## **Angoss Software Corporation Consolidated Balance Sheets**

(unaudited, stated in Canadian dollars)

| As at   | November 30,<br>2012 | November 30,<br>2011 | December 1,<br>2010 |  |
|---|----------------------|----------------------|---------------------|--|
| ASSETS  |                      |                      |                     |  |
| Current   |                      |                      |                     |  |
| Cash  | \$ 473,027           | \$ 1,439,478         | \$ 1,325,546        |  |
| Restricted investments                          | -                    | 35,709               | 335,000             |  |
| Accounts receivable                             | 1,675,263            | 1,696,037            | 1,887,896           |  |
| Prepaid expenses and other assets               | 248,167              | 233,119              | 295,405             |  |
| Assets of discontinued operations               | 240,107              | 33,966               | 206,201             |  |
| Total current assets                            | 2,396,457            | 3,438,309            | 4,050,048           |  |
| Total carrent assets                            | 2,070,407            | 3,430,307            | 4,000,040           |  |
| Plant and Equipment, net                        | 325,468              | 412,298              | 442,220             |  |
| Intangibles, net                                | 816,194              | 661,296              | 326,874             |  |
| Assets of discontinued operations               | · <u>-</u>           | -                    | 1,561,217           |  |
| Total assets                                    | \$ 3,538,119         | \$ 4,511,903         | \$ 6,380,359        |  |
| LIABILITIES AND SHAREHOLDERS' EQUITY            |                      |                      |                     |  |
| Current   |                      |                      |                     |  |
| Accounts payable and accrued liabilities        | \$ 1,167,760         | \$ 1,084,527         | \$ 860,868          |  |
| Provision for termination benefits              | 96,881               | 217,329              | 517,733             |  |
| Revolving line of credit                        | 852,196              | -                    | -                   |  |
| Dividends payable on preferred shares           | 11,208               | 11,208               | -                   |  |
| Lease inducement                                | 20,510               | 10,689               | 41,819              |  |
| Current portion of long-term debt               | · <u>-</u>           | 1,888,000            | -                   |  |
| Current portion of term loan                    | 717,311              | -                    | 214,286             |  |
| Finance leases                                  | 103,388              | 103,209              | 88,807              |  |
| Current redeemable portion of preferred shares  | 336,250              | -                    | -                   |  |
| Deferred revenue                                | 3,809,430            | 3,464,497            | 4,209,065           |  |
| Liabilities of discontinued operations          | · · · -              | 27,880               | 389,323             |  |
| Total current liabilities                       | 7,114,934            | 6,807,339            | 6,321,901           |  |
|   |                      |                      | 4 000 000           |  |
| Long-term debt                                  | -                    | -                    | 1,888,000           |  |
| Term loan                                       | -                    | -                    | 53,571              |  |
| Deferred revenue                                | 62,195               | 36,506               | 72,295              |  |
| Finance leases                                  | 34,944               | 110,551              | 45,452              |  |
| Lease inducement                                | 108,052              | 1 001 450            | 11,626              |  |
| Preferred shares                                | 812,311              | 1,081,450            | -                   |  |
| Liabilities of discontinued operations          |                      | 0.025.04/            | 15,188              |  |
| Total liabilities Commitments and Contingencies | 8,132,436            | 8,035,846            | 8,408,033           |  |
|   |                      |                      |                     |  |
| Shareholders' deficiency                        |                      |                      |                     |  |
| Capital stock                                   | 3,027,701            | 3,027,701            | 1,813,106           |  |
| Contributed surplus                             | 989,799              | 900,992              | 806,834             |  |
| Deficit   | (8,611,817)          | (7,452,636)          | (4,647,614)         |  |
| Total shareholders' deficiency                  | (4,594,317)          | (3,523,943)          | (2,027,674)         |  |
|   | \$ 3,538,119         | \$ 4,511,903         | \$ 6,380,359        |  |

## **Angoss Software Corporation** Consolidated Statements of Loss and Comprehensive Loss (unaudited, stated in Canadian dollars)

| For the period ended  | Three mont               |                        | Twelve months ending<br>November 30, |                        |  |
|---|--------------------------|------------------------|--------------------------------------|------------------------|--|
| ·   | 2012                     | 2011                   | 2012                                 | 2011                   |  |
