Smart Employee Benefits Inc.

Unaudited Condensed Interim Consolidated Financial Statements
May 31, 2016

To the Shareholders of Smart Employee Benefits Inc.:

Management is responsible for the preparation and presentation of the accompanying unaudited condensed interim consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the quarterly reporting is consistent with the financial statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

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

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the quarterly report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Company's external auditor.

MNP LLP, an independent firm of Chartered Professional Accountants, was appointed by the shareholders to audit the annual consolidated financial statements and report directly to them.

MNP LLP has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

July 29, 2016

John McKimm	*Robert Prentice*
Chief Executive Officer	Chief Financial Officer

Smart Employee Benefits Inc.
Table of Contents
May 31, 2016

Smart Employee Benefits Inc.

Unaudited Interim Consolidated Statement of Financial Position

	Note	May 31, 2016	Nov 30, 2015
Cash and cash equivalents		$ 2,198,451	$ 2,848,363
Accounts receivable		20,065,792	10,682,647
Short term notes receivable	**4,18**	310,671	-
Inventory		314,224	80,716
Prepaids and deposits		823,643	557,967
Total Current Assets		**23,712,781**	**14,169,693**
Advances to acquisition target		-	1,125,671
Long-term deposits		140,146	194,148
Associate investments		2,643,452	-
Equipment	**5**	850,686	842,088
Software	**6**	1,947,528	2,567,836
Intellectual property	**6**	70,583	76,083
Customer relationships	**7**	9,476,948	6,588,514
Trade names	**8**	4,275,469	2,285,619
Goodwill	**4**	15,590,309	8,975,319
Total Assets		**$ 58,707,902**	**$ 36,824,971**
Bank loan	**9**	$ 10,730,825	$ 4,425,997
Current portion of term bank loan	**9**	1,050,000	3,412,500
Accounts payable and accrued liabilities		13,313,518	7,503,538
Deferred revenue	**10**	411,587	572,564
Short-term notes	**14,18**	9,007,952	1,650,729
Equipment leases payable	**11**	2,187	6,562
Equipment loans	**12**	9,375	15,625
Government remittances and current taxes payable		843,894	1,123,297
Current portion of contingent consideration payable	**21**	40,246	120,874
Current portion of convertible debt	**13**	3,912,952	4,097,198
Total Current Liabilities		**39,322,536**	**22,928,884**
Contingent consideration payable	**21**	4,713,722	2,374,819
Convertible debt	**13**	1,719,664	1,316,920
Term bank loan	**9**	1,837,500	-
Notes payable	**14,18**	2,761,144	-
Deferred income taxes		1,890,334	2,128,530
Preferred shares		350,000	350,000
Total Long Term Liabilities		**13,272,364**	**6,170,269**
Share capital	**15**	24,052,875	21,935,275
Share issue costs		(937,916)	(835,519)
Contributed surplus		2,168,909	2,168,909
Warrants	**15**	4,768,757	3,590,780
Options	**15**	1,838,220	1,700,743
Deficit		(25,075,126)	(21,608,641)
Total Shareholders' Equity		**6,815,719**	**6,951,547**
Non-controlling interest in subsidiaries	**4**	**(702,717)**	**774,271**
		6,113,002	**7,725,818**
Total Liabilities and Shareholders' Equity		**$ 58,707,902**	**$ 36,824,971**

Going concern (Note 2), Related party transactions (Note 18), Commitments (Note 20)

Approved on behalf of the Board:

John McKimm — Director

Stephen Peacock — Director

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

Smart Employee Benefits Inc.

Unaudited Interim Consolidated Statement of Shareholders' Equity

	Share Capital		Warrants		Options		Contributed Surplus	Share Issue Costs	Accumulated Deficit	Total Shareholders Equity	Non-controlling Interest
	Number	$	Number	$	Number	$	$	$	$	$	$
Balances November 30, 2015	**95,392,483**	**21,935,275**	**20,846,500**	**3,590,780**	**7,231,500**	**1,700,743**	**2,168,909**	**(835,519)**	**(21,608,641)**	**6,951,547**	**774,271**
Acquisition of Maplesoft Consulting Group Inc.	4,000,000	1,280,000	1,000,000	297,800	-	-	-	-	-	1,577,800	-
Private placement	4,000,000	827,600	4,000,000	772,400	-	-	-	(42,570)	-	1,557,430	-
Finder warrants re private placement	-	-	297,500	59,827	-	-	-	(59,827)	-	-	-
Expiration of options	-	-	-	-	(400,000)	-	-	-	-	-	-
Deconsolidation of Banyan	-	-	-	-	-	-	-	-	-	-	(1,455,480)
DSU	30,056	12,500	-	-	-	-	-	-	-	12,500	-
Net loss for the period	-	-	-	-	-	-	-	-	(2,426,715)	(2,426,715)	-
Net income for the period attributed to non-controlling interest	-	-	-	-	-	-	-	-	23,642	23,642	(23,642)
Balances February 29, 2016	**103,422,539**	**24,055,375**	**26,144,000**	**4,720,807**	**6,831,500**	**1,700,743**	**2,168,909**	**(937,916)**	**(24,011,714)**	**7,696,204**	**(704,851)**
Issue of warrants	-	-	500,000	47,950	-	-	-	-	-	47,950	-
Expiration of options	-	-	-	-	(1,796,500)	-	-	-	-	-	-
Issue of options	-	-	-	-	2,440,000	137,477	-	-	-	137,477	-
Cancelation of DSU	(30,056)	(12,500)	-	-	-	-	-	-	-	(12,500)	-
Conversion of notes	16,666	10,000	-	-	-	-	-	-	-	10,000	-
Net loss for the period	-	-	-	-	-	-	-	-	(1,061,278)	(1,061,278)	-
Net loss for the period attributed to non-controlling interest	-	-	-	-	-	-	-	-	(2,134)	(2,134)	2,134
Balances May 31, 2016	**103,409,149**	**24,052,875**	**26,644,000**	**4,768,757**	**7,475,000**	**1,838,220**	**2,168,909**	**(937,916)**	**(25,075,126)**	**6,815,719**	**(702,717)**

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

Smart Employee Benefits Inc.

Unaudited Interim Consolidated Statement of Shareholders' Equity

	Share Capital		Warrants		Options		Contributed Surplus	Share Issue Costs	Accumulated Deficit	Total Shareholders Equity	Non-controlling Interest
	Number	$	Number	$	Number	$	$	$	$	$	$
Balances November 30, 2014	**78,973,943**	**15,093,132**	**21,636,223**	**3,693,108**	**7,094,000**	**1,255,222**	**926,216**	**(612,979)**	**(15,499,981)**	**4,854,718**	**(685,967)**
Acquisition of Banyan	-	-	-	-	-	-	-	-	-	-	1,213,804
Acquisition of Paradigm Consulting Group Inc. (1)	5,913,877	2,956,966	1,000,000	290,000	-	-	382,286	-	-	3,629,252	-
Acquisition of SEB Consulting and HR Benefits Inc.	200,000	100,000	50,000	13,080	-	-	-	-	-	113,080	-
Conversion of notes	1,164,441	529,000	-	-	-	-	-	-	-	529,000	
Exercise of warrants	2,367,722	1,262,725	(2,367,722)	-	-	-	-	-	-	1,262,725	-
Expiration of warrants	-	-	(55,333)	-	-	-	-	-	-	-	-
Issue of options	-	-	-	-	900,000	157,837	-	-	-	157,837	-
Exercise of options	160,000	56,000	-	-	(160,000)	-	-	-	-	56,000	-
Expiration of options	-	-	-	-	(240,000)	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-	-	-	454,945	454,945	-
Net income for the period attributed to non-controlling interest	-	-	-	-	-	-	-	-	(52,486)	(52,486)	52,486
Balances February 28, 2015	**88,779,983**	**19,997,823**	**20,263,168**	**3,996,188**	**7,594,000**	**1,413,059**	**1,308,502**	**(612,979)**	**(15,097,522)**	**11,005,071**	**580,323**
Issue of options	-	-	-	-	300,000	373,603	-	-	-	373,603	-
Exercise of options	3,750	1,313	-	-	(3,750)	-	-	-	-	1,313	-
Adjustment re Banyan acquisition	-	(128,630)	-	-	-	-	-	-	-	(128,630)	1,758,097
Dividend from Banyan to SEB	-	-	-	-	-	-	-	-	150,000	150,000	(150,000)
Net income for the period	-	-	-	-	-	-	-	-	(1,929,888)	(1,929,888)	-
Net income for the period attributed to non-controlling interest	-	-	-	-	-	-	-	-	(170,498)	(170,498)	170,498
Balances May 31, 2015	**88,783,733**	**19,870,506**	**20,263,168**	**3,996,188**	**7,890,250**	**1,786,662**	**1,308,502**	**(612,979)**	**(17,047,908)**	**9,300,971**	**2,358,918**

(1) The value of the shares issued for the Paradigm purchase was originally recorded at $0.50 per share. This was adjusted to fair market value in a subsequent quarter.

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

Smart Employee Benefits Inc.

Unaudited Interim Consolidated Statement of Comprehensive Loss

	Note	*Mar 1, 2016 to May 31, 2016*	*Mar 1, 2015 to May 31, 2015*	*Dec 1, 2015 to May 31, 2016*	*Dec 1, 2014 to May 31, 2015*
Revenue		**$ 25,144,842**	**$ 13,342,530**	**$ 48,512,660**	**$ 24,624,110**
Cost of revenues					
Compensation		19,747,868	8,838,234	38,439,130	16,181,106
Other		659,643	1,358,423	1,114,490	2,577,018
		20,407,511	10,196,657	39,553,620	18,758,124
Gross Margin		**4,737,331**	**3,145,873**	**8,959,040**	**5,865,986**
Expenses					
Salaries and other compensation costs		2,420,981	1,063,830	4,848,693	2,335,527
Professional fees		201,392	416,731	650,518	534,809
Office and general		1,120,531	1,054,089	2,288,128	1,864,323
Income before the following items:		**994,427**	**611,223**	**1,171,701**	**1,131,327**
Share-based compensation		108,972	373,603	137,477	531,440
Acquisition and financing costs		295,967	830,127	613,694	830,127
Interest		693,417	330,458	1,502,957	455,582
Amortization	**6, 7, 8**	1,025,738	724,802	2,030,142	1,408,102
Depreciation of equipment	**5**	46,714	65,714	150,226	100,722
Share of profit of equity-accounted investees, net of tax	**4**	(187,069)	-	(36,272)	-
Accretion of interest	**13**	70,826	187,892	260,330	382,404
Total		2,054,565	2,512,596	4,658,554	3,708,377
Loss from continuing operations before tax		(1,060,138)	(1,901,373)	(3,486,853)	(2,577,050)
Less: Provision for income tax		1,140	(71,485)	1,140	(2,107)
Loss from continuing operations		**(1,061,278)**	**(1,829,888)**	**(3,487,993)**	**(2,574,943)**
Gain on sale of a portion of the business	**4**	-	(100,000)	-	1,350,000
Less: Provision for income tax (recovery)		-	-	-	250,000
Gain on sale net of tax		-	(100,000)	-	1,100,000
Net Loss		**(1,061,278)**	**(1,929,888)**	**(3,487,993)**	**(1,474,943)**
Attributed to non-controlling interest	**4**	2,134	170,498	(21,508)	222,984
Attributed to SEB shareholders		**$ (1,063,412)**	**$ (2,100,386)**	**$ (3,466,485)**	**$ (1,697,927)**
Weighted average number of shares - basic and diluted	**15**	103,413,661	88,781,247	103,407,893	86,220,799
Loss per common share - basic and diluted		$ (0.01)	$ (0.02)	$ (0.03)	$ (0.02)

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

Smart Employee Benefits Inc.

