Smart Employee Benefits Inc.
Consolidated Financial Statements
November 30, 2015 and 2014

To the Shareholders of Smart Employee Benefits Inc.:

Management is responsible for the preparation and presentation of the accompanying 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 annual report 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 annual 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.

April 5, 2016

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

Independent Auditors' Report

To the Shareholders of Smart Employee Benefits Inc.:

We have audited the accompanying consolidated financial statements of Smart Employee Benefits Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at November 30, 2015 and 2014, and the consolidated statements of changes in shareholders' equity, comprehensive loss and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Smart Employee Benefits Inc. and its subsidiaries as at November 30, 2015 and 2014, and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

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Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements, which indicates that Smart Employee Benefits Inc. and its subsidiaries incurred a net loss and comprehensive loss of $5,753,902 during the year ended November 30, 2015 and as of that date, their current liabilities exceeded their current assets by $8,759,191. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the ability of Smart Employee Benefits Inc. and its subsidiaries to continue as a going concern.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 5, 2016

Smart Employee Benefits Inc.

Consolidated Statements of Financial Position

As at November 30, 2015 and 2014

	Note	2015	2014
Cash and cash equivalents		$ 2,848,363	$ 403,096
Accounts receivable		10,682,647	5,092,777
Inventory		80,716	95,825
Prepaids and deposits		557,967	464,910
Total Current Assets		**14,169,693**	**6,056,608**
Advances to acquisition target	**24**	1,125,671	-
Long-term deposits		194,148	275,352
Associate investments	**4**	-	3,300,892
Equipment	**5**	842,088	623,489
Software	**6**	2,567,836	1,990,169
Intellectual property	**6**	76,083	92,583
Customer relationships	**7**	6,588,514	2,013,808
Trade names	**8**	2,285,619	1,235,369
Goodwill	**4**	8,975,319	3,283,157
Total Assets		**$ 36,824,971**	**$ 18,871,427**
Bank loan	**9**	$ 4,425,997	$ 1,482,208
Term bank loan	**9**	3,412,500	-
Accounts payable and accrued liabilities		7,503,538	4,504,779
Deferred revenue	**10**	572,564	721,520
Short-term notes	**14**	1,650,729	7,099
Current portion of equipment leases payable	**11**	6,562	35,260
Equipment loans	**12**	15,625	32,625
Government remittances and current taxes payable		1,123,297	775,091
Current portion of contingent consideration payable	**23**	120,874	93,962
Current portion of convertible debt	**13**	4,097,198	678,928
Total Current Liabilities		**22,928,884**	**8,331,472**
Equipment leases payable	**11**	-	8,998
Contingent consideration payable	**23**	2,374,819	1,137,555
Convertible debt	**13**	1,316,920	4,009,624
Deferred income taxes	**16**	2,128,530	865,027
Preferred shares	**4**	350,000	350,000
Total Long Term Liabilities		**6,170,269**	**6,371,204**
Share capital	**15**	21,935,275	15,093,132
Share issue costs		(835,519)	(612,979)
Contributed surplus		2,168,909	926,216
Warrants	**15**	3,590,780	3,693,108
Options	**15**	1,700,743	1,255,222
Deficit		(21,608,641)	(15,499,981)
Total Shareholders' Equity		**6,951,547**	**4,854,718**
Non-controlling interest in subsidiaries		**774,271**	**(685,967)**
		7,725,818	**4,168,751**
Total Liabilities and Shareholders' Equity		**$ 36,824,971**	**$ 18,871,427**

Going concern (Note 1), **Commitments and Contingencies** (Note 20), **Subsequent events** (Note 24)

Approved on behalf of the Board:

" Stephen Peacock"
Director

"John McKimm"
Director

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

Smart Employee Benefits Inc.