| Revenue   | \$ 2,026,635             | \$ 1,596,858           | \$ 7,044,957                         | \$ 6,941,404           |  |
| Operating expenses  |                          |                        |                                      |                        |  |
| Sales and marketing   | 1,055,253                | 1,196,937              | 4,032,666                            | 3,936,004              |  |
| General and administration                                    | 688,174                  | 534,271                | 2,299,103                            | 1,768,231              |  |
| Research and development, net                                 | 224,908                  | 142,265                | 834,545                              | 1,173,190              |  |
|   | 1,968,335                | 1,873,473              | 7,166,314                            | 6,877,425              |  |
| Termination benefits  | -                        | -                      | -                                    | 60,625                 |  |
| Amortization of capital assets                                | 49,152                   | 65,600                 | 198,320                              | 322,030                |  |
| Amortization of intangible assets                             | 242,754                  | 35,543                 | 392,087                              | 68,363                 |  |
| Interest expense  | 18,689                   | 34,358                 | 125,168                              | 125,355                |  |
| Interest accretion on Preferred shares                        | 17,643                   | 15,326                 | 67,111                               | 15,326                 |  |
| Dividend expense on Preferred shares                          | 33,624                   | 11,208                 | 134,498                              | 11,208                 |  |
| Foreign exchange (gain) loss                                  | 28,099                   | (43,936)               | 31,833                               | 62,086                 |  |
| Stock based compensation                                      | 27,423                   | 29,260                 | 88,807                               | 223,005                |  |
| Operating expenses  | 2,385,719                | 2,020,832              | 8,204,138                            | 7,765,423              |  |
| Loss from continuing operations                               | (359,084)                | (423,974)              | (1,159,181)                          | (824,019)              |  |
| Loss from discontinued operations                             | -                        | (402,260)              | -                                    | (1,981,003)            |  |
| Net (loss) and comprehensive (loss) for the period            | (359,084)                | (826,234)              | (1,159,181)                          | (2,805,022)            |  |
| Basic and diluted (loss) earnings per share                   | \$ (0.03)                | \$ (0.09)              | \$ (0.11)                            | \$ (0.32)              |  |
| Weighted average number of shares outstanding  Basic  Diluted | 10,280,836<br>10,280,836 | 9,417,606<br>9,417,606 | 10,280,836<br>10,280,836             | 8,698,771<br>8,698,771 |  |

## **Angoss Software Corporation Consolidated Statement of Changes in Shareholders' Deficiency**

(unaudited, stated in Canadian dollars)

|  | Capital Stock    | Contributed surplus    | Total                 | Deficit            |
|--|------------------|------------------------|-----------------------|--------------------|
| Balance at December 1, 2010                          | \$1,813,106      | \$806,834              | \$2,619,940           | (\$4,647,614)      |
| Share-based compensation                             | 128,847          | 94,158                 | 223,005               | -                  |
| Loss for the period                                  | -                | -                      | -                     | (2,805,022)        |
| Shares issued  | 858,778          |                        | 858,778               |                    |
| Warrants issued                                      | 226,970          | -                      | 226,970               | -                  |
| Balance at November 30, 2011                         | \$3,027,701      | \$900,992              | \$3,928,693           | (\$7,452,636)      |
|  | Capital Stock    | Contributed<br>surplus | Total                 | Deficit            |
| Balance at December 1, 2011 Share-based compensation | \$3,027,701<br>- | \$900,992<br>88,807    | \$3,928,693<br>88,807 | (\$7,452,636)<br>- |
| Income/Loss for the period                           | -                | -                      | -                     | (1,159,181)        |
| Balance at November 30, 2012                         | \$3,027,701      | \$989,799              | \$4,017,500           | (\$8,611,817)      |

## Angoss Software Corporation Consolidated Statements of Cash Flows

(unaudited, stated in Canadian dollars)

| Net (loss) and comprehensive loss for the period from continuing operations   \$ (359,084) \$ (423,974) \$ (1,159,181) \$ (824,019)  | For the period ended                              | Three months ended<br>November 30, |             |    |             | Twelve months ending<br>November 30, |           |  |
|--|---|------------------------------------|-------------|----|-------------|--------------------------------------|-----------|--|
| Net (loss) and comprehensive loss for the period from continuing operations (359,084) \$ (423,974) \$ (1,159,181) \$ (824,019)   |   |                                    | 2012        |    | 2011        | 2012                                 | 2011      |  |