Unaudited Interim Consolidated Statement of Cash Flows

	Note	*Mar 1, 2016 to May 31, 2016*	*Mar 1, 2015 to May 31, 2015*	*Dec 1, 2015 to May 31, 2016*	*Dec 1, 2014 to May 31, 2015*
Net Loss		**$ (1,061,278)**	**$ (1,929,888)**	**$ (3,487,993)**	**$ (1,474,943)**
Add items not involving cash:					
Gain on sale of a portion of the business		-	100,000	-	(1,100,000)
Amortization		1,025,738	724,772	2,030,142	1,408,102
Depreciation of equipment		46,714	65,714	150,226	100,722
Accretion of interest		55,041	187,892	260,330	382,404
Share-based compensation		108,972	373,603	137,477	531,440
Adjusted results from operations:		**175,187**	**(477,907)**	**(909,818)**	**(152,275)**
Share of profit of equity-accounted investees, net of tax		(187,069)	-	(36,272)	-
Non-cash working capital	**19**	1,665,679	1,057,567	1,527,940	(1,293,502)
Cash from (used in) operating activities		**1,653,797**	**579,660**	**581,850**	**(1,445,777)**
Cash flows from investing activities					
Cash received on sale of portion of business	**4**	-	-	75,000	1,750,000
Purchase of software and equipment		(54,731)	(436,028)	(250,278)	(510,435)
Net cash on acquisition of Banyan	**4**	-	-	-	848,558
Net cash on deconsolidation Banyan	**4**	-	-	(971,192)	-
Net cash on acquisition of Paradigm	**4**	-	(7,974,270)	-	(6,814,422)
Change of notes receivable with related parties		(75,000)	-	(185,000)	-
Acquisition and financing costs		(248,017)	(830,127)	(565,744)	(830,127)
Cash from (used in) investing activities		**(377,748)**	**(9,240,425)**	**(1,897,214)**	**(5,556,426)**
Cash flows from financing activities					
Proceeds (net of costs) from $1.6 million private placement		-	-	1,557,430	-
Proceeds from exercised warrants		-	-	-	1,262,725
Proceeds from exercised options		-	1,313	-	57,313
Proceeds from short term loans		-	2,068,630	-	2,068,630
Proceeds from term bank loans		-	4,200,000	-	4,200,000
Repayment of term bank loan		(350,000)	(262,500)	(525,000)	(262,500)
Proceeds (Repayment) of operating line		83,488	2,412,164	(324,521)	2,321,256
Repayment of capital leases		(2,187)	(13,542)	(4,375)	(30,220)
Repayment of equipment loans		(3,125)	(3,968)	(6,250)	(10,750)
Repayment of convertible loans		(16,047)	(108,095)	(31,832)	(141,139)
Cash provided by (used in) financing activities		**(287,871)**	**8,294,002**	**665,452**	**9,465,315**
Net increase (decrease) in cash and cash equivalents		988,178	(366,763)	(649,912)	2,463,112
Cash and cash equivalents, beginning of period		1,210,273	3,232,971	2,848,363	403,096
Cash and cash equivalents, end of period		**$ 2,198,451**	**$ 2,866,208**	**$ 2,198,451**	**$ 2,866,208**

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

1. Nature of Operations

Smart Employee Benefits Inc. (the "Company" or “SEB”) is a technology company providing software-enabled services in the areas of healthcare transaction processing, software solutions and professional services for corporate and government clients.

These financial statements are the unaudited condensed interim consolidated financial statements of Smart Employee Benefits Inc. and its active subsidiary companies:

Company	SEB Ownership
Technology Division	
APS - Antian Professional Services Inc.	100%
Inforica Inc.	50%
Logitek Technology Ltd.	100%
Maplesoft Group Inc.	100%
Paradigm Consulting Group Inc.	100%
SOMOS Consulting Group Ltd.	100%
Stroma Service Consulting Inc.	100%
Benefits Division	
Adeeva Nutrutionals Canada Inc.	100%
BIG Benefits and HR Services Inc.	50%
Meschino Health and Wellness Corporation	75%
SEB Administrative Services Inc.	100%
SEB Benefits and HR Consulting Inc.	50%
SES Benefits Canada Corporation	100%
Benefits Division (Not consolidated)	
Banyan Work Health Solutions Inc.	50%
BITS Licencing Inc.	50%
Corporate Division	
Smart Employee Benefits Inc.	100%
Smart Employee Solutions Inc.	100%

The Company’s head office address is 5500 Explorer Drive, Mississauga, Ontario, L4W 5C7 and its registered and records office address is Suite 300, 2355 Skymark Avenue, Mississauga, Ontario, L4W 4Y6.

These unaudited condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on July 29, 2016.

2. Going Concern

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis which presumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of its operations.

The Company has incurred an operating loss during the period of the unaudited condensed interim consolidated financial statements, but generated positive cash flow from operations. However, there is no assurance that the Company will be able to produce net income or continue to generate positive cash flow from operations in the foreseeable future. Based on these events and conditions, there are uncertainties that may cast doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

To remain a going concern, the Company will require additional capital to enable it to further develop its software and achieve other business objectives. It cannot be determined at this time whether these objectives will be realized. These unaudited condensed interim consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue as a going concern.

3. Basis of Presentation

These unaudited condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements for the year ended November 30, 2015. The accounting policies adopted are consistent with those of the previous financial year and the corresponding interim reporting period. Furthermore the information on accounting standards effective in future periods and not yet adopted remains unchanged from that disclosed in the annual financial statements.

4. Business Combinations and Associate Investments

(a) Acquisition of Paradigm Consulting Group Inc.

On December 31, 2014 the Company acquired 100% of the shares of Paradigm Consulting Group Inc. and 100% of the partnership units of PCGI Consulting Services Partnership. The two entities were subsequently amalgamated into one company named Paradigm Consulting Group Inc. ("Paradigm"). The purchase price of Paradigm is up to $15,793,436, consisting of firm consideration of up to $13,427,864 (subject to closing adjustments) and additional consideration of up to $2,365,572 if certain performance targets are achieved.

The "firm consideration" consisted of the following:

1) Cash of up to $9,288,112 (including a potential $1,600,000 working capital balance sheet adjustment—see below). The final cash payment was $7,974,270, which included the final working capital adjustment of $286,158.
2) Vendor convertible notes in the aggregate principal amount of $1,106,390, with interest accruing at an annual rate of 3% payable quarterly in arrears with one third of the outstanding principal payable at the end of year two and the balance payable at the end of year three. The notes are convertible into SEB shares at $0.50 per share (Note 13).
3) 5,913,877 SEB shares with a fair value of $2,956,966. The shares are subject to a 36-month

contractual escrow, with one-sixth of the shares being released every six months over the 36 months following the closing of the transaction.

4) Up to $2,365,572 in contingent consideration over a four year period based on certain performance measures. $1,774,179 to be paid at the end of year three following closing, subject to meeting a cumulative EBITDA of $8,870,898 and $591,393 to be paid at the end of year four following closing, subject to meeting a cumulative EBITDA of $11,827,864.

In addition, the Company issued 1,000,000 share purchase warrants with a fair value of $290,000 to Paradigm employees as retention warrants (Note 15). All warrants have a 48-month term and an exercise price of $0.50 per share. The warrants vest one-sixth every six months over a 36 month period following the closing of the transaction. The common share purchase warrants issued to employees has been determined to be part of the consideration and not a normal operating expenditure as there are no performance conditions.

Prior to the close of the transaction, Paradigm Consulting Group Inc. paid out $1,101,575 to its shareholders by way of a reduction of Paid-up Capital. This payment plus the payment of $286,158 noted below satisfied the obligation of the originally estimated and announced $1,600,000 working capital adjustment payment.

The fair value of consideration transferred at closing was as follows:

Cash paid on closing	$	7,688,112
Payment re working capital adjustment		286,158
Total cash payments		7,974,270
Shares issued		2,542,994
Warrants issued (Note 15)		290,000
Convertible note issued (Note 13)		1,106,390
Contingent liability (Note 21)		1,171,550
Total	**$**	**13,085,204**

The fair value is allocated to assets acquired as follows:

Net tangible assets	$	3,448,535
Customer relationships (Note 7)		5,090,000
Trade names (Note 8)		1,280,000
Non-compete agreements (Note 7)		560,000
Goodwill		4,697,380
Deferred income taxes		(1,990,711)
Total	**$**	**13,085,204**

Net tangible assets of Paradigm on acquisition were as follows:		
Cash	$	1,159,848
Accounts receivable		4,154,741
Prepaids		143,649
Equipment		160,589
Total assets	**$**	**5,618,827**
Accounts payable and accruals	$	2,126,581
Income taxes payable		38,593
Deferred revenue		5,118
Total liabilities	**$**	**2,170,292**
Net tangible assets	**$**	**3,448,535**

(b) Acquisition of 50% of SEB Benefits and HR Consulting Inc.

On February 11, 2015, the Company acquired 50% of SEB Benefits and HR Consulting Inc. The terms of the transaction were as follows:

1) $100,000 of SEB shares at $0.50 per share, the shares being subject to a contractual escrow over a 24 month period, released 25% every 6 months.
2) 50,000 share purchase warrants to acquire SEB shares. The warrants are exercisable at $0.50 per SEB share for a term of 36 months and vest on the same terms as the SEB Shares stated above.
3) In addition, SEB provided start-up support in areas of business infrastructure, working capital loans and other aspects.

The fair value of consideration transferred at closing was as follows:		
Shares issued	$	100,000
Warrants issued (Note 15)		13,080
Total	**$**	**113,080**

The fair value was allocated to assets as follows:		
Goodwill	**$**	**113,080**

(c) Divestment of Portion of Business

On December 19, 2014, Logitek Technology Ltd. (“Logitek”), a wholly-owned subsidiary of SEB, entered into an agreement with DiCentral Corporation (“DiCentral”) to jointly service the Canadian Electronic Data Interchange (“EDI”) market. As part of this transaction, DiCentral acquired Logitek’s EDI business, for $2,150,000. On closing, Logitek received $1,000,000, $750,000 cash was received on January 15, 2015. $100,000 was received in June, 2015, $75,000 in January, 2016 and the remaining $225,000 is receivable over the next 8 months in varying amounts.

The proceeds from the sale of the business were accounted for as follows:

Proceeds	$ 2,150,000
Cost of the sale made up of the following intangible assets:	
Software	382,845
Customer relationships	211,705
Tradenames	105,450
Goodwill	325,163
	1,025,163
Gain on sale of portion of business	**$ 1,124,837**

The above noted Gain of $1,124,837 is the final calculation included in the annual financial statements as at November 30, 2015. The amount of $1,350,000 shown in the statements for Q2, 2015 was a preliminary estimate.

(d) Deconsolidation of Banyan Work Health Solutions Inc.