Consolidated Statements of Changes in Shareholders' Equity

For the years ended November 30, 2015 and 2014

	Share Capital		Warrants		Options		Contributed Surplus	Share Issue Costs	Accumulated Deficit	Total Shareholders' Equity	Non-controlling Interest
	Number	$	Number	$	Number	$	$	$	$	$	$
Balances November 30, 2013	**62,658,000**	**7,878,625**	**19,086,611**	**2,552,739**	**2,352,250**	**311,397**	**724,486**	**(504,580)**	**(8,692,085)**	**2,270,582**	**-**
$2 million convertible financing Feb 14 2014	-	-	320,000	147,232	-	-	240,523	-	-	387,755	-
Conversion of debt	888,887	586,199	-	-	-	-	(186,199)	-	-	400,000	-
Acquisition of Inforica Inc.	-	-	-	-	-	-	-	-	-	-	(435,165)
Acquisition of APS-Antian Professional Services Inc.	-	-	-	-	-	-	96,230	-	-	96,230	-
Acquisition of Adeeva Nutritionals Canada Inc.	1,027,418	525,000	-	-	-	-	-	-	-	525,000	30,500
Acquisition of Stroma Service Consulting Inc.	1,125,000	562,500	1,000,000	317,100	-	-	80,802	-	-	960,402	-
Acquisition of 50% of Banyan	2,000,000	1,000,000	1,000,000	319,200	-	-	-	-	-	1,319,200	-
$1 million equity unit financing Oct. 29, 2014	2,000,000	1,000,000	-	-	-	-	-	-	-	1,000,000	-
$1 million equity unit financing warrants	-	(350,227)	2,000,000	350,227	-	-	-	-	-	-	-
$2 million equity unit financing Oct. 29 and Nov. 6, 2014	4,000,000	2,000,000	-	-	-	-	-	(55,859)	-	1,944,141	-
$2 million equity unit financing warrants	-	(697,904)	4,000,000	697,904	-	-	-	-	-	-	-
$2 million equity unit financing finder warrants	-	-	200,000	52,540	-	-	-	(52,540)	-	-	-
Exercise of warrants	5,091,388	2,495,083	(5,091,388)	(691,533)	-	-	-	-	-	1,803,550	-
Expiration of warrants	-	-	(879,000)	(52,301)	-	-	52,301	-	-	-	-
Exercise of options	183,250	93,856	-	-	(183,250)	(31,218)	-	-	-	62,638	-
Issue of options and share-based compensation	-	-	-	-	4,925,000	975,043	-	-	-	975,043	-
Deferred tax impact on convertible debt	-	-	-	-	-	-	(81,927)	-	-	(81,927)	-
Net loss and comprehensive loss for the year	-	-	-	-	-	-	-	-	(7,089,198)	(7,089,198)	-
Net loss and comprehensive loss attributed to non-controlling interest	-	-	-	-	-	-	-	-	281,302	281,302	(281,302)
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 Work Health Solutions Inc.	-	(128,630)	-	-	-	-	-	-	-	(128,630)	1,455,480
Acquisition of Paradigm Consulting Group Inc.	5,913,877	2,542,994	1,000,000	290,000	-	-	382,286	-	-	3,215,280	-
Acquisition of SEB Consulting and HR Benefits Inc.	200,000	100,000	50,000	13,080	-	-	-	-	-	113,080	-
Conversion of notes	1,164,441	592,618	-	-	-	-	(63,618)	-	-	529,000	-
Exercise of warrants	2,367,722	1,741,480	(2,367,722)	(478,755)	-	-	-	-	-	1,262,725	-
Expiration of warrants	-	-	(6,072,000)	(855,393)	-	-	855,393	-	-	-	-
Issue of options and share-based compensation	-	-	-	-	1,200,000	673,659	-	-	-	673,659	-
Exercise of options	772,500	419,881	-	-	(772,500)	(159,506)	-	-	-	260,375	-
Expiry of options	-	-	-	-	(290,000)	(68,632)	68,632	-	-	-	-
Private placement	6,000,000	1,573,800	6,000,000	826,200	-	-	-	(120,000)	-	2,280,000	-
Finder warrants re private placement	-	-	600,000	102,540	-	-	-	(102,540)	-	-	-
Dividend paid from Banyan Work Health Solutions Inc.	-	-	-	-	-	-	-	-	-	-	(350,000)
Net loss and comprehensive loss for the year	-	-	-	-	-	-	-	-	(5,753,902)	(5,753,902)	-
Net income and comprehensive income attributed to non-controlling interest	-	-	-	-	-	-	-	-	(354,758)	(354,758)	354,758
Balances November 30, 2015	**95,392,483**	**21,935,275**	**20,846,501**	**3,590,780**	**7,231,500**	**1,700,743**	**2,168,909**	**(835,519)**	**(21,608,641)**	**6,951,547**	**774,271**

