STARTMONDAY TECHNOLOGY CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2017

(Unaudited)

(Expressed in Canadian Dollars, Unless Otherwise Indicated)

NOTICE OF NO AUDITOR REVIEW OF

INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of StartMonday Technology Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

STARTMONDAY TECHNOLOGY CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

	Notes	**September 30, 2017**	December 31, 2016
ASSETS			
Current assets			
Cash	7	**$ 1,487**	$ 138,856
Amounts receivable	8	**52,987**	103,189
Prepaid expenses		**4,725**	29,368
		59,199	271,413
Property and Equipment	9	**-**	-
Intangible Assets			
Intellectual property	10	**750,077**	696,351
Total assets		**$ 809,726**	$ 967,764
SHAREHOLDERS' EQUITY (DEFICIENCY) AND LIABILITIES			
Current liabilities			
Trade and other payables	11	**542,241**	415,255
Refundable deposit		**70,025**	67,303
Deferred revenue		**17,012**	-
Loans payable	13	**495,000**	17,003
Total current liabilities		**1,124,278**	499,561
Shareholders' equity (deficiency)			
Share capital	14	**7,399,451**	5,834,202
Reserves	14(e)	**1,109,377**	2,076,009
Other comprehensive income		**(16,078)**	27,869
Deficit		**(8,807,752)**	(7,469,877)
Total shareholders' equity (deficiency)		**(315,002)**	468,203
Total shareholders' equity (deficiency) and liabilities		**$ 809,276**	$ 967,764

Nature of business and going concern (Note 1)
Commitments (Note 18)
Subsequent events (Note 21)

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

STARTMONDAY TECHNOLOGY CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED

		For the three months ended		For the nine months ended	
	Notes	**September 30, 2017**	September 30, 2016	**September 30, 2017**	September 30, 2016
		$	$	**$**	$
Revenue		**39,619**	5,715	**120,637**	24,900
Operating Expenses					
Salaries and consultancy fees	15	**104,683**	117,711	**1,047,001**	175,067
Depreciation and amortization	9,10	**70,617**	16,264	**208,861**	49,208
Advertising and marketing		**31,511**	45,866	**75,307**	49,889
Software services		**17,419**	5,389	**58,694**	9,818
Legal and professional		**7,367**	74,509	**123,921**	116,789
Transfer agent and filing fees		**6,056**	-	**14,292**	-
General and administrative		**5,281**	6,768	**35,904**	11,806
Rent		**4,305**	4,610	**54,782**	6,035
Finance costs		**770**	5,384	**7,514**	33,680
Travel and entertainment		**464**	20,884	**41,426**	31,791
Telephone		**447**	2,307	**8,712**	4,508
Loss on settlement of payables	14(b)	**-**	-	**35,468**	-
Share-based payments	14(d)	**(5,560)**	-	**41,530**	-
Total operating expenses		**243,360**	299,692	**1,753,412**	488,591
Gain on deconsolidation of subsidiary		**-**	-	**245,545**	-
Listing expense		**-**	(5,154,222)	**-**	(5,154,222)
Foreign exchange gains(losses)	5	**(29,926)**	-	**49,355**	-
Net loss for the period		**(233,667)**	(5,448,199)	**(1,337,875)**	(5,617,913)
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods					
Exchange differences on translation of foreign operations		**14,610**	(12,278)	**(43,947)**	238
Comprehensive loss for the period		**(219,057)**	(5,460,477)	**(1,381,822)**	(5,617,675)
Loss per common share – basic and diluted		**$ (0.00)**	$ (0.19)	**$ (0.02)**	$ (0.20)
Weighted average number of common shares outstanding – basic and diluted		**56,624,756**	28,968,482	**55,616,891**	27,578,566