| Net (loss) and comprehensive loss for the period from continuing operations (359,084) \$ (423,974) \$ (1,159,181) \$ (824,019)   | OPERATING ACTIVITIES                              |                                    |             |    |             |                                      |           |  |
| Region continuing operations   \$ (359,084) \$ (423,974) \$ (1,159,181) \$ (824,019)   |   |                                    |             |    |             |                                      |           |  |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities Unrealized foreign exchange loss (gain) 7,788 (46,262) (38,894) 51,289 (11 15,326) 17,643 15,326 67,111 15,326 (37,111 15,326) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 322,030 (32,030) 18,320 32,030 (32,030) 18,320 32,030 (32,030) 18,320 32,030 (32,030) 18,320 32,030 (32,030) 18,320 32,030 (32,030) 18,320 32,030 (33,036) (346,370) 18,471 197,744 (Increase) decrease in accounts receivable (33,03,04) 18,471 197,744 (Increase) decrease in accounts receivable (33,03,04) 18,471 197,744 (Increase) decrease in prepaid expenses and other assets (32,03,04) 18,471 197,744 (Increase) (decrease) in provision for termination costs (120,448) 54,070 (120,448) (15,048) (15,048) (16 | • • •   | \$                                 | (359.084)   | \$ | (423.974)   | \$ (1,159,181) \$                    | (824.019) |  |
| Unrealized foreign exchange loss (gain)   7,788   46,262   (38,894)   51,289     Interest accretion on Preferred shares   17,643   15,326   67,111   15,326     Amortization of intangible assets   49,152   65,000   198,320   322,030     Amortization of intangible assets   242,754   35,543   392,087   68,363     Stock-based compensation   27,423   29,260   88,807   223,005     Changes in non-cash working capital balances   27,423   29,260   (451,750   (144,006)     Changes in non-cash working capital balances   27,330   35,709   299,291     Increase (increase) in restricted investments   7,73,00   35,709   299,291     Increase decrease in accounts receivable   (335,366)   (346,370)   1,417   197,744     (Increase) decrease in prepaid expenses and other assets   22,758   11,339   (15,048)   62,286     Increase (decrease) in recounts payable and accrued liabilities   296,174   130,270   83,233   (2,190     Increase (decrease) in provision for termination costs   (120,448)   54,070   (120,448)   (74,555)     (Decrease) in individends payable on Preferred shares   11,208   7370,622   (780,357)     (Decrease) in lease inducement   (6,837)   (14,414)   (17,526   (42,756)     Cash (used) provided by operating activities   56,770   (205,352)   (113,770)   (473,335)     Investment in intangible assets   (163,846)   (181,492)   (546,985)   (402,785)     Purchase of plant and equipment   1,961   20,171   (111,490)   (292,108)     Issuance of Preferred shares and warrants   1,293,094   2,1293,094     Revolving line of credit, net of repayments   428,322   882,202   -4     Investment in intangible assets   (163,866)   (161,321)   (658,475)   (794,897)     Finance leases - net   (33,083)   36,386   (75,428)   79,501     Term debt   2,116   12,418   2,642   (57,174)     Cash provided (used) by financing activities   360,579   1,688,254   (202,913)   1,963,516    Effect of foreign exchange rate fluctuations on cash and cash equivalents   2,116   (36,854)   (42,333)   (43,94,78)   (43,335,46)   (43,345,47)   (43,345,47)   (43,3   | 9 1   |                                    | ( , , , , , |    | ( , , , , , |                                      |           |  |
| Interest accretion on Preferred shares   | provided by (used in) operating activities        |                                    |             |    |             |                                      |           |  |
| Amortization of capital assets         49,152         65,600         199,320         322,030           Amortization of intangible assets         242,754         35,543         392,087         68,363           Stock-based compensation         27,423         29,260         88,807         223,005           Changes in non-cash working capital balances         014,324         (324,507)         (451,750)         (144,006)           Changes in non-cash working capital balances         027,823         77,300         35,709         299,291           (Increase) decrease in accounts receivable         (335,366)         (346,370)         1,417         197,744           (Increase) decrease in accounts payable and accrued liabilities increase (decrease) in provision for termination costs         (120,448)         54,070         (120,448)         (74,555)           (Decrease) in indefends payable on Preferred shares         -         11,208         -         11,208         -         11,208         -         11,208         -         11,208         -         11,208         -         11,208         -         1,1208         -         1,1208         -         1,1208         -         1,1204         -         1,1204         -         1,1204         -         1,120,448         -         1,204,448         -  | Unrealized foreign exchange loss (gain)           |                                    | 7,788       |    | (46,262)    | (38,894)                             | 51,289    |  |
| Amortization of intangible assets Stock-based compensation         242,754 (14,324) (324,507) (324,507) (451,750) (144,006)           Changes in non-cash working capital balances         (74,324) (324,507) (451,750) (144,006)           Decrease (increase) in restricted investments         - 77,300 (335,366) (346,370) (1,417 (197,744) (10,742) (10,74   | Interest accretion on Preferred shares            |                                    | 17,643      |    | 15,326      | 67,111                               | 15,326    |  |