SEB owns 50% of the shares of Banyan Work Health Solutions Inc. and BITS Licensing Inc. (collectively "Banyan"). During Fiscal 2015 SEB, by agreement, had control of Banyan and therefore consolidated the results of Banyan with those of SEB. Beginning December 1, 2015, SEB does not control Banyan and therefore during Fiscal 2016 is accounting for its investment in Banyan using the equity accounting method and will not be consolidating Banyan's results with those of SEB.

Highlights from Banyan's Statement of Financial Position

	May 31, 2016	*May 31, 2015*
Current assets	$ 1,504,647	$ 1,592,987
Non-current assets	1,444,526	1,414,302
Total Assets	**$ 2,949,173**	**$ 3,007,289**
Current liabilities	$ 205,184	$ 674,624
Total Liabilities	**$ 205,184**	**$ 674,624**

Highlights from Banyan's Statement of Comprehensive Income

	Mar 1, 2016 to May 31, 2016	*Mar 1, 2015 to May 31, 2015*	*Dec 1, 2015 to May 31, 2016*	*Dec 1, 2014 to May 31, 2015*
Revenue	$ 2,038,070	$ 2,228,541	$ 3,844,616	$ 4,231,374
Cost of revenues	1,579,230	1,785,497	3,043,620	3,323,696
Gross Margin	**458,840**	**443,044**	**800,996**	**907,678**
Operating Costs	176,293	195,747	330,415	383,867
Professional fees	68,418	138,600	195,130	169,862
EBITDA	**214,129**	**108,696**	**275,451**	**353,948**
Net Income	**$ 374,139**	**$ 108,556**	**$ 72,545**	**$ 205,038**
SEB's 50% interest	**$ 187,069**	**$ 54,278**	**$ 36,272**	**$ 102,519**

(e) Acquisition of Maplesoft Consulting Group Inc.

On December 1, 2015 the Company acquired Maplesoft Group Inc. (“Maplesoft”), an Ottawa-based business with regional offices in Calgary, Montreal and Toronto under the following terms:

1. The purchase price for the Maplesoft common and preferred shares was $4,000,000, which was satisfied by the issuance of 4,000,000 SEB common shares at a deemed price of $0.50 per share and a promissory note for the preferred shares of $2,000,000 (the “Promissory Note”). The SEB shares issued on the transaction are subject to contractual escrow releases. The Promissory Note bears interest at 6% per annum. It was due March 31, 2016; an extension is currently being negotiated. The Maplesoft common and preferred shares are pledged in support of various debt facilities being assumed in the transaction.

2. Term Debt assumed of approximately $8,428,028 plus a revolving operating credit facility of up to $7,500,000. See Note 16 for discussion of maturity dates. SEB has guaranteed $4,784,000 of the debt. The CEO of SEB has personally guaranteed $2,560,000 of the debt.

3. SEB agreed to make a working capital investment in Maplesoft of $1,500,000.

4. 1,000,000 share purchase warrants with a five year term for employee and consultant retention vesting over a 48-month period, with an exercise price of $0.50 per share; and

5. Performance incentive consideration equivalent to 15% of the increase of the enterprise value of Maplesoft Consulting Inc. over a five year period (the "Performance Incentive Payments").

In addition, SEB committed to provide an advance of $2,000,000 to former Maplesoft shareholders to be secured by the SEB shares issued to such shareholders and other Maplesoft related assets where the shareholders have an interest. The advance will be offset against any amounts owed to such shareholders including the Performance Incentive Payments. Of the $2,000,000 to be advanced to former Maplesoft shareholders, $310,671 had been advanced as of May 31, 2016.

As the accounting for the acquisition is not complete, the Company has estimated the fair value of consideration transferred and received as at the acquisition date, and the estimates remain subject to revision in future periods.

The fair value of consideration transferred was follows:		
Shares issued	$	1,280,000
Promissory note		2,000,000
Warrants issued		297,800
Debt assumed		13,513,647
Contingent liability		2,300,000
Total	**$**	**19,391,447**

The fair value was allocated to assets acquired as follows:		
Net tangible assets	$	3,087,867
Trademark		3,000,000
Customer		5,000,000
Goodwill		8,303,580
Total	**$**	**19,391,447**

Tangible assets of Maplesoft on acquisition were as follows:		
Accounts receivable	$	9,337,188
Deposits and prepaids		155,665
Accounts payable		(7,223,236)
Loans receivable		449,635
Equipment		368,615
Net tangible assets	**$**	**3,087,867**

(f) Summary of Goodwill

	Balance Nov 30, 2015	Acquisitions / Disposals	Balance Feb 29, 2016	Acquisitions / Disposals	Balance May 31, 2016
Logitek Technology Ltd.	$ 553,655	$ -	$ 553,655	$ -	$ 553,655
Inforica Inc.	935,165	-	$ 935,165	-	$ 935,165
Adeeva Nutritionals Canada Inc.	620,464	-	$ 620,464	-	$ 620,464
Stroma Service Consulting Inc.	366,985	-	$ 366,985	-	$ 366,985
Banyan Work Health Solutions Inc.	1,688,590	(1,688,590)	$ -	-	$ -
Paradigm Consulting Group Inc	4,697,380	-	$ 4,697,380	-	$ 4,697,380
SEB Benefits and HR Consulting Inc.	113,080	-	$ 113,080	-	$ 113,080
Maplesoft Group Inc	-	8,303,580	$ 8,303,580	-	$ 8,303,580
Total	**$ 8,975,319**	**$ 6,614,990**	**$ 15,590,309**	**$ -**	**$ 15,590,309**

(g) Non-controlling interest

	Investment	Net Income (Loss) and Dividends	Total
Balance, November 30, 2014	**$ (404,665)**	**$ (281,302)**	**$ (685,967)**
Acquisition of control of Banyan	1,455,480	-	1,455,480
Dividend paid from Banyan	-	(350,000)	(350,000)
Net income attributed to non-controlling interest	-	354,758	354,758
Balance, November 30, 2015	**$ 1,050,815**	**$ (276,544)**	**$ 774,271**
Deconsolidation of Banyan	(1,455,480)	-	(1,455,480)
Net income attributed to non-controlling interest	-	23,642	(23,642)
Balance February 29, 2016	**$ (404,665)**	**$ (252,902)**	**$ (704,851)**
Net income attributed to non-controlling interest	-	(2,134)	2,134
Balance May 31, 2016	**$ (404,665)**	**$ (255,036)**	**$ (702,717)**

5. Equipment

	Nov 30, 2015	Acquire Maplesoft	Banyan De-consolidation	Additions/ (Dipsoals)	Feb 29, 2016	Additions/ (Dipsoals)	May 31, 2016
Cost							
Furniture and office equipment	$ 395,376	$ 554,182	$ (22,457)	$ (11,084)	$ 916,017	$ 2,434	$ 918,451
Computer hardware	1,133,874	245,710	(249,196)	19,793	1,150,181	537	1,150,718
Computer hardware under lease	267,786	-	-	-	267,786	-	267,786
Leaseholds	-	334,213	-	-	334,213	(3,013)	331,200
Total	**1,797,036**	**1,134,105**	**(271,653)**	**8,709**	**2,668,197**	**(42)**	**2,668,155**
				Expense		**Expense**	
Accumulated depreciation							
Furniture and office equipment	197,158	369,315	(4,778)	943	562,638	21,010	583,648
Computer hardware	596,294	232,764	(61,953)	100,311	867,416	7,268	874,684
Computer hardware under lease	161,496	-	-	7,800	169,296	7,800	177,096
Leaseholds	-	176,430	-	-	176,430	5,611	182,041
Total	**954,948**	**778,509**	**(66,731)**	**109,054**	**1,775,780**	**41,689**	**1,817,469**
Net balance							
Furniture and office equipment	198,218	184,867	(17,679)	(12,027)	353,379	(18,576)	334,803
Computer hardware	537,580	12,946	(187,243)	(80,518)	282,765	(6,731)	276,034
Computer hardware under lease	106,290	-	-	(7,800)	98,490	(7,800)	90,690
Leaseholds	-	157,783	-	-	157,783	(8,624)	149,159
Total	**$ 842,088**	**$ 355,596**	**$ (204,922)**	**$ (100,345)**	**$ 892,417**	**$ (41,731)**	**$ 850,686**

6. Software and Intellectual Property

(a) Software

	Cost			Accumulated Amortization			Net		
	Feb 29, 2016	Adds	May 31, 2016	Feb 29, 2016	Expense	May 31, 2016	May 31, 2016	Feb 29, 2016	Nov 30, 2015
HCS licence (1)	500,000	-	500,000	233,333	12,500	245,833	254,167	266,667	279,167
HCS admin system (2)	644,350	-	644,350	75,544	16,109	91,653	552,697	568,806	584,915
Logitek (3)	798,210	-	798,210	246,114	19,955	266,069	532,141	552,096	572,051
Inforica (4)	240,000	-	240,000	78,000	6,000	84,000	156,000	162,000	168,000
Meschino (6)	296,125	54,773	350,898	-	-	-	350,898	296,125	246,979
Adeeva (5)	110,000	-	110,000	31,167	2,750	33,917	76,083	78,833	81,583
Banyan (7)	-	-	-	-	-	-	-	-	633,096
Paradigm	140,482	-	140,482	118,013	441	118,454	22,028	22,469	2,045
Maplesoft	31,493	-	31,493	27,277	702	27,979	3,514	4,216	-
Total	**2,760,660**	**54,773**	**2,815,433**	**809,448**	**58,457**	**867,905**	**1,947,528**	**1,951,212**	**2,567,836**

1) A license of software which provides the adjudication of health benefit claims (“Adjudication Software”). The License provides (a) a perpetual, irrevocable, transferable and exclusive right and license to use the Adjudication Software in Canada; and (b) a perpetual, irrevocable, transferable and non-exclusive right and world-wide license to use the Adjudication Software outside Canada. It is being amortized over 10 years on a straight-line basis.

2) The Company has engaged software development companies to develop computer software to be used by the Company to generate further health benefit processing revenues.

3) Logitek has developed a number of proprietary pieces of software, particularly in the management of customers’ supply-chain in the retail field. The software is being amortized over 10 years on a straight-line basis.

4) Inforica has developed proprietary software, particularly in the field of energy management. Its use is being expanded to include significant Middle East business.

5) Adeeva technology consists of product formulations developed.

6) Meschino is developing a wellness information technology platform which is not yet in use. The Company will begin amortizing the software when it is ready to be used by the Company to generate revenue.

7) Banyan is not being consolidated in Fiscal 2016 and therefore has been removed from this schedule.

(b) Intellectual Property

Property acquired with Adeeva; video and written content relating to health issues.