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

STARTMONDAY TECHNOLOGY CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
FOR THE NINE MONTHS ENDED

		September 30, 2017		September 30, 2016 (Note 3)
Operating activities				
Loss for the year	**$**	**(1,337,875)**	$	(5,617,913)
Items not affecting cash:				
Depreciation and amortization		**208,861**		49,208
Foreign exchange gains		**(49,355)**		-
Gain on deconsolidation of subsidiary		**(245,545)**		-
Loss on settlement of payables		**35,468**		-
Share-based payments		**41,530**		-
Non-cash listing expense		**-**		4,951,047
Change in non-cash working capital items:				
Amounts receivable		**(47,019)**		(91,258)
Trade and other payables		**521,102**		434,648
Prepaid expenses		**(5,777)**		(14,216)
Net cash flows used in operating activities		**(878,610)**		(288,484)
Investing activities				
Purchase of property and equipment		**(11,774)**		-
Intellectual property costs		**(232,305)**		(226,180)
Cash acquired from reverse acquisition		**-**		1,145,842
Net cash inflow from deconsolidation of subsidiary		**3,800**		-
Net cash flows provided by (used in) investing activities		**(240,279)**		919,662
Financing activities				
Proceeds from exercise of warrants		**486,151**		-
Proceeds from issue of convertible notes		**-**		215,998
Proceeds from bridge loans		**-**		370,000
Proceeds from loans and advances		**495,000**		-
Repayment of loans payable		**(17,003)**		-
Net cash flows provided by financing activities		**964,148**		585,998
Effect of foreign exchange on cash		**17,372**		633
Change in cash		**(137,369)**		1,217,809
Cash (bank indebtedness), beginning of year		**138,856**		(38,353)
Cash, end of year	**$**	**1,487**	$	1,179,456

Supplemental information with respect to cash flows (Note 17)

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

STARTMONDAY TECHNOLOGY CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

	Notes	Numbers of Shares	Share Capital	Reserves (Note 14(e))	Other Comprehensive Income	Deficit	Total
As at December 31, 2015		26,872,089	$ 273,427	$ 202,065	$ 6,204	$ (667,163)	$ (185,467)
Loss for the period		-	-	-	-	(5,617,913)	(5,617,913)
Conversion of convertible notes	12, 14(b)	3,127,911	315,623	-	-	-	315,623
Shares of StartMonday Technology Corp.	6	20,980,608	5,245,152	-	-	-	5,245,152
Finders' warrants issued	6	-	-	59,777	-	-	59,777
Warrants acquired on reverse acquisition	6	-	-	1,215,085	-	-	1,215,085
Translation adjustment		-	-	-	238	-	238
As at September 30, 2016		**50,980,608**	**$ 5,834,202**	**$ 1,476,927**	**$ 6,442**	**$ (6,285,076)**	**$ (1,032,495)**
Share-based payments	14(d)	-	-	599,082	-	-	599,082
Loss for the period		-	-	-	-	(1,184,801)	(1,184,801)
Translation adjustment		-	-	-	21,427	-	21,427
As at December 31, 2016		**50,980,608**	**$ 5,834,202**	**$ 2,076,009**	**$ 27,869**	**$ (7,469,877)**	**$ 468,203**
Warrants exercised		5,360,402	486,151	-	-	-	486,151
Share-based payments	14(d)	-	-	41,530	-	-	41,530
Fair value of warrants transferred to share capital	14(c)	-	1,008,162	(1,008,162)	-	-	-
Shares issued for consulting services	14(a)	283,746	70,936	-	-	-	70,936
Loss for the period		-	-	-	-	(1,337,875)	(1,337,875)
Translation adjustment		-	-	-	(43,947)	-	(43,947)
As at September 30, 2017		**56,624,756**	**$ 7,399,451**	**$ 1,109,377**	**$ (16,078)**	**$ (8,807,752)**	**$ (315,002)**

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

1. NATURE OF BUSINESS AND GOING CONCERN

These consolidated financial statements of StartMonday Technology Corp., and its subsidiaries (collectively henceforth, the “Company" or the “Group”) for the three and nine month periods ended September 30, 2017 were authorised for issue in accordance with a resolution of the board of directors on November 27, 2017.

The Company is listed on the Canadian Securities Exchange and the Frankfurt Stock Exchange. Trading on the Canadian Securities Exchange began on October 24, 2016, and trading on the Frankfurt Stock Exchange began on November 7, 2016. Quoting on OTC (Pink) under the symbol STMDF commenced February 16, 2017, and as of May 2, 2017, the Company has been DTC eligible in the United States. The registered office and records office of the Company is located at Suite 1500, 1055 W. Georgia Street, Vancouver British Columbia, Canada, V6E 4N7.

The Company is principally engaged in candidate selection solutions for employers in the retail and hospitality sectors, who spend a significant amount of time and resources identifying potential candidates from a large pool of applicants.