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

Smart Employee Benefits Inc.
Consolidated Statements of Comprehensive Loss
For the years ended November 30, 2015 and 2014

	Note	2015	2014
Revenue	**19**	**$ 50,347,299**	**$ 20,022,220**
Cost of revenues			
Compensation		33,586,382	13,700,817
Other costs of revenue		4,127,295	2,042,605
		37,713,677	15,743,422
Gross margin		**12,633,622**	**4,278,798**
Expenses			
Salaries and other compensation costs	**19**	5,759,133	4,872,921
Office and general		4,748,413	2,528,739
Professional fees		1,942,780	675,739
Amortization	**6,7,8**	2,783,598	1,032,420
Depreciation of equipment	**5**	257,723	228,454
Change in fair value of contingent liability		46,381	-
Share-based compensation	**15**	673,659	975,043
Equity income from associate investments	**4**	-	(28,192)
		16,211,687	**10,285,124**
Loss before the following:		**(3,578,065)**	**(6,006,326)**
Acquisition and integration costs		1,010,127	-
Write-down of intangibles	**4**	551,516	-
Interest expense		1,044,571	546,815
Accretion of interest	**13**	752,480	793,987
Gain on sale of portion of business	**4**	(1,124,837)	-
Net loss before income tax		(5,811,922)	(7,347,128)
Provision for (recovery of) income tax	**16**	(58,020)	(257,930)
Net loss and comprehensive loss		**$ (5,753,902)**	**$ (7,089,198)**
Attributed to non-controlling interest		**$ 354,758**	**$ (281,302)**
Attributed to common shareholders		**$ (6,108,660)**	**$ (6,807,896)**
Weighted average number of shares			
- basic and diluted	**15**	**88,238,095**	**68,046,280**
Net loss per common share			
- basic and diluted		**$ (0.07)**	**$ (0.10)**

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

Smart Employee Benefits Inc.
Consolidated Statements of Cash Flows
For the years ended November 30, 2015 and 2014

	Notes	2015	2014
Net loss and comprehensive for the year		**$ (5,753,902)**	**$ (7,089,198)**
Items not affecting cash:			
Income tax recovery		(58,020)	(257,930)
Amortization of intangible assets	**6,7,8**	2,783,598	1,032,420
Depreciation of equipment	**5**	257,723	228,454
Accretion of interest	**13**	752,480	793,987
Write-down of intangibles	**4**	551,516	-
Gain on sale of business	**4**	(1,124,837)	-
Share-based compensation	**15**	673,659	975,043
Change in contingent liability	**23**	92,626	-
Accrued interest	**14**	143,630	-
Equity income from associate investments		-	(28,192)
Non-cash working capital	**21**	(680,753)	360,930
Total adjustments		**3,391,622**	**3,104,712**
Cash flows used in operating activities		**(2,362,280)**	**(3,984,486)**
Cash flows from investing activities			
Advances to acquisition target	**4**	(1,125,671)	-
Proceeds from sale of business	**4**	1,850,000	-
Purchase of software	**6**	(939,513)	(141,702)
Purchase of equipment	**5**	(44,080)	(187,048)
Acquisition of Antian		-	(357,701)
Acquisition of Stroma		-	(650,000)
Acquisition of Banyan		-	(1,575,000)
Acquisition of Paradigm	**4**	(7,974,270)	-
Net cash on acquisition of Inforica		-	12,200
Net cash on acquisition of Adeeva		-	6,209
Net cash on acquisition of Antian		-	456,159
Net cash on acquisition of Stroma		-	(347,547)
Net cash on acquisition of Paradigm	**4**	1,159,848	-
Net cash on acquisition of Banyan	**4**	848,558	-
Dividend paid by Banyan	**4**	(350,000)	-
Cash flows used in investing activities		**(6,575,128)**	**(2,784,430)**
Cash flows from financing activities			
Financing from bank loan	**9**	2,943,789	635,389
Financing from bank term loan	**9**	4,200,000	-
Repayment of bank term loan	**9**	(787,500)	-
Proceeds from equity financings	**15**	2,400,000	3,000,000
Issue costs from equity financings	**15**	(120,000)	(55,859)
Proceeds from exercised warrants	**15**	1,262,725	1,683,550
Proceeds from exercised options	**15**	260,375	62,638
Proceeds from convertible debt financings, net		-	1,751,808
Repayment of equipment leases		(37,696)	(88,947)
Repayment of equipment loans		(17,000)	(41,083)
Advances of short-term notes	**14**	1,500,000	1,999
Repayment of convertible debt	**13**	(222,018)	(35,092)
Cash flows from financing activities		**11,382,675**	**6,914,403**
Net increase in cash and cash equivalents		2,445,267	145,487
Cash and cash equivalents, beginning of year		403,096	257,608
Cash and cash equivalents, end of year		**$ 2,848,363**	**$ 403,096**