	Cost			Accumulated Amortization			Net		
	Feb 29, 2016	Adds during period	May 31, 2016	Feb 29, 2016	Expense	May 31, 2016	May 31, 2016	Feb 29, 2016	Nov 30, 2015
Intellectual property	$ 110,000	$ -	$ 110,000	$ 36,667	$ 2,750	$ 39,417	$ 70,583	$ 73,333	$ 76,083
Total	**$ 110,000**	**$ -**	**$ 110,000**	**$ 36,667**	**$ 2,750**	**$ 39,417**	**$ 70,583**	**$ 73,333**	**$ 76,083**

7. Customer Relationships

	Cost			Accumulated Amortization			Net Balance		
	Feb 29, 2016	Acquisition/ Adjustment	May 31, 2016	Feb 29, 2016	Expense	May 31, 2016	May 31, 2016	Feb 29, 2016	Nov 30, 2015
Logitek	482,355	-	482,355	310,789	24,118	334,907	147,448	171,566	195,684
SOMOS	430,209	-	430,209	296,510	21,510	318,020	112,189	133,699	155,209
Inforica	500,000	-	500,000	225,000	25,000	250,000	250,000	275,000	300,000
Antian	63,097	-	63,097	24,714	3,155	27,869	35,228	38,383	41,538
Adeeva	170,000	-	170,000	93,917	33,000	126,917	43,083	76,083	109,083
Stroma	660,000	-	660,000	217,500	8,500	226,000	434,000	442,500	451,000
Banyan	-	-	-	-	-	-	-	-	816,000
Paradigm	5,650,000	-	5,650,000	1,412,500	282,500	1,695,000	3,955,000	4,237,500	4,520,000
Maplesoft	5,000,000	-	5,000,000	250,000	250,000	500,000	4,500,000	4,750,000	-
Total	**12,955,661**	**-**	**12,955,661**	**2,830,930**	**647,783**	**3,478,713**	**9,476,948**	**10,124,731**	**6,588,514**

8. Trade Names

	Cost			Accumulated Amortization				Net Balance		
	Feb 29, 2016	Acquisition/ Adjustment	May 31, 2016	Feb 29, 2016	Acquisition/ Adjustment	Expense	May 31, 2016	May 31, 2016	Feb 29, 2016	Nov 30, 2015
Logitek	283,500	-	283,500	174,825	-	14,175	189,000	94,500	108,675	122,850
SOMOS	388,000	-	388,000	232,800	-	19,400	252,200	135,800	155,200	174,600
Inforica	270,000	-	270,000	121,500	-	13,500	135,000	135,000	148,500	162,000
Adeeva	300,000	-	300,000	122,500	-	15,000	137,500	162,500	177,500	192,500
Stroma	260,000	-	260,000	95,331	-	13,000	108,331	151,669	164,669	177,669
Banyan	-	-	-	-	-	-	-	-	-	432,000
Paradigm	1,280,000	-	1,280,000	320,000	-	64,000	384,000	896,000	960,000	1,024,000
Maplesoft	3,000,000	-	3,000,000	150,000	-	150,000	300,000	2,700,000	2,850,000	-
Total	**5,781,500**	**-**	**5,781,500**	**1,216,956**	**-**	**289,075**	**1,506,031**	**4,275,469**	**4,564,544**	**2,285,619**

9. Bank Loan

On March 10, 2015 the Company closed credit facilities with a major Canadian Schedule I bank in the amount of up to $8,775,000. The credit facilities were obtained by Paradigm Consulting Group Inc. ("Paradigm") and SOMOS Consulting Group Ltd. ("SOMOS"), both wholly owned subsidiaries of SEB.

The $8,775,000 consisted of:

i. A $4,200,000 term loan acquisition facility which was used in connection with the Corporation's acquisition of Paradigm. The acquisition facility bears interest at the Canadian Dollar Prime Rate (the "Prime Rate") to Prime Rate plus 1.75%, depending on the amount advanced under the facility, has a term of 3 years and may be repaid at any time without penalty. At May 31, 2016 the balance of the term loan was $2,887,500, $1,050,000 being the current portion and $1,837,500 being the non-current portion.
ii. Paradigm also obtained an operating demand facility up to $3,000,000, bearing interest at the Prime Rate plus 0.75% to 1.75%, depending on Paradigm's debt to EBITDA ratio, along with a $50,000 corporate credit card.
iii. SOMOS obtained a $1,500,000 operating demand facility bearing interest at the Prime Rate plus 1.875% and a $25,000 corporate credit card. Concurrent with the new SOMOS facility, the Stroma facility was terminated.

Both Paradigm's credit facilities and the SOMOS facility are secured by a first charge over all of the assets of certain subsidiaries of the Corporation, contain positive, negative and financial covenants, and include other usual and customary terms and conditions. The Corporation, Paradigm, SOMOS and certain other subsidiaries have provided guarantees pursuant to the new credit facilities.

At November 30, 2015, the Company calculated that it was in default with regard to the current ratio covenant of the SOMOS facility. As at the date of issue of these financial statements, the Company has consolidated the SOMOS operating facility with that of Maplesoft and closed amended facilities. The new facility, in the amount of up to $12,500,000, is an amendment to the Maplesoft's existing operating credit facility of up to $7,500,000 in place with a major international asset based lender. Further details are available in the Subsequent Event Note 24.

At November 30, 2015, the Company also calculated that it was in default with regards to the fixed charge coverage ratio and total funded debt covenants of the Paradigm facility. This was due to the covenants being established on a 12 month basis, but the calculation based on 11 months (from date of acquisition of Paradigm to year-end). Subsequent to the quarter, BMO provided a Notice of Waiver on the default.

Maplesoft is not in full compliance with its covenants from Business Development Bank of Canada, which included a working capital ratio and a ratio of debt to tangible net worth. The portion of the bank loan that is scheduled for repayment more than one year from the balance sheet date have been reclassified as a current liability due to the bank's ability to accelerate payment.

10. Deferred Revenue

These amounts are due to Stroma receiving annual licence fee payments for software and SOMOS receiving advance payments from clients for training courses to be provided. These amounts are recognized as revenue in accordance with the Company's revenue recognition policy.

11. Equipment Lease Payable

The Company has an obligation under a capital lease for computer hardware:

Maturity	Monthly Payment	May 31, 2016	Feb 29, 2016	Nov 30, 2015
2016 Aug	789	$ 2,187	$ 4,375	$ 6,562

12. Equipment loan

The Company finances computer equipment from time to time using an equipment loan secured by the specific pieces of equipment financed by the loan. As the loan is due on demand, the full balance owing has been classified as current.

Lender	Int Rate	Monthly Payment	Maturity	May 31, 2016	Feb 29, 2016	Nov 30, 2015
Business Dev Bank of Canada	BDC floating base rate + 1%	$1,130	Feb, 2017	$ 9,375	$ 12,500	$ 15,625

13. Convertible debt

		Liability at Fair Value							Accreted Interest			Balance		
		Face Value of Notes												
Maturity Date	Conversion Price	Nov 30/15	Additions/ Repayments/ Conversions	May 31/16	Equity Com-ponent	Warrants	Debt Issue Costs	Liability at Fair Value	Bal Nov 30 2015	Accretion	Bal May 31 2016	May 31/16	Feb 29/16	Nov 30/15
(1) Aug 12, 2016	$ 0.60	1,950,000	(10,000)	1,940,000	(240,523)	(147,232)	(248,191)	1,304,054	554,808	54,090	608,898	1,912,952	1,952,868	1,868,862
(2) May 13, 2016	$ 0.75	1,025,000	-	1,025,000	(143,656)	(75,850)	(87,630)	717,864	255,308	51,828	307,136	1,025,000	1,000,384	973,172
(3) May 13, 2016	$ 0.75	725,000	-	725,000	(98,330)	(59,198)	(24,307)	543,165	148,425	33,410	181,835	725,000	709,101	691,590
(4) May 13, 2016	$ 0.75	250,000	-	250,000	(34,531)	(14,875)	(8,540)	192,054	47,299	10,647	57,946	250,000	244,951	239,353
(5) Jun 6, 2017	$0.60 to Jun 6, 2016 $0.70 to Jun 6, 2017	166,667	-	166,667	(80,802)	-	-	85,865	36,676	12,642	49,318	135,183	128,862	122,541
(6) Dec 30, 2017	$ 0.50	1,106,390	-	1,106,390	(382,286)	-	-	724,104	112,070	56,035	168,105	892,209	864,192	836,174
(7) Feb 6, 2018	$0.70 to Feb 6, 2017 $0.75 to Feb 6, 2018	651,858	-	651,858	(303,437)	-	-	348,421	150,023	29,331	179,354	527,775	513,110	498,444
(8) Mar 18, 2019	$ 0.75	225,705	(31,832)	193,873	(96,230)	-	-	97,643	54,507	12,346	66,853	164,497	174,370	183,982
Totals		**$ 6,100,620**	**$ (41,832)**	**$ 6,058,788**	**$ (1,379,795)**	**$ (297,155)**	**$ (368,668)**	**$ 4,013,170**	**$ 1,359,116**	**$ 260,330**	**$ 1,619,445**	**$ 5,632,616**	**$ 5,587,837**	**$ 5,414,118**
Current portion of convertible debt												3,912,952	3,907,304	4,097,198
Long term portion of convertible debt												$ 1,719,664	$ 1,680,533	$ 1,316,920

(1) (2) (3) (4) Subsequent to balance sheet date were extended to December 31 2016 and partially repaid (see Note 24)

13. Convertible debt (continued)

1) On February 14, 2014 the Company closed a financing of $2,000,000 of convertible Notes with a term of 2 years, paying 8% interest. The Notes are convertible into common shares of the Company at $0.50 per share during the first year of the Notes, and $0.60 during the second year of the Notes. The Company paid finder's fees of $205,600 in cash, legal fees of $42,591, and 320,000 share purchase warrants, exercisable at $0.50 per share for a period of three years.

   During fiscal 2015 $50,000 and in Q2, 2016 $10,000 of the notes were converted to common shares of the Company. In the first quarter of 2016 the maturity date was amended to August 12, 2016 and the interest rate was amended to 10%.

   In arriving at a fair value of the liability component of the convertible Notes, the Company used a discount rate of 18% to determine a discounted present value of the debt due on conversion. The equity component of $240,523 at February 12, 2014, arising from the difference between the coupon and effective interest rates, has been recorded as Contributed Surplus. The difference between the face value and fair value of the Notes is being charged against earnings as accreted interest using the effective interest rate method.

   The warrants were valued at $147,232 using the Black-Scholes option-pricing model using the following assumptions: expected life of two years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%. See subsequent event note #24.

2) On May 14, 2013 the Company completed a private placement offering of $1,025,000 of units (the "Units"); with each Unit consisting of (i) a $1.00 principal amount convertible secured subordinated promissory note of the Company (the "Notes") and (ii) one common share purchase warrant of SEB (the "Warrants"). The Company paid a finder's fee of $60,000 and legal fees of $27,630. The value of the warrants and debt issue costs have been allocated against the liability and equity components based on their relative fair values. These Notes were issued to two directors of the Company.

   The Warrants were exercisable at any time for a period of 12 months from the date of closing at an exercise price of $0.50 for one common share of the Company.

   The Notes have a three year term maturing May 13, 2016 (the "Maturity Date"). The Notes bear interest at an annual rate of 9.75%, with interest calculated and paid monthly in arrears. The principal amount of the Notes, to the extent not previously converted or repaid, will, on the Maturity Date, be repayable in its entirety. The Notes are convertible into the common shares of the Company at any time at $0.50 per share in year one, $0.60 per share in year two and $0.75 per share in year three.

   The equity component of $143,656 arose from the difference between the coupon and effective interest rates and has been recorded as Contributed Surplus. The difference between the face value and fair value of the Notes is being charged against earnings as accreted interest using the effective interest rate method. In arriving at a fair value of the liability component of the convertible Notes, the Company used a discount rate of 18% to determine a discounted present value of the debt.

   The warrants were valued at $75,850 using the Black-Scholes option-pricing model using the following assumptions: expected life of 12 months, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

   Subsequent to the quarter end, the Company through an Amendment and Extension Agreement, extended the maturity date to December 31, 2016, changed the interest rate to 12%, and the conversion price was amended to $0.30 per share. See subsequent event note #24.