| Stock-based compensation         27,423         29,260         88,807         223,005           Changes in non-cash working capital balances         Charges (increase) in restricted investments         -         77,300         35,709         299,291           Charges (increase) in restricted investments         -         77,300         35,709         299,291           (increase) decrease in accounts receivable         (335,366)         (346,370)         1,417         197,744           (Increase) decrease in prepaid expenses and other assets         22,758         11,339         (15,048)         62,286           Increase (decrease) in accounts payable and accrued liabilities         296,174         130,270         83,233         (2,190           Increase (decrease) in provision for termination costs         (120,448)         54,070         (120,448)         74,555           (Decrease) in dividends payable on Preferred shares         -         11,08         -         11,208           (Decrease) in deserred revenue         214,813         195,752         370,622         (780,357)           (Decrease) in lease inducement         (6,837)         (14,144)         (17,526)         (427,56)           Cash (used) provided by operating activities         (163,846)         (181,492)         (546,985)         (402,785)   | Amortization of capital assets                    |                                    | 49,152      |    | 65,600      | 198,320                              | 322,030   |  |
| Changes in non-cash working capital balances         (14,324)         (324,507)         (451,750)         (144,006)           Changes in non-cash working capital balances         Decrease (increase) in restricted investments         -         77,300         35,709         299,291           (Increase) decrease in accounts receivable         (335,366)         (346,370)         1,417         197,744           (Increase) decrease in prepaid expenses and other assets         22,758         11,339         (15,048)         62,286           Increase (decrease) in provision for termination costs         (120,448)         54,070         (120,448)         (74,555)           (Decrease) in individends payable on Preferred shares         -         11,208         -         11,208           (Decrease) in lease inducement         (6,837)         (14,414)         (17,526)         (42,756)           Cash (used) provided by operating activities         56,770         (205,352)         (113,790)         (473,335)           Investment in intangible assets         (163,846)         (181,492)         (546,985)         (402,785)           Purchase of plant and equipment         1,961         20,171         (111,490)         (292,108)           Issuance of Preferred shares and warrants         -         1,293,094         -         1,293,094 <t< td=""><td>Amortization of intangible assets</td><td></td><td>242,754</td><td></td><td>35,543</td><td>392,087</td><td>68,363</td></t<>   | Amortization of intangible assets                 |                                    | 242,754     |    | 35,543      | 392,087                              | 68,363    |  |
| Decrease (increase) in restricted investments   77,300   35,709   299,291  | Stock-based compensation                          |                                    | 27,423      |    | 29,260      | 88,807                               | 223,005   |  |
| Decrease (increase) in restricted investments  |   |                                    | (14,324)    |    | (324,507)   | (451,750)                            | (144,006) |  |
| (Increase) decrease in accounts receivable (Increase) decrease) in prepaid expenses and other assets (Increase) decrease in prepaid expenses and other assets (27,58 11,339 (15,048) 62,286 (Increase (decrease) in accounts payable and accrued liabilities 296,174 130,270 83,233 (2,190) Increase (decrease) in provision for termination costs (120,448) 54,070 (120,448) (74,555) (Decrease) in dividends payable on Preferred shares - 11,208 - 11,208 (Decrease) in dividends payable on Preferred shares - 11,208 - 11,208 (Decrease) in deferred revenue (214,813 195,752 370,622 (780,357) (Decrease) in lease inducement (6,837) (14,414) (17,526) (42,756) (Decrease) in lease inducement (14,414) (17,526) (42,756) (Decrease) in lease inducement (15,414) (17,526) (42,756) (Decrease) in lease inducement (19,414) (17,526) (42,756) (Decrease) in lease inducement (19,414) (17,526) (42,756) (Decrease) in lease inducement (19,414) (17,526) (42,785) (Decrease) in lease inducement (19,414) (17,526) (42,785) (Decrease) in lease inducement (19,414) (17,526) (42,785) (Decrease) in lease of plant and equipment (19,414) (17,526) (42,785) (Decrease) in lease of plant and equipment (19,414) (17,526) (42,785) (Decrease) in lease of plant and equipment (19,414) (17,526) (42,785) (Decrease) (18,414) (17,526) (18,414) (18,414) (17,526) (18,414) (18,414) (17,526) (18,414) (1                        | 0 1   |                                    |             |    |             |                                      |           |  |