StartMonday Technology Corp., (“SM Technology”) was incorporated on April 12, 2016 under the BCBCA as “Centennial Acquisitions Corp.” Centennial Acquisitions Corp. changed its name to “StartMonday Technology Corp.” on August 12, 2016. SM Technology was incorporated as a wholly-owned subsidiary of Liberty One Lithium Corp., (formerly Peace River Capital Corp. and Petro Basin Energy Corp. (“Liberty One”)). SM Technology entered into an Arrangement Agreement with Liberty One, under the terms of which, Liberty One spun out SM Technology to Liberty One shareholders on April 25, 2016.

SM Technology, Liberty One, and StartMonday Holding B.V., (“SM Holding”) a private Netherlands company, and the shareholders of SM Holding, entered into a Share Exchange Agreement dated effective July 8, 2016, pursuant to which, the SM Holding shareholders transferred all of their common shares of SM Holding to SM Technology in exchange for 30,000,000 common shares of SM Technology (the “Transaction”). The Transaction was completed on September 23, 2016, and constituted a reverse acquisition. SM Holding has been identified for accounting purposes as the acquirer, and accordingly the Company is considered to be a continuation of SM Holding, and the net assets of SM Technology at the date of the reverse acquisition are deemed to have been acquired by SM Holding (Note 6). These condensed consolidated interim financial statements include the results of operations of SM Technology from September 23, 2016. The comparative figures are those of SM Holding prior to the reverse acquisition, with the exception of adjusting retroactively the capital of SM Holding to reflect the capital of SM Technology.

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. For the nine month period ended September 30, 2017, the Company incurred a net loss of $1,337,875. The Company has funded ongoing operations primarily from proceeds on the issuance of convertible notes and other loans, and the issuance of shares.

On June 9, 2017, one of the Company’s subsidiaries, StartMonday B.V., filed for bankruptcy with the Dutch court. The parent company and its remaining subsidiaries have not filed for bankruptcy protection nor are there any plans to do so. StartMonday B.V. employed some of the Company’s product and technical team in Amsterdam and held certain partner and client contracts in Europe. This subsidiary does not control any of the Company’s IP or codebase, enabling the Company to continue operations and execute its business plan from its other subsidiaries with the same seamless brand and product offering. The Company has negotiated to take over current client contracts from StartMonday B.V. and is providing uninterrupted service from another subsidiary company. As a result of the filing for bankruptcy protection and the appointment of a receiver, the Company has derecognized the assets and liabilities of StartMonday B.V (Note 16). Earnings of StartMonday B.V. have been included in these financials statements up to June 9, 2017.

The Company’s continuing operations and its financial success is dependent upon the extent to which it can generate sufficient revenue and successfully raise the capital to implement its future plans and attain profitable operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements represent the results of the Company and the following wholly owned subsidiaries (the "Subsidiaries"). Amounts reported are in Canadian dollars, unless otherwise indicated.

Subsidiary	Location	Proportion of interest held by the Company
StartMonday Inc.	USA	100%
StartMonday Innovations Ltd.	United Kingdom	100%
Lean Innovations B.V.	Netherlands	100%
StartMonday Holding B.V.	Netherlands	100%
T		

In addition these consolidated financial statements include the revenues, expenses and net loss of StartMonday B.V. up to the date of the appointment of the receiver (June 9, 2017). All assets and liabilities of StartMonday B.V. have been excluded from these financial statements for periods after June 9, 2017.

The reporting currency of the Company is Canadian dollars. The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of SM Technology is Canadian dollars, while the functional currency of StartMonday Holding B.V., StartMonday B.V., StartMonday Innovations Ltd. and Lean Innovations B.V. is the Euro, and the functional currency of StartMonday Inc. is US dollars. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 *The Effects of Changes in Foreign Exchange Rates* ("IAS 21").

Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

In preparing these condensed consolidated interim financial statements, the significant estimates and judgements applied in these areas were the same as those described in the Company's audited consolidated financial statements for the year ended December 31, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared by management in accordance with the accounting policies described in the Company's audited consolidated financial statements for the year ended December 31, 2016.

4. RECENT ACCOUNTING PRONOUNCEMENTS

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation, and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

5. FINANCIAL RISK FACTORS

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held primarily at large financial institutions in Canada and the Netherlands. The Company has no investment in asset-backed commercial paper. Management believes that the Company is not subject to significant credit risk with respect to cash.