13. Convertible debt (continued)

3) On August 30, 2013 the Company issued $725,000 of units, under the terms of a private placement offering totaling $975,000 of units (the "Units"); with each Unit consisting of (i) a $1.00 principal amount convertible secured subordinated promissory note of the Company (the "Notes") and (ii) one common share purchase warrant of the Company (the "Warrants"). The Company incurred legal costs directly attributed to the issuance of $24,307 and issued 100,000 share purchase warrants to the finder, exercisable at $0.35 per share for a period of two years. The finder warrants were valued at $16,060 using the Black-Scholes option-pricing model using the following assumptions: expected life of two years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%. The value of the warrants and debt issue costs have been allocated against the liability and equity components based on their relative fair values.

   The Warrants were exercisable at any time until May 13, 2014 at an exercise price of $0.50 for one common share of the Company.

   The Notes have a three year term maturing May 13, 2016 (the "Maturity Date"). The Notes bear interest at an annual rate of 9.75%, with interest calculated and paid monthly in arrears. The Notes were convertible into the common shares of SEB at any time at $0.50 per share until May 13, 2014, $0.60 per share until May 13, 2015 and $0.75 per share until May 13, 2016.

   The equity component of $98,330 arose from the difference between the coupon and effective interest rates and has been recorded as Contributed Surplus. The difference between the face value and fair value of the Notes is being charged against earnings as accreted interest using the effective interest rate method. In arriving at a fair value of the liability component of the convertible Notes, the Company has used a discount rate of 18% to determine a discounted present value of the debt.

   The Warrants were valued at $43,138 using the Black-Scholes option-pricing model using the following assumptions: expected life of 9 months, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

   Subsequent to the quarter end, the Company through an Amendment and Extension Agreement, extended the maturity date to December 31, 2016, changed the interest rate to 12%, and the conversion price was amended to $0.30 per share. See subsequent event note #24.

4) On September 6, 2013 the Company issued $250,000 of units, under the terms of a private placement offering totaling $975,000 of units (the "Units"); with each Unit consisting of (i) a $1.00 principal amount convertible secured subordinated promissory note of the Company (the "Notes") and (ii) one common share purchase warrant of the Company (the "Warrants").

   The Company incurred legal costs directly attributed to the issuance of $8,540. The value of the Warrants and debt issue costs have been allocated against the liability and equity components based on their relative fair values.

   The Warrants are exercisable at any time until May 13, 2014 at an exercise price of $0.50 for one common share of the Company.

   The Notes have a three year term maturing May 13, 2016 (the "Maturity Date"). The Notes bear interest at an annual rate of 9.75%, with interest calculated and paid monthly in arrears. The Notes were convertible into the common shares of SEB at any time at $0.50 per share until May 13, 2014, $0.60 per share until May 13, 2015 and $0.75 per share until May 13, 2016.

   The equity component of $34,531 arose from the difference between the coupon and effective interest rates and has been recorded as Contributed Surplus. The difference between the face value and fair value of the Notes is being charged against earnings as accreted interest using the effective interest

13. Convertible debt (continued)

rate method. In arriving at a fair value of the liability component of the convertible Notes, the Company used a discount rate of 18% to determine a discounted present value of the debt.

The warrants were valued at $14,875 using the Black-Scholes option-pricing model using the following assumptions: expected life of 9 months, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

Subsequent to the quarter end, the Company through an Amendment and Extension Agreement, extended the maturity date to December 31, 2016, changed the interest rate to 12%, and the conversion price was amended to $0.30 per share. See subsequent event note #24.

5) On June 6, 2014, the Company closed the acquisition of Stroma Service Consulting Inc. Part of the purchase price was $250,000 in promissory notes paying interest at an annualized rate of 3% with annual principal repayments over a 3 year period and convertible into shares of SEB at $0.50, $0.60 and $0.70 per common share of SEB in years one, two and three, respectively.

   During 2015, $83,333 of the principal was repaid according to the agreed repayment schedule.

   In arriving at a fair value of the liability component of the convertible Notes, the Company used a discount rate of 18% to determine a discounted present value of the debt due on conversion. The equity component of $80,802, arising from the difference between the coupon and effective interest rates, has been recorded as Contributed Surplus. The difference between the face value and fair value of the Notes is being charged against earnings as accreted interest using the effective interest rate method.

6) On December 31, 2014 the Company acquired Paradigm Consulting Group Inc. and PCGI Consulting Services Partnership, and amalgamated them into one company, named Paradigm Consulting Group Inc. The purchase price included vendor notes (“Notes”) in the aggregate principal amount of $1,106,390 with interest accruing at an annual rate of 3% payable quarterly in arrears with one third of the outstanding principal payable at the end of year two and the balance payable at the end of year three. The notes are convertible into SEB shares at $0.50 per share.

   In arriving at a fair value of the liability component of the convertible Notes, the Company used a discount rate of 18% to determine a discounted present value of the debt due on conversion. The equity component of $382,286, arising from the difference between the coupon and effective interest rates, has been recorded as Contributed Surplus. The difference between the face value and fair value of the Notes is being charged against earnings as accreted interest using the effective interest rate method.

7) On February 6, 2013, the Company closed the acquisition of Logitek. As part of the transaction and in order to retire $651,858 of debt owing by Logitek, the Company issued a five year convertible note in the amount of $651,858 with an annualized interest rate of 3%, payable quarterly and an escalating conversion price of $0.45, $0.55, $0.65, $0.70 and $0.75 from years one through five, respectively.

   The equity component of $303,437 arose from the difference between the coupon and effective interest rates. The difference between the face value and fair value of the notes is being charged against earnings as accreted interest using the effective interest rate method. In arriving at a fair value of the liability component of the convertible notes, the Company used a discount rate of 18% to determine the present value of the debt.

8) On March 1, 2014 the Company closed the acquisition of APS - Antian Professional Services. A

portion of the consideration was a convertible Note in the amount of $324,482 paying interest at 3% per annum with a term of 5 years. Payments of principal are made quarterly. The note is convertible at any time to SEB common shares during the term at a rate of $0.75 per share.

In arriving at a fair value of the liability component of the convertible Notes, the Company used a discount rate of 18% to determine a discounted present value of the debt due on conversion. The equity component of $96,230, arising from the difference between the coupon and effective interest rates, has been recorded as Contributed Surplus. The difference between the face value and fair value of the Notes is being charged against earnings as accreted interest using the effective interest rate method.

14. Short term and other notes payable

	May 31, 2016	Nov 30, 2015
Advance from Chairman of the Board (Note 18)	$ 1,500,000	$ 1,500,000
Accrued interest	216,986	145,000
Maplesoft promissory note	2,000,000	-
Loans assumed on Maplesoft transaction	5,200,819	-
Deferred financing fees and other	90,147	5,729
Short-Term notes payable	**$ 9,007,952**	$ 1,650,729
Loans assumed on Maplesoft transaction	2,761,144	-
Total notes payable	**$ 11,769,096**	$ 1,650,729

The advance from the Chairman of the Board had an original maturity date of June 15, 2015 and is payable on demand. It bears interest at 10% per annum.

15. Share Capital

(a) Authorized
Unlimited number of common shares

(b) Common shares issued and outstanding

		Number of shares	Amount $
	Balance November 30, 2015	**95,392,483**	**21,935,275**
(1)	Acquisition of Maplesoft Group Inc.	4,000,000	1,280,000
(2)	Private placement	4,000,000	1,600,000
(2)	Warrants issued with shares	-	(772,400)
(3)	Cancelation of DSU	-	-
(4)	Conversion of notes	16,666	10,000
	Balance May 31, 2016	**103,409,149**	**24,052,875**

1) On December 1, 2015, SEB acquired Maplesoft Consulting Group Inc. As part of the purchase consideration, SEB issued 4,000,000 shares. See Note 4.

2) On December 7, 2015, SEB closed a private placement for $1,600,000 which was made up of 4,000,000 units; each unit consisting of one common share and one share purchase warrant.
3) Per the terms of SEB's Deferred Share Unit program, 30,056 shares were allocated for consideration of $12,500 in Q1, 2016 and cancelled in Q2, 2016
4) In Q2, 2016, $10,000 of a convertible debt was converted to 16,666 common shares.

(c) Share purchase warrants

			Number of Warrants Outstanding					
			Feb 29, 2016	Activity During Period			May 31, 2016	
	Exercise Price	Expiry	Outstanding	Issued	Expired	Exercised	Outstanding	Exercisable
1	$ 0.75	Aug 6, 2016	1,000,000	-	-	-	1,000,000	400,000
3	$ 0.50	Oct 29, 2016	200,000	-	-	-	200,000	200,000
4	$ 0.65	Nov 14, 2016	1,250,000	-	-	-	1,250,000	1,250,000
5	$ 0.50	Feb 12, 2017	320,000	-	-	-	320,000	320,000
2	$ 0.75	Feb 27, 2017	2,651,500	-	-	-	2,651,500	2,651,000
6	$ 0.40	Apr 29, 2017	600,000	-	-	-	600,000	600,000
6	$ 0.40	May 7, 2017	297,500	-	-	-	297,500	297,500
3	$0.60 to Oct 29, 2016 $0.75 to Oct 29, 2017	Oct 29, 2017	2,000,000	-	-	-	2,000,000	2,000,000
3	$0.60 to Oct 29, 2016 $0.75 to Oct 29, 2017	Oct 29, 2017	3,050,000	-	-	-	3,050,000	3,050,000
6	$ 0.75	Oct 29, 2017	6,000,000	-	-	-	6,000,000	-
3	$0.60 to Nov 6, 2016 $0.75 to Nov 6, 2017	Nov 6, 2017	950,000	-	-	-	950,000	950,000
6	$ 0.75	Dec 7, 2017	4,000,000	-	-	-	4,000,000	-
13	$ 0.50	Jan 25, 2018	-	500,000	-	-	500,000	500,000
10	$ 0.50	Feb 11, 2018	50,000	-	-	-	50,000	50,000
7	$0.70 to Mar 1, 2017 $0.75 to Mar 1, 2018	Mar 1, 2018	675,000	-	-	-	675,000	675,000
8	$0.55 to Jun 6, 2016 $0.60 to Jun 6, 2017 $0.70 to Jun 6, 2018	Jun 6, 2018	100,000	-	-	-	100,000	100,000
9	$ 0.50	Nov 4, 2018	1,000,000	-	-	-	1,000,000	333,334
11	$ 0.50	Feb 27, 2019	1,000,000	-	-	-	1,000,000	333,334
12	$ 0.50	Dec 1, 2019	1,000,000	-	-	-	1,000,000	-
			26,144,000	**500,000**	-	-	**26,644,000**	**13,710,168**
	Weighted avg. exercise price per share		**$ 0.66**	**$ 0.50**	N/A	N/A	**$ 0.66**	**$ 0.62**

1) On February 6, 2013 SEB closed the acquisition of Logitek. As part of the price, the Company issued, 1,000,000 share purchase warrants. The warrants have a term of 42 months and an escalating exercise price every 12 months of $0.45, $0.55 and $0.65 during the first three years of the term and at $0.75 for the last six months of the term. These warrants contain performance vesting conditions during their term equating to revenue and earnings targets. The warrants were valued at $159,500 using the Black-Scholes option-pricing model using the following assumptions: expected life of 42 months, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%. The Company has recorded $159,500 which equates to the value attributable to the number of warrants the Company estimates will ultimately vest.