| (Increase) decrease in prepaid expenses and other assets Increase (decrease) in accounts payable and accrued liabilities         22,758         11,339         (15,048)         62,286           Increase (decrease) in accounts payable and accrued liabilities         296,174         130,270         83,233         (2,190)           Increase (decrease) in provision for termination costs         (120,448)         54,070         (120,448)         (74,555)           (Decrease) in deferred revenue         11,208         - 11,208         - 11,208         - 11,208           (Decrease) in deferred revenue         214,813         195,752         370,622         (780,357)           (Decrease) in lease inducement         (6,837)         (14,414)         (17,526)         (42,756)           Cash (used) provided by operating activities         56,770         (205,352)         (113,790)         (473,335)           Investment in intangible assets         (163,846)         (181,492)         (546,985)         (402,785)           Purchase of plant and equipment         1,961         20,171         (111,490)         (292,108)           Cash used in investing activities         (161,885)         (161,321)         (658,475)         (694,893)           Issuance of Preferred shares and warrants         - 1,293,094         - 1,293,094         - 1,293,094         - 1,293,094  |   |                                    | -           |    | 77,300      |                                      |           |  |
| Increase (decrease) in accounts payable and accrued liabilities   296,174   130,270   83,233   (2,190)     Increase (decrease) in provision for termination costs   (120,448)   54,070   (120,448)   (74,555)     (Decrease) in dividends payable on Preferred shares   - 11,208   - 11,208     (Decrease) in dividends payable on Preferred shares   214,813   195,752   370,622   (780,357)     (Decrease) in lease inducement   (6,837)   (14,414)   (17,526)   (42,756)     (Cash (used) provided by operating activities   56,770   (205,352)   (113,790)   (473,335)     Investment in intangible assets   (163,846)   (181,492)   (546,985)   (402,785)     Purchase of plant and equipment   1,961   20,171   (111,490)   (292,108)     Cash used in investing activities   (161,885)   (161,321)   (658,475)   (694,893)     Issuance of Preferred shares and warrants   - 1,293,094   - 1,293,094     Revolving line of credit, net of repayments   428,322   - 882,202   - 1,293,094     Revolving line of credit, net of repayments   428,322   - 882,202   - 1,293,094     Lease inducement   1,710   - 135,399   - 1,335,399   - 1,335,399   - 1,335,399   - 1,335,399   - 1,335,399   - 1,335,399   - 3,356,378     Term loan, net of repayments   (36,370)   - 742,914   (267,857)     Issuance of private placement common shares   - 358,774   - 858,778     Cash provided (used) by financing activities   360,579   1,688,254   (202,913)   1,963,516     Effect of foreign exchange rate fluctuations on cash and cash equivalents   2,116   12,418   2,642   (57,174)     Cash provided (used) by continuing operations   257,580   1,333,999   (972,537)   738,114     Cash provided (used) by discontinued operations   257,580   1,017,145   (966,451)   113,932     Cash and cash equivalents, beginning of period   257,580   1,017,145   (966,451)   113,932     Cash and cash equivalents, beginning of period   257,580   1,017,145   (966,451)   13,935,546     Cash and cash equivalents, beginning of period   257,580   1,017,145   (366,451)   1,439,478   1,325,546     Cash and cash eq   | (Increase) decrease in accounts receivable        |                                    | (335,366)   |    | (346,370)   | 1,417                                | 197,744   |  |
| Increase (decrease) in provision for termination costs (Decrease) in dividends payable on Preferred shares   |   |                                    |             |    | •           |                                      |           |  |
| (Decrease) in dividends payable on Preferred shares (Decrease) in deferred revenue         11,208         -         11,208           (Decrease) in lease inducement         214,813         195,752         370,622         (780,357)           Cash (used) provided by operating activities         56,770         (205,352)         (113,790)         (473,335)           Investment in intangible assets         (163,846)         (181,492)         (546,985)         (402,785)           Purchase of plant and equipment         1,961         20,171         (111,490)         (292,108)           Cash used in Investing activities         (161,885)         (161,321)         (658,475)         (694,893)           Issuance of Preferred shares and warrants         -         1,293,094         -         1,293,094           Revolving line of credit, net of repayments         428,322         -         882,202         -           Term debt         -         -         1,388,000)         -           Lease inducement         1,710         -         135,399         -           Finance leases - net         (33,083)         36,386         (75,428)         79,501           Term loan, net of repayments         (36,370)         -         742,914         (267,857)           Issuance of private placement co   |   |                                    |             |    | •           |                                      |           |  |
| Commonstration   Comm   |   |                                    | (120,448)   |    |             | (120,448)                            |           |  |
| Clash (used) provided by operating activities   56,770   (205,352)   (113,790)   (473,335)   |   |                                    | -           |    |             | -                                    |           |  |
| Investment in intangible assets   (163,846)   (181,492)   (546,985)   (402,7   | ·   |                                    |             |    |             |                                      |           |  |
| Investment in intangible assets  |   |                                    |             |    |             |                                      |           |  |
