companyҫs key financial risks or risk management strategies since December 31, 2016, with the exception of the items noted below.

		Contractual cash outflows				
As at September 30, 2017	**Carrying Amounts**	**Total**	**within 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Accounts payable and accrued liabilities	$ 1,804,444	$ 1,804,444	$ 1,804,444	$ -	$ -	$ -
Debt financing of vehicles	20,864	22,052	12,390	9,662	-	-
Operating leases	-	1,023,921	199,092	259,188	531,465	34,176
Purchase commitments	-	4,696,250	267,916	290,000	870,000	3,268,334
	$ 1,825,308	$ 7,546,667	$ 2,283,842	$ 558,850	$ 1,401,465	$ 3,302,510

The purchase commitments included in the table above are composed primarily of annual base fixed fees under a consulting agreement with Yeoman & Company Paralegal Professional Corporation, disclosed in Note 6, of $265,000, which continue until December 2034. Committed payments for the period of October 2017 to December 2034 total $4,571,250.

(in Canadian dollars)

(Note 12 – continued)

The aging of trade and other receivables at the reporting date was:

As at	September 30, 2017	December 31, 2016
Current	$ 995,604	$ 598,082
Past due 1-90 days	57,686	29,268
Past due over 90 days	38,709	49,775
	$ 1,091,999	$ 677,125

Specific provisions are made against trade receivables for any customer that is known to be in poor financial condition or for any other reason it is considered doubtful that the customerǒs balance outstanding will be settled in full. In 2016, the Company recorded an impairment allowance of $45,538 with respect to one of its customers which is included as a reduction of trade and other receivables at September 30, 2017. This allowance has been established based on managementǒs assessment of the likelihood of collection for specific customer balances. Based on historic default rates, the Company believes that, apart from the above, no further impairment allowance is necessary with respect to trade and other receivables.

13. Financial instruments

Fair values versus carrying amounts

Fair values of cash, trade and other receivables, and accounts payable and accrued liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The carrying amount of the vehicle debt approximates fair value as it is carried at market rates of interest.