2) On February 27, 2013 the Company closed an equity financing of $1,106,000 consisting of 3,160,000 units at $0.35 per unit where each unit consists of one common share and one common share purchase warrant. The common share purchase warrants are exercisable over a four year period at a price of $0.50 in year one, $0.55 in year two, $0.65 in year three and $0.75 in year four. The warrants were valued at $378,368 using the Black-Scholes option-pricing model using the following assumptions: expected life of four years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

3) On October 29, 2014 the Company closed a financing of $1,000,000 of Equity Units. The Equity Units were issued at $0.50 per unit and each Unit consists of one SEB common share and one

SEB common share purchase warrant exercisable for a period of 36 months at $0.60 per share for year one and year two and $0.75 per share for year three. The warrants were valued at $350,227 using the Black-Scholes option-pricing model using the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

On October 29, 2014 and November 6, 2014, the Company closed a financing of $2,000,000 of Equity Units. The Equity Units were issued at $0.50 per unit and each Equity Unit consists of one SEB common share and one SEB common share purchase warrant exercisable for a period of 36 months at $0.60 per share for year one and year two and $0.75 per share for year three. As part of the financing, SEB issued 200,000 finders warrants exercisable at $0.50 per share for a period of 24 months. The warrants were valued at $697,904 using the Black-Scholes option-pricing model using the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%. The finder warrants were valued at $52,540 using the Black-Scholes option-pricing model using the following assumptions: expected life of two years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

4) On November 18, 2013, the Company closed an equity financing of $500,000 consisting of 1,250,000 units at $0.40 per unit where each unit consists of one common share and one common share purchase warrant. The common share purchase warrants have a term of 36 months and an escalating exercise price every 12 months of $0.50, $0.55, and $0.65 during the term. The warrants were valued at $165,648 using the Black-Scholes option-pricing model using the following assumptions: expected life of 36 months, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

5) On February 14, 2014 the Company closed a financing of $2,000,000 of convertible Notes. The Company paid 320,000 share purchase warrants as finder's fees exercisable at $0.50 per share for a period of three years. The warrants were valued at $147,232 using the Black-Scholes option-pricing model using the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

6) On October 30, 2015, the Company closed a financing of $2,400,000 of Equity Units ("Tranche 1"). The Equity Units were issued at $0.40 per unit and each Equity Unit consists of one SEB common share and one SEB common share purchase warrant exercisable for a period of 24 months at $0.75 per share and vests on December 31, 2016. As part of the financing, SEB issued 600,000 finders warrants exercisable at $0.40 per share for a period of 18 months.

   On December 7, 2015, the Company closed a financing of $1,600,000 of Equity Units under the same terms as above ("Tranche 2"). As part of the financing, SEB issued 297,500 finders warrants exercisable at $0.40 per share for a period of 18 months.

   For Tranche 1, the warrants were valued at $826,200 using the Black-Scholes option-pricing model using the following assumptions: expected life of two years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%. The finder warrants were valued at $102,540 using the Black-Scholes option-pricing model using the following assumptions: expected life of one and a half years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

   For Tranche 2, the warrants were valued at $772,400 using the Black-Scholes option-pricing model using the following assumptions: expected life of two years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%. The finder warrants were valued at $59,827 using the Black-Scholes option-pricing model using the following assumptions: expected life of one and a half years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

7) On March 5, 2013 the Company closed the acquisition of SOMOS. As part of the purchase price the Company issued 1,000,000 warrants. The warrants have a term of 60 months and an escalating exercise price every 12 months of $0.45, $0.55, $0.65, $0.70 and $0.75 during the term. The warrants were valued at $174,100 using the Black-Scholes option-pricing model using the following assumptions: expected life of 5 years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

8) On June 11, 2014 the Company acquired 100% of Stroma Service Consulting Inc. In connection with the transaction, 1,000,000 SEB share purchase warrants were granted to employees of Stroma. The warrants have a four year term and are exercisable at $0.50, $0.55, $0.60 and $0.70 per common share of SEB in years one, two, three and four of the term, respectively. The warrants were valued at $317,100 using the Black-Scholes option-pricing model using the following assumptions: expected life of four years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

9) On November 4, 2014 the Company acquired 50% of Banyan Work Health Solutions Inc. and BITS Licensing Inc. As part of the purchase price, the Company issued 1,000,000 share purchase warrants as retention warrants to key Banyan employees. The retention warrants have an exercise price of $0.50 per share and a term of 48 months, with one-third of the warrants vesting at the end of each year for the first 36 months. The warrants were valued at $319,200 using the Black-Scholes option-pricing model using the following assumptions: expected life of four years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

10) On February 11, 2015 the Company acquired 50% of SEB Benefits & HR Consulting Inc. As part of the purchase price, the Company issued 50,000 share purchase warrants to acquire SEB shares. The warrants are exercisable at $0.50 per SEB share for a term of 36 months and vest 25% every six months. The warrants were valued at $13,080 using the Black-Scholes option-pricing model using the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

11) Effective December 31, 2014, the Company closed in escrow the acquisition of Paradigm Consulting Group Inc. and PCGI Consulting Services Partnership, amalgamated into one company, named Paradigm Consulting Group Inc. As part of the Purchase Price, the Company issued 1,000,000 share purchase warrants to Paradigm employees as a retention incentive. All warrants have a 48-month term and an exercise price of $0.50 per share. The warrants vest one-sixth every six months over a 36 month period following the closing of the transaction. The warrants were valued at $290,000 using the Black-Scholes option-pricing model using the following assumptions: expected life of four years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

12) On December 1, 2015, the Company acquired Maplesoft Group Inc. As part of the Purchase Price, the Company issued 1,000,000 share purchase warrants to Maplesoft employees as a retention incentive. All warrants have a 48-month term and an exercise price of $0.50 per share. The warrants vest one-sixth every six months over a 36 month period following the closing of

the transaction. The warrants were valued at $297,800 using the Black-Scholes option-pricing model using the following assumptions: expected life of four years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

13) On January 25, 2016, as part of the financing, to acquire Paradigm SEB issued 500,000 finders warrants exercisable at $0.50 per share for a period of 24 months. The finder warrants were valued at $47,950 using the Black-Scholes option-pricing model using the following assumptions: expected life of one and a half years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

(d) Share purchase options

The SEB stock option plan (the "Plan") is administered by the Board of Directors of the Company which establishes the exercise prices, vesting conditions and expiry date of the options. The number of common shares reserved for issuance under the Plan at May 31, 2016 is 10,340,914. At May 31, 2016, the Company had 7,475,000 options issued and outstanding under the terms of the Plan.

	Exercise		Feb 29, 2016				May 31, 2016	
	Price	Expiry	Outstanding	Issued	Expired	Exercised	Outstanding	Exercisable
i	$ 0.35	Mar 15, 2016	140,000	-	(140,000)	-	-	-
	$ 0.20	Apr 5, 2016	87,000	-	(87,000)	-	-	-
ii	$ 0.35	Apr 23, 2016	1,019,500	-	(1,019,500)	-	-	-
iii	$ 0.35	Apr 23, 2016	100,000	-	(100,000)	-	-	-
iv	$ 0.50	Feb 7, 2017	300,000	-	-	-	300,000	300,000
v	$ 0.58	Mar 31, 2017	130,000	-	-	-	130,000	130,000
vi	$ 0.58	Mar 31, 2017	100,000	-	-	-	100,000	100,000
vii	$ 0.42	Jul 24, 2017	250,000	-	-	-	250,000	187,500
viii	$ 0.50	Sep 5, 2017	200,000	-	-	-	200,000	150,000
ix	$ 0.45	Oct 23, 2017	200,000	-	-	-	200,000	200,000
x	$ 0.45	Oct 23, 2017	505,000	-	(50,000)	-	455,000	378,750
xi	$ 0.50	Oct 23, 2017	600,000	-	(100,000)	-	500,000	480,000
xii	$ 0.50	Oct 24, 2017	1,400,000	-	-	-	1,400,000	1,400,000
xiii	$ 0.50	Oct 24, 2017	600,000	-	-	-	600,000	600,000
xiv	$ 0.50	Jan 20, 2018	900,000	-	-	-	900,000	300,000
xv	$ 0.50	Mar 24, 2018	-	350,000	-	-	350,000	-
xvi	$ 0.50	Mar 26, 2018	300,000	-	(300,000)	-	-	-
xvii	$ 0.30	May 31, 2018	-	850,000	-	-	850,000	350,000
xviii	$ 0.40	Jan 18, 2019	-	200,000	-	-	200,000	50,000
xix	$ 0.30	Mar 24, 2019	-	400,000	-	-	400,000	80,000
xx	$ 0.30	Mar 24, 2019	-	290,000	-	-	290,000	58,000
xxi	$ 0.30	Apr 26, 2019	-	100,000	-	-	100,000	20,000
xxii	$ 0.30	May 31, 2019	-	100,000	-	-	100,000	-
xxiii	$ 0.30	May 31, 2021	-	150,000	-	-	150,000	-
			6,831,500	**2,440,000**	**(1,796,500)**	**-**	**7,475,000**	**4,784,250**
	Weighted avg exercise price		**$ 0.46**	**$ 0.34**	**$ 0.38**	**N/A**	**$ 0.44**	**$ 0.47**

i. On March 15, 2013, the Company granted 300,000 options exercisable until March 15, 2016 at an exercise price of $0.35 per share. 100,000 of these stock options vested as follows: 20,000 immediately and 20,000 every three months until all are fully vested. 200,000 of these stock options vested as follows: 40,000 90 days after grant date and 40,000 every six months until all are fully vested. The stock options were valued at $66,180 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 1.03%, expected dividend yield of 0%, and expected volatility of 100%.