| Purchase of plant and equipment         1,961         20,171         (111,490)         (292,108)           Cash used in investing activities         (161,885)         (161,321)         (658,475)         (694,893)           Issuance of Preferred shares and warrants         -         1,293,094         -         1,293,094           Revolving line of credit, net of repayments         428,322         -         882,202         -           Term debt         -         -         (1,888,000)         -           Lease inducement         1,710         -         135,399         -           Finance leases - net         (33,083)         36,386         (75,428)         79,501           Term loan, net of repayments         (36,370)         -         742,914         (267,857)           Issuance of private placement common shares         -         358,774         -         858,778           Cash provided (used) by financing activities         360,579         1,688,254         (202,913)         1,963,516           Effect of foreign exchange rate fluctuations on cash and cash equivalents         2,116         12,418         2,642         (57,174)           Cash provided (used) by continuing operations         -         (316,854)         6,086         (624,182)           Net incre  | Cash (used) provided by operating activities      |                                    | 56,770      |    | (205,352)   | (113,790)                            | (473,335) |  |
| Purchase of plant and equipment         1,961         20,171         (111,490)         (292,108)           Cash used in investing activities         (161,885)         (161,321)         (658,475)         (694,893)           Issuance of Preferred shares and warrants         -         1,293,094         -         1,293,094           Revolving line of credit, net of repayments         428,322         -         882,202         -           Term debt         -         -         (1,888,000)         -           Lease inducement         1,710         -         135,399         -           Finance leases - net         (33,083)         36,386         (75,428)         79,501           Term loan, net of repayments         (36,370)         -         742,914         (267,857)           Issuance of private placement common shares         -         358,774         -         858,778           Cash provided (used) by financing activities         360,579         1,688,254         (202,913)         1,963,516           Effect of foreign exchange rate fluctuations on cash and cash equivalents         2,116         12,418         2,642         (57,174)           Cash provided (used) by continuing operations         -         (316,854)         6,086         (624,182)           Net incre  | Investment in intangible assets                   |                                    | (163 846)   |    | (181 492)   | (546 985)                            | (402 785) |  |
| Cash used in investing activities         (161,885)         (161,321)         (658,475)         (694,893)           Issuance of Preferred shares and warrants         - 1,293,094         - 1,293,094           Revolving line of credit, net of repayments         428,322         - 882,202         - 1           Term debt         (1,888,000)         - 135,399         - 135,379         - 135,379         - 135,379         - 135,379         - 135,379         - 135,377         - 358,778 </td <td>ů .</td> <td></td> <td></td> <td></td> <td> ,</td> <td></td> <td></td>  | ů .   |                                    |             |    | ,           |                                      |           |  |
| Issuance of Preferred shares and warrants  |   |                                    |             |    |             |                                      |           |  |
| Revolving line of credit, net of repayments         428,322         -         882,202         -           Term debt         -         -         (1,888,000)         -           Lease inducement         1,710         -         135,399         -           Finance leases - net         (33,083)         36,386         (75,428)         79,501           Term loan, net of repayments         (36,370)         -         742,914         (267,857)           Issuance of private placement common shares         -         358,774         -         858,778           Cash provided (used) by financing activities         360,579         1,688,254         (202,913)         1,963,516           Effect of foreign exchange rate fluctuations on cash and cash equivalents         2,116         12,418         2,642         (57,174)           Cash provided (used) by continuing operations         257,580         1,333,999         (972,537)         738,114           Cash provided (used) by discontinued operations         -         (316,854)         6,086         (624,182)           Net increase (decrease) in cash during the period         257,580         1,017,145         (966,451)         113,932           Cash and cash equivalents, beginning of period         215,448         422,333         1,439,478         1,325,5  | oush used in investing detivities                 |                                    | (101/000)   |    | (101,021)   | (000/470)                            | (071,070) |  |