The Company's amounts receivable primarily consists of VAT receivable from the government of the Netherlands, GST receivable from the government of Canada, and trade receivables from third parties pertaining to revenue. The Company's maximum exposure to credit risk is the carrying value of its financial assets. Management believes that the Company is not subject to significant credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. As at September 30, 2017, the Company had cash of $1,487 and current liabilities of $1,124,278. As such, the Company has insufficient cash to fund corporate overhead costs and the repayment of the Company's cash obligations for the next fiscal year and is significantly exposed to liquidity risk. The Company intends to continue raising funds through equity financings, exercise of warrants and entering into sales contracts with new customers that will provide increased sources of funds and liquidity in the future.

Market risk

The significant market risks to which the Company is exposed are interest rate risk, foreign currency risk, and price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash and interest bearing liabilities. Cash held by the Company is held in non-interest bearing accounts and there is currently minimal interest rate risk. The Company's liabilities bear interest at fixed rates and are current in nature. As a result, a 1% fluctuation in market interest rates would insignificantly impact profit or loss.

Foreign currency risk

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. As at September 30, 2017, the assets and liabilities of the Subsidiaries are denominated primarily in Euros. As at September 30, 2017, a 10% variation in the exchange rate between Canadian dollars and Euros would have an approximate $150,000 impact on comprehensive loss.

Price risk

Price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

6. REVERSE ACQUISITION

As described in Note 1, on September 23, 2016, SM Technology and SM Holding completed a Transaction which constituted a reverse acquisition.

As a result of the Transaction, the shareholders of SM Holding obtained control of the combined entity by obtaining control of the voting power of the combined entity and the resulting power to govern the financial and operating policies of the combined entities. The Transaction constitutes a reverse acquisition of SM Technology by SM Holding and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2 *Share-based Payments* and IFRS 3 *Business Combinations*. As SM Technology did not qualify as a business according to the definition in IFRS 3, this reverse acquisition does not constitute a business combination; rather the Transaction was accounted for as an asset acquisition by the issuance of shares of the Company, for the net assets of SM Technology and its public listing. Accordingly, no goodwill or intangible assets were recorded with respect to the transaction as it does not constitute a business.

(EXPRESSED IN CANADIAN DOLLARS)

For accounting purposes, SM Holding was treated as the accounting parent company (legal subsidiary) and SM Technology has been treated as the accounting subsidiary (legal parent) in these consolidated financial statements. As SM Holding was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these condensed consolidated interim financial statements at their historical carrying value. SM Technology's results of operations have been included from September 23, 2016.

Net assets of SM Technology acquired:	$
Cash	1,145,842
Amounts receivable	80,436
Note receivable from SM Holding – Bridge loan	370,000
Trade payable and accrued liabilities	(27,311)
Net assets acquired	1,568,967

Consideration provided in acquisition of SM Technology:	$
Fair value of 20,980,608 common shares at $0.25 per share(1)	5,245,152
Transaction costs – cash	203,175
Transaction costs – non-cash(2)	1,274,862
Total consideration paid	6,723,189
Listing expense	5,154,222

(1) The Transaction was measured at the fair value of the shares that the Company would have had to issue to shareholders of SM Technology to give shareholders of SM Technology the same percentage equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of SM Holding acquiring SM Technology.

(2) The fair value of the 457,152 finders' warrants was $59,777, and the fair value of the 7,658,450 warrants assumed from SM Technology on the reverse acquisition was $1,215,085, collectively representing additional non-cash transaction costs to the Company.

The fair values of the finders' warrants, and warrants assumed from SM Technology during the year ended December 31, 2016, were estimated on the date of issuance, and date of closing respectively using the Black-Scholes option pricing model with the following weighted average inputs:

	2016
Risk-free interest rate	0.50%
Expected life of warrants	1.22 years
Annualized volatility	100%
Dividend rate	0%
Weighted average fair value per warrant	$ 0.16

The listing expense charged to profit or loss reflects the difference between the fair value of the consideration paid by SM Holding, and the fair value of the net assets acquired from SM Technology in accordance with IFRS 2 *Share-based payment.*

7. CASH

Cash comprises cash held at financial institutions in Canada, the United States and the Netherlands. When this total is negative it is presented as bank indebtedness within current liabilities.

(EXPRESSED IN CANADIAN DOLLARS)

8. AMOUNTS RECEIVABLE

	September 30, 2017	December 31, 2016
	$	$
Trade receivables	**23,478**	12,952
Input tax credits	**29,509**	53,498
Payroll tax credit	**-**	29,272
Other receivables	**-**	7,467
	52,987	103,189

The Company's estimate for allowance for doubtful accounts as at September 30, 2017 and December 31 2016, is $nil.