ii. On April 23, 2013, the Company granted 1,119,000 stock options exercisable until April 23, 2016 at an exercise price of $0.35 per share. The stock options vested 25% every 6 months from the grant date. The stock options were valued at $197,839 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

iii. On April 23, 2013, the Company granted 100,000 options exercisable until April 23, 2016 at an exercise price of $0.35 per share. The stock options vested 25% every 6 months from the grant date. The stock options were valued at $22,060 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

iv. On February 7, 2014, the Company granted 300,000 options exercisable until February 7, 2017 at an exercise price of $0.50 per share. The stock options vested 25% every 6 months from the grant date. The stock options were valued at $122,730 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

v. On March 31, 2014, the Company granted 130,000 options exercisable until March 31, 2017 at an exercise price of $0.58 per share. The stock options vested 25% every 6 months from the grant date. The stock options were valued at $38,961 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

vi. On March 31, 2014, the Company granted 100,000 options exercisable until March 31, 2017 at an exercise price of $0.58 per share. The stock options vested 25% every 6 months from the grant date. The stock options were valued at $25,280 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

vii. On July 24, 2014, the Company granted 250,000 options exercisable until July 24, 2017 at an exercise price of $0.42 per share. The stock options vested 25% every 6 months from the grant date. The stock options were valued at $61,135 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

viii. On September 5, 2014, the Company granted 200,000 options exercisable until September 5, 2017 at an exercise price of $0.50 per share. The stock options vested 25% every 6 months from the grant date. The stock options were valued at $46,060 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

ix. On October 23, 2014, the Company granted 200,000 options exercisable until October 23, 2017 at an exercise price of $0.45 per share. The stock options vested 100,000 on issue and 100,000 after one year. The stock options were valued at $55,500 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

x. On October 23, 2014, the Company granted 505,000 options exercisable until October 23, 2017 at an exercise price of $0.45 per share. The stock options vested 25% every 6 months from the grant date. The stock options were valued at $140,138 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xi. On October 23, 2014, the independent directors of the Company were granted an aggregate of 600,000 options exercisable until October 23, 2017 at an exercise price of $0.50 per share. The stock options vested 120,000 on issue and 120,000 each 3 months until fully vested. The stock options were valued at $166,500 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xii. On October 24, 2014, the Company granted 1,400,000 options exercisable until October 24, 2017 at an exercise price of $0.50 per share. The stock options vested 1,000,000 on issue and 400,000 after 6 months. The stock options were valued at $344,260 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xiii. On October 24, 2014, the Company granted to the CEO of the Company 600,000 options exercisable until October 24, 2017 at an exercise price of $0.50 per share. The stock options vested on issue. The stock options were valued at $147,540 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xiv. On January 20, 2015, the Company granted 900,000 options exercisable at $0.50 to June 11, 2015; $0.55 to June 11, 2016; $0.60 to June 11, 2017; and $0.70 to June 11, 2018. The stock options were valued at $236,970 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xv. On March 24, 2016, the Company granted 350,000 options exercisable at $0.50 to March 24, 2018, with 175,000 vesting in six months and 175,000 vesting in 12 months. The stock options were valued at $19,775 using the Black-Scholes option-pricing model with the following assumptions: expected life of two years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xvi. On March 26, 2015, the Company granted 300,000 options exercisable at $0.50 to March 26, 2018, vesting at 6 month intervals. The stock options were valued at $85,770 using the Black-Scholes option-pricing model with the following assumptions: expected life of four years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xvii. On May 31, 2016, the Company granted 850,000 options exercisable at $0.30 to May 31, 2018, with 350,000 vesting immediately, 250,000 vesting in six months, 200,000 vesting in 12 months, and 50,000 in 18 months. The stock options were valued at $67,065 using the Black-Scholes option-pricing model with the following assumptions: expected life of two years, risk free rate of

0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xviii. On January 18, 2016, the Company granted 200,000 options exercisable at $0.40 to January 18, 2019 with 50,000 vested on April 17, 2016 and with 50,000 vesting every three months thereafter until fully vested. The stock options were valued at $26,300 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xix. On March 24, 2016, the Company granted 400,000 options exercisable at $0.30 to March 24, 2019 with 80,000 vesting immediately, 80,000 every six months thereafter until fully vested. The stock options were valued at $40,160 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xx. On March 24, 2016, the Company granted 290,000 options exercisable at $0.30 to March 24, 2019 with 58,000 vesting immediately, and 58,000 every six months thereafter until fully vested. The stock options were valued at $29,116 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xxi. On April 26, 2016, the Company granted 100,000 options exercisable at $0.30 to April 26, 2019, vesting 20,000 vested immediately and 20,000 vesting every six months until fully vested. The stock options were valued at $10,040 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xxii. On May 31, 2016, the Company granted 100,000 options exercisable at $0.30 to May 31, 2019 with 25,000 vesting every six months until fully vested. The stock options were valued at $9,310 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

xxiii. On May 31, 2016, the Company granted 150,000 options exercisable at $0.30 to May 31, 2021 with 25,000 vesting every six months until fully vested. The stock options were valued at $18,150 using the Black-Scholes option-pricing model with the following assumptions: expected life of three years, risk free rate of 0.98%, expected dividend yield of 0%, and expected volatility of 100%.

(e) Loss per Share

The weighted average number of common shares outstanding for the three months ending May 31, 2016 was 103,413,661 (88,781,247 for the three months ending May 31, 2015).

The dilutive effect of options and warrants outstanding was not included as it would serve to reduce the loss per share reported.

16. Financial Instruments

Fair Values

The carrying value of cash and cash equivalents, accounts receivable, advances to acquisition target, bank loan, accounts payable and accrued liabilities, deferred revenue, equipment loans and leases payable, and short-term notes considered representative of their respective fair values due to the short-term period to maturity.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. For financial assets, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. In the normal course of business, the Company is exposed to credit risk from its customers and the related accounts receivable are subject to normal industry credit risk. To mitigate this risk the Company reviews the creditworthiness of material new customers, monitors customer payment performance and, where appropriate, reviews the financial condition of existing customers. The Company establishes an allowance for doubtful accounts that corresponds to the specific credit risk of its customers and economic circumstances.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. A portion of the bank loan bears interest at floating rates and as such is subject to interest rate cash flow risk resulting from market fluctuations in interest rates. A 1% appreciation (depreciation) in the interest rate would result in a change in interest expense of approximately of $174,014.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations such as accounts payable out of cash. The Company’s future liquidity is dependent on factors such as the ability to generate cash from operations and to raise money through debt or equity financing. The Company has disclosed in Note 1 to these consolidated financial statements the existence of circumstances which cast significant doubt on its ability to continue as a going concern.

The Company is currently in negotiations to raise capital from several sources, in the form of debt and equity. The Company is seeking to raise financing to retire portions of the debt assumed on the acquisition of Maplesoft Consulting Group Inc. and to supply working capital. There are no assurances that the Company will be successful in achieving this goal.

The Company calculated that it may also be in default with regard to the Debt to Equity covenant of the Paradigm facility. By Q2, 2016, the Company has obtained notice of wavier, refer to notes 24 subsequent event for details.

Major Debt maturity schedule at May 31, 2016

		Short Term Notes	Maplesoft Debt (2)	Convertibles (1)	Bank Term Debt	Total
Fiscal 2016	Q3	1,500,000	6,768,453	3,940,000	175,000	12,383,453
	Q4	-	130,000	-	262,500	392,500
	Total	1,500,000	6,898,453	3,940,000	437,500	12,775,953
Fiscal 2017		-	1,225,000	166,667	1,050,000	2,441,667
Fiscal 2018		-	360,000	1,758,248	1,050,000	3,168,248
Fiscal 2019		-	152,000	193,873	350,000	695,873
Fiscal 2020		-	1,326,510	-	-	1,326,510
		1,500,000	**9,961,963**	**6,058,788**	**2,887,500**	**20,408,251**

(1) Face value of convertible loans
(2) Debt assumed or issued to acquire Maplesoft
See Note 24 regarding repayment and extensions

The Company is actively pursuing alternative financing resources to retire the Maplesoft debt and the convertible debt.

The borrowings of the Company under its debt obligation and certain Notes are secured by its lenders by a general security agreement ("GSA") over certain assets of the Company. Should the Company not meet its covenants or obligations under these borrowing agreements when due, there is the risk that its lenders may realize on its security and liquidate the assets of the Company.

The future capital requirements of the Company will depend on many factors, including the number and size of acquisitions consummated, rate of growth of its client base, the costs of expanding into new markets, the growth of the market for healthcare services and the costs of administration. In order to meet such capital requirements, the Company may consider additional public or private financing (including the incurrence of debt and the issuance of additional common shares) to fund all or a part of a particular venture, which could entail dilution of current investors' interest in the Company. There can be no assurance that additional funding will be available and that the Company will be able to raise additional capital if its capital resources are depleted or exhausted. Further, due to regulatory impediments and lack of investor appetite, the ability of the Company to issue additional common shares or other securities exchangeable for or convertible into common shares to finance acquisitions may be restricted.

17. Capital Management

The Company's capital consists of share capital (net of share issuance costs), contributed surplus, options and warrants in the amount of $31,890,845 at May 31, 2016 ($28,560,188 at November 30, 2015). The Company's capital management objectives are to safeguard its ability to continue as a going concern (see Note 2) and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Company is not subject to any externally imposed capital requirements. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

18. Related Party Transactions

Key Management Compensation

Two shareholders of the Company, one acting in the capacity of President and Chief Executive Officer and the other acting as Chief Financial Officer, Chief Operating Officer and Corporate

Secretary, were paid management fees during the period March 1, 2016 to May 31, 2016 totalling $134,000 ($135,750 during the period March 1, 2015 to May 31, 2015). The President and Chief Executive Officer is also a Director of the Company.

Advances to and from Directors

Included in accounts receivables are amounts due from two Directors, in the amounts of $60,000 (2015 -$60,000) and $112,539 (2015 - $112,539). Subsequent to the quarter, the $60,000 advance was repaid.

On December 19, 2014, the Company received an advance of $1,500,000 from a director of the Company in the form of a short-term note (Note 14). The Company has recorded accrued interest of $216,986 payable on the advance included in the balance of short-term notes. The note had an original maturity of June 15, 2015 and is currently due on demand.

Other Advances

Further to the terms of Maplesoft's acquisition, included in short term notes receivable is an advance of $310,671 to the former shareholders of Maplesoft. This pertains to SEB's commitment to advance $2,000,000 which will be offset from the performance incentive payments.

19. Net Change in Non-cash Working Capital items

	Mar 1, 2016 to May 29, 2016	*Mar 1, 2015 to May 31, 2015*	*Dec 1, 2015 to May 31, 2016*	*Dec 1, 2014 to May 31, 2015*
Accounts receivable	$ 707,373	$ 966,029	$ (475,899)	$ 490,180
Inventory	$ (224,559)	9,771	(233,508)	40,581
Prepaids and deposits	$ 208,238	(181,278)	(78,132)	(307,647)
Accounts payable and accrued liabilities	$ 1,263,154	618,715	2,895,818	(1,168,817)
Deferred revenue	$ (231,010)	(80,745)	(160,977)	(282,753)
Government remittances and current taxes payable	$ (57,518)	(274,925)	(419,363)	(65,046)
Total	**$ 1,665,679**	**$ 1,057,567**	**$ 1,527,940**	**$ (1,293,502)**

20. Commitments

As at May 31, 2016, the Company had the following lease commitments:

	Premise leases
Fiscal 2016	$ 752,637
Fiscal 2017	1,371,548
Fiscal 2018	1,370,496
Fiscal 2019	868,995
Fiscal 2020	297,990
Total	**$ 4,661,666**

Software Licencing Agreement

Effective July 1, 2011, the Company entered into a licence agreement ("Licence") with Bevertec, CST Inc. ("Bevertec") a shareholder of the Company, to acquire from Bevertec the licence of a software platform which provides the adjudication of health benefit claims ("Adjudication

Software"). The Licence provides (a) a perpetual, irrevocable, transferable and exclusive right and license to use the Adjudication Software in Canada; and (b) a perpetual, irrevocable, transferable and non-exclusive right and world-wide license to use the Adjudication Software outside Canada.

The price paid under the terms of the Licence was a payment of $500,000 and a royalty stream of payments ("Royalty") payable as follows: up to $0.5 million based on 1% of the first $50 million of sales revenue; up to $2 million based on 2% the next $100 million in sales revenue; and up to $5 million based on 3% of the next $167 million of sales revenue. As of May 31, 2016 no amounts have been paid. This asset is recorded as software (Note 6).