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

Smart Employee Benefits Inc.
Consolidated Statements of Cash Flows
For the years ended November 30, 2015 and 2014

		2015		2014
Cash paid during the year for:				
Interest paid	$	902,501	$	537,585
Income taxes	$	493,744	$	-
Non-cash transactions during the period:				
Common shares issued in business transactions	$	2,514,364	$	1,087,500
Common shares issued to acquire associate investments	$	-	$	1,000,000
Warrants issued in business combinations	$	303,080	$	317,100
Warrants issued to acquire assocate investments	$	-	$	319,200
Face value of convertible debt issued in business combinations	$	1,106,390	$	574,482
Fair value of convertible debt converted into common shares	$	529,000	$	586,198
Options exercised in lieu of cash	$	-	$	120,000

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

1. Nature of Operations and Going Concern

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 audited consolidated financial statements of Smart Employee Benefits Inc. and its active subsidiary and associated companies as discussed below listed by operating segment:

Company	SEB Ownership
Benefits Division	
Banyan Work Health Solutions Inc., Banyan Australia and BITS Licensing Inc. ("Banyan")	50%
SEB Analytics Inc.	50%
SES Benefits Canada Corporation	100%
SEB Administrative Services Inc.	100%
Adeeva Nutrutionals Canada Inc.	100%
Meschino Health and Wellness Corporation	75%
SEB Benefits and HR Consulting Inc.	50%
BIG Benefits and HR Services Inc.	50%
Technology Division	
SOMOS Consulting Group Ltd.	100%
Stroma Service Consulting Inc.	100%
APS - Antian Professional Services Inc.	100%
Logitek Technology Ltd.	100%
Paradigm Consulting Group Inc.	100%
Inforica Inc., Inforica Technology Solutions and Inforica Energy Solutions ("Inforica")	50%
Corporate Division	
Smart Employee Benefits Inc.	100%
Smart Employee Solutions Inc.	100%

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

These audited consolidated financial statements were authorized for issuance by the Board of Directors on April 5, 2016.

These 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.

1. Nature of Operations and Going Concern (continued)

As at November 30, 2015, the Company has a working capital deficiency of $8,759,191 (2014 - $2,274,864), and an accumulated deficit of $21,608,641 (2014 - $15,499,981). For the year ended November 30, 2015, the Company incurred a net loss and comprehensive loss of $5,753,902 (2014 - $7,089,198), and negative cash flow from operations of $2,362,280 (2014 - $3,984,486). Refer also to Note 24, which indicates approximately $8,428,028 plus a revolving operating credit facility of up to $7,500,000 assumed in connection with the acquisition of Maplesoft Consulting Group Inc. These conditions raise significant doubt about the ability of the Company to continue as a going concern without additional equity or debt financing.

Management of the Company has to date been successful in raising capital through equity and debt offerings. However, there is no assurance that the Company will continue to be successful in the future.