| Revolving line of credit, net of repayments         428,322         -         882,202         -           Term debt         -         -         (1,888,000)         -           Lease inducement         1,710         -         135,399         -           Finance leases - net         (33,083)         36,386         (75,428)         79,501           Term loan, net of repayments         (36,370)         -         742,914         (267,857)           Issuance of private placement common shares         -         358,774         -         858,778           Cash provided (used) by financing activities         360,579         1,688,254         (202,913)         1,963,516           Effect of foreign exchange rate fluctuations on cash and cash equivalents         2,116         12,418         2,642         (57,174)           Cash provided (used) by continuing operations         257,580         1,333,999         (972,537)         738,114           Cash provided (used) by discontinued operations         -         (316,854)         6,086         (624,182)           Net increase (decrease) in cash during the period         257,580         1,017,145         (966,451)         113,932           Cash and cash equivalents, beginning of period         215,448         422,333         1,439,478         1,325,5  | Issuance of Preferred shares and warrants         |                                    | _           |    | 1 293 094   | _                                    | 1 293 094 |  |
| Term debt         -         -         (1,888,000)         -           Lease inducement         1,710         -         135,399         -           Finance leases - net         (33,083)         36,386         (75,428)         79,501           Term loan, net of repayments         (36,370)         -         742,914         (267,857)           Issuance of private placement common shares         -         358,774         -         858,778           Cash provided (used) by financing activities         360,579         1,688,254         (202,913)         1,963,516           Effect of foreign exchange rate fluctuations on cash and cash equivalents         2,116         12,418         2,642         (57,174)           Cash provided (used) by continuing operations         257,580         1,333,999         (972,537)         738,114           Cash provided (used) by discontinued operations         -         (316,854)         6,086         (624,182)           Net increase (decrease) in cash during the period         257,580         1,017,145         (966,451)         113,932           Cash and cash equivalents, beginning of period         215,448         422,333         1,439,478         1,325,546  |   |                                    | 428.322     |    | -           | 882,202                              | -         |  |
| Lease inducement         1,710         -         135,399         -           Finance leases - net         (33,083)         36,386         (75,428)         79,501           Term loan, net of repayments         (36,370)         -         742,914         (267,857)           Issuance of private placement common shares         -         358,774         -         858,778           Cash provided (used) by financing activities         360,579         1,688,254         (202,913)         1,963,516           Effect of foreign exchange rate fluctuations on cash and cash equivalents         2,116         12,418         2,642         (57,174)           Cash provided (used) by continuing operations         257,580         1,333,999         (972,537)         738,114           Cash provided (used) by discontinued operations         -         (316,854)         6,086         (624,182)           Net increase (decrease) in cash during the period         257,580         1,017,145         (966,451)         113,932           Cash and cash equivalents, beginning of period         215,448         422,333         1,439,478         1,325,546  |   |                                    | · -         |    | -           |                                      | -         |  |
| Finance leases - net         (33,083)         36,386         (75,428)         79,501           Term loan, net of repayments         (36,370)         -         742,914         (267,857)           Issuance of private placement common shares         -         358,774         -         858,778           Cash provided (used) by financing activities         360,579         1,688,254         (202,913)         1,963,516           Effect of foreign exchange rate fluctuations on cash and cash equivalents         2,116         12,418         2,642         (57,174)           Cash provided (used) by continuing operations         257,580         1,333,999         (972,537)         738,114           Cash provided (used) by discontinued operations         -         (316,854)         6,086         (624,182)           Net increase (decrease) in cash during the period         257,580         1,017,145         (966,451)         113,932           Cash and cash equivalents, beginning of period         215,448         422,333         1,439,478         1,325,546   | Lease inducement                                  |                                    | 1,710       |    | -           |                                      | -         |  |
| Term loan, net of repayments         (36,370)         -         742,914         (267,857)           Issuance of private placement common shares         -         358,774         -         858,778           Cash provided (used) by financing activities         360,579         1,688,254         (202,913)         1,963,516           Effect of foreign exchange rate fluctuations on cash and cash equivalents         2,116         12,418         2,642         (57,174)           Cash provided (used) by continuing operations         257,580         1,333,999         (972,537)         738,114           Cash provided (used) by discontinued operations         -         (316,854)         6,086         (624,182)           Net increase (decrease) in cash during the period         257,580         1,017,145         (966,451)         113,932           Cash and cash equivalents, beginning of period         215,448         422,333         1,439,478         1,325,546  | Finance leases - net                              |                                    | (33,083)    |    | 36,386      |                                      | 79,501    |  |