21. Contingencies

Contingent Acquisition Consideration Payable

	Nov 30, 2015	Additions / Adjustments	May 31, 2016
Inforica acquisition (1)	$ 40,246	$ -	$ 40,246
Adeeva acquisition (2)	739,484	(41,725)	697,759
Banyan investment (3)	203,769	-	203,769
Paradigm acquisition (4)	1,512,194	-	1,512,194
Maplesoft acquisition (5)	-	2,300,000	2,300,000
	2,495,693	2,258,275	4,753,968
Less: current portion	(120,874)		(40,246)
	$ 2,374,819		**$ 4,713,722**

1) As part of the consideration for the Inforica acquisition the Company is obligated to pay additional royalties based on future financial results of Inforica. The royalty payment provisions provide that, for an indefinite term, the Company will pay to the preferred shareholders of Inforica a future royalty of 3.68% of energy revenue to a maximum aggregate payment of $350,000.

2) As part of the consideration for the Adeeva acquisition the Company is obligated to pay additional royalties based on future financial results of Adeeva. The royalty payment provisions provide that, for an indefinite term, the Company will pay to the former debtholders of Adeeva a future royalty of 1% of Adeeva sales and 3% of Adeeva gross margins to a maximum aggregate payment of $1,000,000.

3) As part of the consideration for the Banyan investment the Company is obligated to pay up to $425,000 based on certain performance measures. The $425,000 is payable on a pro-rated basis based on Banyan's cumulative pre-tax earnings between $3,840,000 and $4,800,000 on or before November 3, 2018.

4) As part of the consideration for the Paradigm acquisition the Company is obligated to pay up to $1,774,179 to be paid at the end of year three following closing, subject to meeting a cumulative EBITDA of $8,870,898 and $591,393 to be paid at the end of year four following closing, subject to meeting a cumulative EBITDA of $11,827,864.

5) As part of the consideration for the Maplesoft acquisition the Company agreed to pay to the former shareholders of Maplesoft at the end of five years an amount equal to 15% of the increase in the enterprise value of Maplesoft over that time period. At the date of issue of these statements the estimates of the minimum and maximum payments have not been determined.

An estimate of the ranges of outcomes for the contingent consideration payable is as follows:

	Minimum	Maximum
Inforica acquisition	$ 50,120	$ 350,000
Adeeva acquisition	43,842	1,000,000
Banyan investment	-	425,000
Paradigm acquisition	-	2,365,572
	$ 93,962	**$ 4,140,572**

Legal Proceedings

As part of the acquisition of Maplesoft Consulting Group Inc., the Company has assumed liability for the outcome of any successful legal claims against Maplesoft. SEB has reviewed outstanding claims and believes that they will be settled with little or no payments by Maplesoft.

The claims consist of:

- Four claims filed against Maplesoft with regards to employment matters between October 16, 2013 and October 24, 2014, totaling $546,111. Defences have been filed with Maplesoft denying any liability.
- One claim of sexual assault against an employee of a department of the Canadian federal government, which is a client of Maplesoft. Maplesoft has been added as defendant as the plaintiff was at the time under contract to the federal government department through Maplesoft. The total claim is $600,000 plus costs. Maplesoft has filed a notice of defence, denying any liability.

Litigation is subject to many uncertainties, and the outcome of these matters is not predictable with assurance. The Company, with the help of legal counsel, continues to defend these claims and believes that the likelihood of having to pay these claims is remote and unlikely.

22. Segment Disclosures

The Company organizes its reporting structure into three reportable segments. The reportable segments have been adjusted for significant business acquisitions and different revenue streams. For management purposes, the Company is organized into divisions based on their products and services provided. Management monitors the operating results of each division separately for the purpose of making decisions about resource allocation and performance assessment.

The Company has three reportable operating segments as follows:

- Benefits Division provides software, solutions, services and products focused on managing group benefit and wellness solutions and healthcare claims processing environments for corporate and government clients.
- Technology Division provides solutions in the areas of supply change management, integration and energy, as well as training and resource provisioning and supports the Benefits division.
- The Corporate Division does not represent an operating segment and is included for

informational purposes only. Corporate Division expenses consist of public company costs, as well as salaries, share-based compensation, interest and finance costs and office and administrative costs relating to corporate employees.

As at May 31, 2016	Benefits	Technology	Corporate	Total
Balance Sheet				
Current assets	$ 464,334	$ 22,873,070	$ 375,377	$ 23,712,781
Long term deposits	-	-	140,146	140,146
Equipment	13,462	837,224	-	850,686
Software	1,233,845	713,683	-	1,947,528
Customer relationships	43,083	9,433,865	-	9,476,948
Trade names	162,500	4,112,969	-	4,275,469
Intellectual property	70,583	-	-	70,583
Associate investments	2,643,452	-	-	2,643,452
Goodwill	733,544	14,856,765	-	15,590,309
Total assets	**$ 5,364,802**	**$ 52,827,576**	**$ 515,523**	**$ 58,707,902**
Current liabilities	1,085,152	29,139,003	9,098,381	39,322,536
Total liabilities	**$ 1,085,152**	**$ 34,663,313**	**$ 16,846,436**	**$ 52,594,900**

For the quarter ended at May 31, 2016	Benefits	Technology	Corporate	Total
Income Statement				
Revenues	$ 376,762	$ 24,768,080	$ -	$ 25,144,842
Cost of revenues	(179,847)	(20,227,664)	-	(20,407,511)
Operating costs	(611,191)	(2,596,867)	(534,846)	(3,742,904)
Operating income (loss)	**(414,276)**	**1,943,549**	**(534,846)**	**994,427**
Interest	(3,473)	(562,707)	(127,237)	(693,417)
Acquisition and financing costs	-	(248,017)	(47,950)	(295,967)
Share-based compensation	-	-	(108,972)	(108,972)
Amortization	(16,109)	(375,721)	(633,908)	(1,025,738)
Depreciation	(17,507)	(29,207)	-	(46,714)
Accretion of interest	34,191	-	(105,017)	(70,826)
Income tax	-	(1,140)	-	(1,140)
Share of profit of equity-accounted investees, net of tax	187,069	-	-	187,069
Income (Loss) for the period	**$ (230,105)**	**$ 726,757**	**$ (1,557,930)**	**$ (1,061,278)**

As at May 31, 2015	Benefits	Technology	Corporate	Total
Balance Sheet				
Current assets	$ 1,821,395	$ 11,092,027	$ 699,610	$ 13,613,032
Long term deposits	-	-	275,351	275,351
Equipment	253,168	692,380	-	945,548
Software	2,324,936	1,154,157	-	3,479,093
Customer relationships	936,083	6,430,615	-	7,366,698
Trade names	708,500	2,642,734	-	3,351,234
Intellectual property	87,083	-	-	87,083
Goodwill	2,809,737	5,126,576	-	7,936,313
Total assets	**$ 8,940,902**	**$ 27,138,489**	**$ 974,961**	**$ 37,054,352**
Current liabilities	1,756,944	3,130,803	13,316,241	18,203,988
Total liabilities	**$ 6,783,843**	**$ 3,130,803**	**$ 15,479,817**	**$ 25,394,463**

For the quarter ended at May 31, 2015				
Income Statement				
Revenues	$ 2,595,225	$ 10,747,305	$ -	$ 13,342,530
Cost of revenues	(2,008,421)	(8,188,526)	-	(10,196,947)
Operating costs	(603,464)	(1,462,107)	(468,789)	(2,534,360)
Operating income (loss)	**(16,660)**	**1,096,672**	**(468,789)**	**611,223**
Interest	(6,606)	(117,479)	(206,373)	(330,458)
Acquisition and financing costs	-	-	(830,127)	(830,127)
Share-based compensation	-	-	(373,603)	(373,603)
Amortization	(68,451)	(603,990)	(52,361)	(724,802)
Depreciation	(23,402)	(42,312)	-	(65,714)
Accretion of interest	-	-	(187,892)	(187,892)
Gain on sale of business	-	(100,000)	-	(100,000)
Income tax	-	71,485	-	71,485
Income (Loss) for the period	**$ (115,119)**	**$ 304,376**	**$ (2,119,145)**	**$ (1,929,888)**

23. Reclassification

Certain amounts in comparative financial statements have been reclassified to conform to current presentation.

24. Subsequent Events

Operating Credit Facility

On July 8, 2016, SEB closed a credit facility with a major international asset based lender in the amount of up to $12,500,000 (the "Credit Facility"). The borrowers under the Credit Facility are Maplesoft Group Inc., Somos Consulting Group Ltd, APS - Antian

Professional Services Inc. and Logitek Technology Ltd. The Credit Facility is an amendment to the existing operating credit facility of up to $7,500,000 previously in place between the same lender and Maplesoft Group Inc.

24. Subsequent Events (continued)

The Credit Facility also replaces an operating credit facility of up to $1,500,000 which Somos Consulting Group Ltd, APS - Antian Professional Services Inc. and Logitek Technology Ltd. had in place with a major Canadian Schedule I Chartered Bank.

The Credit Facility has a two-year term and bears interest at the greater of 0.5% or the one-month U.S. Dollar London Interbank Offered Rate, plus 6.5% per annum. The amount available under the Credit Facility is a revolving loan based on a formula calculated on the billed and un-billed accounts receivable of the borrowers. The Credit Facility is secured by a first charge over all of the assets of certain subsidiaries of the Company, contains positive, negative and financial covenants, and includes other usual and customary terms and conditions. SEB provides a guarantee under the Credit Facility.

Convertible Notes totaling $1,940,000 due August 12, 2016

On July 26, 2016 the Company, through an Amendment and Extension Agreement, amended the terms of the convertible notes due August 12, 2016 (the "August Notes"), such that the maturity date is extended to December 31, 2016 and the interest rate for the period August 12, 2016 to December 31, 2016 is amended from 10% to 12%. As well, $608,333 of the August Notes were repaid and the noteholders agreed to waive security against the shares of Banyan Work Health Solutions Inc. and BITS Licensing Inc. In addition, the conversion price was amended to $0.30 per share from August 12, 2016 to December 31, 2016.

Convertible Notes totaling $2,000,000 due May 13, 2016

On July 26, 2016 the Company, through an Amendment and Extension Agreement, amended the terms of the convertible notes due May 13, 2016 (the "May Notes"). The May Notes had been issued in tranches of $1,025,000, $725,000 and $250,000. The noteholders agreed to waive security against the shares of Banyan Work Health Solutions Inc. and BITS Licensing Inc. (collectively the "Banyan Shares"). The maturity date is extended to December 31, 2016 and the interest rate for the period from the Transference of Banyan Shares to December 31, 2016 is amended to 12%. As well, $310,000 of the May Notes were repaid. In addition, the conversion price was amended to $0.30 per share from the Transference of Banyan Shares to December 31, 2016.

Unwinding of Banyan Transaction

On July 26, 2016, the Company unwound the transaction executed in November 3, 2014 whereby it had acquired 50% of the shares of Banyan Work Health Solutions Inc. and BITS Licensing Inc. (collectively "Banyan"). As a result of releasing the Banyan shares, the Company received:

1. Cash of $1,625,000
2. Return for cancellation of 2,000,000 SEB shares
3. Release of SEB contingent obligations under the original acquisition of the Banyan Shares
4. Return for cancellation of the majority of employee retention warrants issued November, 2014

Maplesoft Debt

Of the short term debt assumed by the Company as part of the consideration in the acquisition of Maplesoft Group Inc. on December 3, 2015, agreements have been reached subsequent to the quarter end whereby $6,996,518 of the debt has been extended to maturity dates ranging from October 31, 2016 to March 5, 2018.