Currently, the Company is engaged in raising debt financing with the intent of using the funds to retire debt assumed as a result of the acquisition of Maplesoft Consulting Group Inc. in December, 2015 (see Notes 17, 20 and 24).

Acquisitions and investments in associate companies are made with the goal of obtaining positive cash flows which are expected to contribute to the operating results of the Company, partially based on restructurings and other initiatives Management has executed within the acquisitions. The Company continues to acquire companies which it believes will enhance the earnings capability of the Company. However, there are no assurances that Management will be successful in achieving this goal.

To remain a going concern, the Company will require additional capital to enable it to further develop its software and generate future positive cash flows. It cannot be determined at this time whether these objectives will be realized.

These consolidated financial statements do not reflect the adjustments or reclassifications of assets and liabilities which would be necessary if the Company were unable to continue as a going concern.

2. Significant Accounting Policies

Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended November 30, 2015. The accounting policies adopted are consistent with those of the previous financial year.

Basis of Measurement

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

2. Significant Accounting Policies (continued)

Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and all subsidiaries.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Logitek Technology Ltd. ("Logitek"), SOMOS Consulting Group Ltd. ("SOMOS"), APS – Antian Professional Services Inc. ("Antian"), Stroma Service Consulting Inc. ("Stroma"), Smart Employee Solutions Inc. ("SES"), SES Benefits Canada Corporation ("SESBC"), SEB Adminstrative Services Inc., Adeeva Nutritionals Canada Inc. ("Adeeva"), and Paradigm Consulting Group Inc. ("Paradigm"). In addition, the Company has a 50% ownership in Inforica Inc. (including Inforica Technology Solutions and Inforica Energy Solutions - "Inforica"), a 75% ownership in Meschino Health and Wellness Corporation ("Meschino"), a 50% interest in Banyan Work Health Solutions Inc. (including Banyan Australia and BITS Licensing Inc. and SEB Analytics Inc. - "Banyan"), a 50% interest in SEB Benefits and HR Consulting Inc. and a 50% interest in BIG Benefits and HR Services Inc. Subsidiaries are entities controlled by the Company. The Company is considered to control a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. Where the Company's interest in a subsidiary is less than 100%, the Company recognizes non-controlling interests. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses have been eliminated upon consolidation.

Associate Investments

Associates are entities over which the Company has significant influence and that are neither subsidiaries nor interests in joint ventures. Significant influence is the ability to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies. In general, significant influence is presumed to exist when the Company has between 20% and 50% of voting power. Significant influence may also be evidenced by factors such as the Company's representation on the Board of Directors, participation in policy-making of the investee, material transactions with the investee, interchange of managerial personnel, or the provision of essential technical information. Associates are equity accounted for from the effective date of commencement of significant influence to the date that the Company ceases to have significant influence.

Results of associates are equity accounted for using the results of their most recent annual or interim financial statements.

The carrying value of the investment in an associate represents the cost of the investment, including goodwill, a share of the post-acquisition retained earnings and losses and any impairment losses. At the end of each reporting period, the Company assesses whether there is any objective evidence that its investments in associates are impaired and if so, records an impairment loss in its statement of comprehensive loss.

2. Significant Accounting Policies (continued)

Use of Estimates and Judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to these consolidated financial statements are as follows:

a) Goodwill is tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of intangible assets with definite lives (software, trade name and customer relationships) and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of comprehensive loss. The assessment of fair values requires the use of estimates and assumptions related to future operating performance and discount rates; differences in these estimates and assumptions could have a significant impact on the consolidated financial statements. During the year ended November 30, 2015 the Company recognized a write-down of intangibles, including goodwill of $551,516 (2014 - $Nil). See note 4 for further information on the goodwill impairment test.

b) Significant judgment is involved in the determination of useful life for the computation of depreciation of equipment and amortization of intangible assets. No assurance can be given that actual useful lives will not differ significantly from current assumptions.

c) Applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition date fair value. The excess, if any, of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of acquisition date fair values often requires management to make assumptions and estimates about future events. The assumptions with respect to fair value of intangible assets require a high degree of judgment and include estimates for future operating performance, discount rates, technology migration factors and terminal value rates.

d) The inputs and assumptions used in the valuation and recording of share-based payments involve management assumptions and estimates which could have a significant impact on the consolidated financial statements.

e) Determining whether there exists material uncertainty that casts significant doubt about the Company's ability to continue as a going concern requires Management to exercise its judgment, in particular about its ability to obtain funds to continue operations (see Note 1).