9. PROPERTY AND EQUIPMENT

The following table sets forth the cost, accumulated depreciation and net book value of the Group's property and equipment:

	September 30, 2017	December 31, 2016
	$	$
COST		
Balance, beginning of period	**-**	-
Additions:		
Furniture and fixtures	**11,774**	-
Translation adjustment	**527**	-
Derecognized on deconsolidation	**(12,301)**	-
Balance, end of period	**-**	-

ACCUMULATED DEPRECIATION		
Balance, beginning of period	**-**	-
Additions	**1,203**	-
Translation adjustment	**27**	-
Derecognized on deconsolidation	**(1,230)**	-
Balance, end of period	**-**	-
NET BOOK VALUE	**-**	-

10. INTANGIBLE ASSETS

The Company's intangible assets consist of intellectual property associated with the Company's software application. The Company capitalizes development costs associated with its intellectual property.

INTELLECTUAL PROPERTY	**September 30, 2017**	December 31, 2016
	$	$
COST		
Balance, beginning of period	**812,517**	514,889
Additions:		
Consultants	**50,666**	117,630
Software and equipment	**-**	23,700
Legal fees	**-**	-
Salaries, wages of development team	**181,639**	153,240
Rent	**-**	5,053
Brand development	**-**	36,835
Translation adjustment	**37,463**	(38,830)
Balance, end of period	**1,082,285**	812,517

(EXPRESSED IN CANADIAN DOLLARS)

ACCUMULATED AMORTIZATION		
Balance, beginning of period	**116,166**	56,007
Additions	**207,658**	65,368
Translation adjustment	**8,384**	(5,209)
Balance, end of period	**332,208**	116,166
NET BOOK VALUE	**750,077**	696,351

11. TRADE AND OTHER PAYABLES

	September 30, 2017	December 31, 2016
	$	$
Trade payables	**414,932**	299,192
Accrued liabilities	**12,856**	48,890
Accrued wages and salaries	**8,702**	1,348
Due to related parties (Note 15)	**105,751**	65,825
	542,241	415,255

12. CONVERTIBLE NOTES

	September 30, 2017	December 31, 2016
	$	$
Opening balance	**-**	279,539
Issuance of convertible notes	-	[(1)]215,998
Conversion of convertible notes (Note 12)	**-**	(298,898)
Repayments	**-**	(192,241)
Translation adjustment	**-**	(4,398)
Ending balance	**-**	-

(1) These notes bore interest at 8% per annum, and were issued with a principal amount of €148,200. The notes were unsecured, had an original maturity of September 2019, and had original conversion terms dependent upon the market value of the Company. During the year ended December 31, 2016, $96,631 plus accrued interest was converted into common shares of the Company, and $119,367 was repaid in cash, upon completion of the Transaction (Note 6).

It was determined that there is no equity component associated with the convertible notes issued during the year ended December 31, 2016.

13. LOANS PAYABLE

	September 30, 2017	December 31, 2016
	$	$
Short-term loans[(1)]	**-**	17,003
Advances[(2)]	**495,000**	-
	495,000	17,003

(1) This balance comprises amounts advanced to the Company two individuals, one of which was a member of key management (Note 15). The loans bear interest at 6% per annum, and are due on December 31, 2017. There is no security on these loans.

(2) This balance comprises amounts advanced to the Company from a third-party in the form of short-term, unsecured, non-interest bearing advances. There is no security on these advances.

Aggregate accrued interest on loans payable amounts to $Nil (2016 - $850), included within trade and other payables (Note 11).

(EXPRESSED IN CANADIAN DOLLARS)

14. SHARE CAPITAL AND RESERVES

(a) Authorized share capital:

The Company has authorized an unlimited number of common shares and preferred shares without nominal or par value. As at September 30, 2017, there were 56,624,756 common shares outstanding.

(b) Common shares issued:

During the nine months ended September 30, 2017, the Company issued common shares as follows:

- On the exercise of $0.05 warrants, 4,541,250 common shares for proceeds of $227,063.
- On the exercise of $0.25 warrants, 457,152 common shares for proceeds of $114,288.
- On the exercise of $0.40 warrants, 362,000 common shares for proceeds of $144,800.
- For the provision of $35,468 of consulting services, 283,746 common shares with a deemed value of $70,936, resulting in a loss on settlement of $35,468.