| Cash provided (used) by financing activities         360,579         1,688,254         (202,913)         1,963,516           Effect of foreign exchange rate fluctuations on cash and cash equivalents         2,116         12,418         2,642         (57,174)           Cash provided (used) by continuing operations         257,580         1,333,999         (972,537)         738,114           Cash provided (used) by discontinued operations         -         (316,854)         6,086         (624,182)           Net increase (decrease) in cash during the period         257,580         1,017,145         (966,451)         113,932           Cash and cash equivalents, beginning of period         215,448         422,333         1,439,478         1,325,546  | Term loan, net of repayments                      |                                    | (36,370)    |    | -           |                                      | (267,857) |  |
| Cash provided (used) by financing activities         360,579         1,688,254         (202,913)         1,963,516           Effect of foreign exchange rate fluctuations on cash and cash equivalents         2,116         12,418         2,642         (57,174)           Cash provided (used) by continuing operations         257,580         1,333,999         (972,537)         738,114           Cash provided (used) by discontinued operations         -         (316,854)         6,086         (624,182)           Net increase (decrease) in cash during the period         257,580         1,017,145         (966,451)         113,932           Cash and cash equivalents, beginning of period         215,448         422,333         1,439,478         1,325,546  | Issuance of private placement common shares       |                                    | -           |    | 358,774     | -                                    | 858,778   |  |
| cash and cash equivalents         2,116         12,418         2,642         (57,174)           Cash provided (used) by continuing operations         257,580         1,333,999         (972,537)         738,114           Cash provided (used) by discontinued operations         -         (316,854)         6,086         (624,182)           Net increase (decrease) in cash during the period         257,580         1,017,145         (966,451)         113,932           Cash and cash equivalents, beginning of period         215,448         422,333         1,439,478         1,325,546   | Cash provided (used) by financing activities      |                                    | 360,579     |    |             | (202,913)                            | 1,963,516 |  |
| cash and cash equivalents         2,116         12,418         2,642         (57,174)           Cash provided (used) by continuing operations         257,580         1,333,999         (972,537)         738,114           Cash provided (used) by discontinued operations         -         (316,854)         6,086         (624,182)           Net increase (decrease) in cash during the period         257,580         1,017,145         (966,451)         113,932           Cash and cash equivalents, beginning of period         215,448         422,333         1,439,478         1,325,546   | Effect of foreign evaluations on                  |                                    |             |    |             |                                      |           |  |
| Cash provided (used) by continuing operations       257,580       1,333,999       (972,537)       738,114         Cash provided (used) by discontinued operations       -       (316,854)       6,086       (624,182)         Net increase (decrease) in cash during the period       257,580       1,017,145       (966,451)       113,932         Cash and cash equivalents, beginning of period       215,448       422,333       1,439,478       1,325,546   |   |                                    | 2 116       |    | 12 /10      | 2 6 4 2                              | (57 174)  |  |
| Cash provided (used) by discontinued operations         -         (316,854)         6,086         (624,182)           Net increase (decrease) in cash during the period         257,580         1,017,145         (966,451)         113,932           Cash and cash equivalents, beginning of period         215,448         422,333         1,439,478         1,325,546   | casii and casii equivalents                       |                                    | 2,110       |    | 12,410      | 2,042                                | (37,174)  |  |
| Net increase (decrease) in cash during the period         257,580         1,017,145         (966,451)         113,932           Cash and cash equivalents, beginning of period         215,448         422,333         1,439,478         1,325,546   | Cash provided (used) by continuing operations     |                                    | 257,580     |    | 1,333,999   | (972,537)                            | 738,114   |  |
| Cash and cash equivalents, beginning of period         215,448         422,333         1,439,478         1,325,546   | Cash provided (used) by discontinued operations   |                                    | -           |    | (316,854)   | 6,086                                | (624,182) |  |
| Cash and cash equivalents, beginning of period         215,448         422,333         1,439,478         1,325,546   | Net increase (decrease) in cash during the period |                                    | 257.580     |    | 1.017.145   | (966.451)                            | 113.932   |  |
|  |   |                                    |             |    |             |                                      |           |  |
|  |   | \$                                 | -           | \$ |             |                                      |           |  |