Use of Estimates and Judgments (continued)

f) The Company assesses the provision for legal or constructive obligations at each reporting period or when new material information becomes available. Legal and contractual matters are subject to interpretation and the Company may engage external advisors to assist with periodic assessments. To the extent that interpretation of legal and contractual matters differ significantly from estimates, the actual judgments and settlement amounts may vary significantly from management's estimates.

2. Significant Accounting Policies (continued)

Business Combinations

A business combination is a transaction or other event in which control over one or more businesses is obtained. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits. A business consists of inputs and processes applied to those inputs that have the ability to create outputs that provide a return to the Company and its shareholders. A business need not include all of the inputs and processes that were used by the acquiree to produce outputs if the business can be integrated with the inputs and processes of the Company to continue to produce outputs. If the integrated set of activities and assets is in the research and development stage, and thus, may not have outputs, the Company considers other factors to determine whether the set of activities and assets is a business.

Business acquisitions are accounted for using the acquisition method whereby acquired assets and liabilities are recorded at fair value as of the date of acquisition with the excess of the purchase consideration over such fair value being recorded as goodwill and allocated to cash generating units. Cash generating units are the smallest identifiable group of assets, liabilities and associated goodwill that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Non-controlling interest in an acquisition may be measured at either fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's net identifiable assets.

If the fair value of the net assets acquired exceeds the purchase consideration, the difference is recognized immediately as a gain in the consolidated statement of comprehensive loss.

Acquisition related costs are expensed during the period in which they are incurred, except for the cost of debt or equity instruments issued in relation to the acquisition which is included in the carrying amount of the related instrument.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will not exceed one year from the acquisition date.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39 Financial Instruments: Recognition and Measurement, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

2. Significant Accounting Policies (continued)

Non-controlling Interest

The Company recognizes any non-controlling interest on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets.

Revenue Recognition

The Company is organized into two revenue-generating groups; Health-related Products and Services and Technology Services.

Technology Services
Through the Technology Division, the Company provides the following revenue-generating services:

Services charged on either a time and materials or fixed price basis. The Company recognizes revenue for the services as the services are performed and when collection is reasonably assured. Examples include:

- project management consulting and training, and information technology staffing
- event management
- software development

Services charged on a fee basis, either periodic or transactional. The Company recognizes revenue for the services on a periodic basis or on completion of the transaction and when collection is reasonably assured. Examples include:

- information technology hosting
- supply chain transactions
- energy information management
- software licensing

Fees paid in advance of the services being provided are recorded as deferred revenue and recognized into revenue over the period which the service is performed.

Health-related Products and Services
Through the Health Care Division, the Company provides the following revenue-generating products and services:

Services charged on a fee basis, either periodic or transactional. The Company recognizes revenue for the services on a periodic basis or on completion of the transaction and when collection is reasonably assured. Examples include:

- processing of group health benefits
- provision of on-line wellness content and self-management software
- disability case-management
- licensing of disability case-management software

Products sold. Revenue is recorded as products are shipped and when collection is reasonably assured.

In general, revenue from all streams is recognized when the following criteria are met:

- the amount of revenue can be reliably measured;
- the stage of completion can be reliably measured; and
- the receipt of economic benefits is probable.

2. Significant Accounting Policies (continued)

Convertible Debentures

The Company accounts for its convertible debentures as financial instruments in accordance with IAS 32 Financial Instruments – Presentation. IAS 32 requires financial instruments that consist of both elements of debt and equity, to be accounted for in accordance with the substance of the contractual arrangement on initial recognition. With respect to the Company's convertible debentures, the instrument is valued using an appropriate market rate of interest applicable to the debt, assuming it had no conversion feature or attached warrants. The excess of the net proceeds received from the debenture over their respective fair values (residual value method) is recorded as the value of the conversion feature as equity. The carrying value of the liability component is accreted to the principal face amount as accretion interest expense over the term of the liability using the effective interest rate method.