During the year ended December 31, 2016, the Company issued common shares as follows:

- On September 23, 2016, the Company issued 3,127,911 common shares on conversion of convertible notes of $298,898 plus accrued interest of $16,725 (recorded within trade and other payables), for a total value of $315,623.
- The Company completed a reverse acquisition with SM Holding as explained in Notes 1 and 6.

Escrowed shares:

In connection with the reverse acquisition of SM Holding, certain shares issued were subject to an Escrow Agreement. As at September 30, 2017, 12,499,480 (December 21, 2016 – 14,999,375) common shares remained held in escrow. The common shares are subject to timed releases as follows:

- 10% (1,666,597 common shares) released upon the date of listing on the CSE (listed on October 24, 2016)
- 15% (2,499,895 common shares) released every six months thereafter until all escrow shares have been released (thirty-six months following the date of listing on the CSE).

Pooled shares:

In conjunction with the Share Exchange Agreement dated effective July 8, 2016, the SM Holding shareholders entered into a pooling agreement pursuant to which the common shares of the Company issued to the SM Holding shareholders in connection with the Transaction (30,000,000 common shares), would be pooled and released as to one-third (33.3%) on the date that is twelve months after the effective date of the Transaction of September 23, 2016, and one-third (33.3%) every six months thereafter. As at September 30, 2017 20,000,000 common shares remain unreleased.

(c) Warrants:

A summary of changes in warrants is presented below:

	Number of warrants		Weighted average Exercise price
Balance, December 31, 2015	-	$	-
Warrants of SM Technology	8,115,602		0.20
Balance, December 31, 2016	8,115,602	$	0.20
Exercise of warrants	5,360,402	$	0.09
Balance, September 30, 2017	2,755,200	$	0.40

(EXPRESSED IN CANADIAN DOLLARS)

14. SHARE CAPITAL AND RESERVES (cont'd…)

A summary of warrants outstanding as at September 30, 2017, is as follows:

Number of Warrants Outstanding	**Weighted Average Exercise Prices**	**Expiry date**	**Weighted Average Remaining Contractual Life (years)**
2,755,200[(1)]	$0.30[(2)]	July 25, 2018	0.82

(1) Refer to Note 6 for information regarding the valuation of these warrants acquired from SM Technology.

(2) These warrants were originally issued with an exercise price of $0.40 per share, reduced to $0.30 per share on August 9, 2017

(d) Stock Options:

	Number of Options	Weighted Average Exercise Price	
Balance, December 31, 2015	-	$	0.00
Granted	4,250,000		0.18
Balance, December 31, 2016	4,250,000	$	0.18
Granted	95,000		0.37
Forfeited	(1,681,000)		0.25
Balance, September 30, 2017	2,664,000	$	0.14

As of September 30, 2017, the following stock options were outstanding and exercisable:

Option Expiry date	Number of Options Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price		Number of Options Exercisable
October 24, 2021	2,000,000	4.07	$	0.10	2,000,000
October 24, 2021	600,000	4.07		0.25	162,500
March 2, 2022	14,000	4.42		0.40	-
September 1, 2022	50,000	4.92		0.35	-
Outstanding, March 31, 2017	2,664,000	4.09	$	0.14	2,162,500

The Company has an incentive stock option plan (the "Plan") having terms consistent with the regulatory requirements of the CSE. Pursuant to the Plan, the Company's board of directors may grant options to purchase the number of common shares which is equivalent to up to 10% of the aggregate number of issued and outstanding common shares as at the date of grant. The Plan provides that an option can be exercisable for a maximum of 10 years from the date of grant, and the options will vest, and have exercise prices subject to directors' approval.

As at September 30, 2017, stock options in respect of an additional 2,998,475 common shares were available for issue under the Plan.

(EXPRESSED IN CANADIAN DOLLARS)

14. SHARE CAPITAL AND RESERVES (cont'd…)

The fair value of the stock options granted during the year ended December 31, 2016, was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average inputs:

	2016
Risk-free interest rate	0.53%
Expected life of stock options	5 years
Annualized volatility	100%
Dividend rate	0%
Weighted average fair value per option	$ 0.23

The fair value of the stock options granted during the nine months ended September 30, 2017, was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average inputs:

	2017
Risk-free interest rate	0.77%
Expected life of stock options	5 years
Annualized volatility	100%
Dividend rate	0%
Weighted average fair value per option	$ 0.28

During the nine month period ended September 30, 2017, the Company recorded $41,530 (2016 - $nil) of share-based payments expense for the vesting of stock options granted (Note 14(e)).

(e) Reserves:

The following is a summary of changes in reserves:

	Share-based payments	Conversion of convertible notes	Finders' warrants	Reverse acquisition warrants	**Total**
	$	$	$	$	**$**
December 31, 2015	-	202,065	-	-	**202,065**
Warrants assumed from SM Technology- reverse acquisition	-	-	-	1,215,085	**1,215,085**
Finders' warrants issued	-	-	59,777	-	**59,777**
September 30, 2016	-	202,065	59,777	1,215,085	**1,476,927**
Share-based payments	599,082	-	-	-	**599,082**
December 31, 2016	599,082	202,065	59,777	1,215,085	**2,076,009**
Share-based payments	41,530	-	-	-	**41,530**
Fair value of warrants transferred to share capital	-	-	(59,777)	(948,385)	**(1,008,162)**
September 30, 2017	640,612	202,065	-	266,700	**1,109,377**

(EXPRESSED IN CANADIAN DOLLARS)

15. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and officers.

The Company entered into the following transactions with key management personnel, for the nine months ended September 30, 2017 and 2016:

Transactions with key management personnel:		
Nine months ended:	**September 30, 2017**	September 30, 2016
	$	$
Salaries and consulting fees	**245,483**	123,425
	245,483	123,425

Balances due to related parties:		
As at:	**September 30, 2017**	December 31, 2016
	$	$
Amounts due to key management personnel included in trade and other payables (Note 11)	**105,751**	65,825
Loans due to key management personnel (Note 13)	**-**	14,169
	105,751	79,994

There were no other transactions with related parties during the nine month periods ended September 30, 2017, and 2016.

16. DECONSOLIDATION OF SUBSIDIARY

As a result of the filing for bankruptcy of StartMonday B.V. and the appointment of a receiver, the Company has derecognized the assets and liabilities of StartMonday B.V. The Company has received no consideration in the deconsolidation of StartMonday B.V.

Analysis of assets and liabilities derecognized	$
Current assets	
Cash (bank indebtedness)	(3,800)
Amounts Receivable	102,907
Prepaid expenses	31,943
Noncurrent assets	
Property and equipment	11,071
Current liabilities	
Trade and other payables	(387,666)
Net assets deconsolidated	(245,545)

Gain on deconsolidation of subsidiary	$
Fair value of interest retained	-
Less: net assets deconsolidated	(245,545)
Gain on deconsolidation of subsidiary	245,545

Net cash outflow arising from deconsolidation of subsidiary	$
Balance of cash (bank indebtedness)	(3,800)

(EXPRESSED IN CANADIAN DOLLARS)

17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

- During the nine month period ended September 30, 2017, the Company paid $nil for income taxes (2016 - $nil).
- As at September 30, 2017, $31,489, (December 31, 2016 - $8,657) of intellectual property costs were included in trade and other payables.

18. COMMITMENTS

The Company entered into an office lease commitment for office space in Amsterdam, Netherlands commencing December 1, 2017, for a 12 month period. Monthly rent is $1,622. The lease is cancellable by the Company or the landlord at any time.

19. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of equity.

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, issue debt, acquire or dispose of assets or adjust the amount of cash or bank indebtedness.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the nine month period ended September 30, 2017.

20. SEGMENTED INFORMATION

The Company is principally engaged in candidate selection solutions for employers in the retail and hospitality sectors. All of the Company's non-current assets were located in Europe at both September 30, 2017 and December 31, 2016.

For the nine month period ended September 30, 2017 the Company derived revenue from two customers (September 30, 2016 – two customers) totalling 57% (September 30, 2016 - 57%) of the Company's total revenue for the nine months ended September 30, 2017. At September 30, 2017 three customers accounted for 76% of total trade receivables. At December 31, 2016, three customers accounted for 84% of total trade receivables.

All of the Company's revenues were earned from operations in Europe.

	September 30, 2017	September 30, 2016
Primary geographical markets	**$**	$
Europe	**120,637**	24,900
Major products/service lines		
SaaS licensing services	**120,637**	24,900

All of the Company's contracts are considered to be short-term, fixed-price and fixed-time.

21. SUBSEQUENT EVENTS

a) Subsequent to September 30, 2017, the Company received $350,000 from a third-party in the form of a short-term, unsecured, non-interest bearing advance.