Equipment

The Company records as assets the cost of equipment when purchased. The Company records depreciation of its equipment according to the following rates, which approximate the useful lives of these assets:

Furniture and office equipment	20% straight-line and 20% declining balance
Computer hardware	30% straight-line and 30% declining balance
Computer hardware under lease	30% declining balance

The estimated useful life and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Equipment under finance lease is accounted for at cost. The cost corresponds to the present value of the minimum lease payments. Depreciation is based on the equipment's estimated useful life.

Cash and Cash Equivalents

Cash and cash equivalents includes cash and highly liquid investments with a maturity of three months or less at the date of acquisition.

Intangible Assets

The Company's intangible assets consist of:

- software, licenced, acquired or developed;
- brands and trade names;
- customer relationships, acquired through acquisition; and
- intellectual property.

The Company amortizes all software over its estimated useful life of 5 to 10 years on a straight-line basis and amortizes the customer relationships, brands, trade names and intellectual property over their estimated useful lives of 5 years on a straight-line basis.

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets acquired through business combinations are initially recognized at fair value, based on an allocation of the purchase price. The intangible assets are amortized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization methods of the intangible assets are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2. Significant Accounting Policies (continued)

Intangible Assets (continued)

Internally generated intangible assets
The Company recognizes expenditures on research activities as an expense in the year in which it incurs the expenditures. It recognizes an internally-generated intangible asset arising from development if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset for use or sale;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditures attributable to the intangible asset during its development.

Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Share-based Payments

Equity-settled share-based payments for directors, officers, employees and consultants are measured at fair value at the date of grant and recorded as compensation expense in the consolidated financial statements with a corresponding increase in options. The fair value, using the Black-Scholes model, determined at the grant date of the equity-settled share-based payments is expensed over the vesting period based on the Company's estimate of shares that will eventually vest. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share-based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

2. Significant Accounting Policies (continued)

Share-based Payments (continued)

Share purchase warrants are recorded to warrants on the consolidated statements of financial position when issued and valued using the Black-Scholes model.

Loss Per Share

Basic loss per share is calculated by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

Fair Value Measurement of Financial Instruments

Non-derivative financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Fair value through profit or loss
Financial assets at fair value through profit or loss ("FVTPL") are measured at their fair value with changes in fair value recognized in net profit or loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method.

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2. Significant Accounting Policies (continued)

Fair Value Measurement of Financial Instruments (continued)

Equity instruments (continued)

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; (cash is measured within level 1 of the hierarchy);
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) for substantially the full term of the asset or liability; and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data and unobservable inputs supported by little or no market activity.

The following is a summary of the accounting model the Company has elected to apply to each of its significant categories of financial instruments outstanding at November 30, 2015 and November 30, 2014:

Fair value through profit and loss:
- Cash and cash equivalents
- Contingent consideration payable

Loans and receivables:
- Accounts receivable
- Advances to acquisition target

Other financial liabilities:
- Bank loan
- Term bank loan
- Accounts payable and accrued liabilities
- Deferred revenue
- Short-term notes
- Equipment loans and leases payable
- Short-term loans
- Convertible debt

Impairment of Assets

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

2. Significant Accounting Policies (continued)

Impairment of Assets (continued)

Financial assets (continued)

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between the asset's carrying value and its fair value. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets
The carrying amounts of the Company's non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Comparative Figures

Certain comparative figures have been reclassified to conform to current year presentation. The comparative period reclassification of expenses had no impact on prior period net income or retained earnings.

3. Recent Accounting Pronouncements

Standards issued or amended which will be adopted in future periods

IFRS 9 – Financial Instruments was issued by the IASB to establish principles for the financial reporting of financial assets and financial liabilities, including requirements for classification and measurement, impairment, and hedge accounting. This standard is mandatorily effective from January 1, 2018, with earlier application permitted.

IFRS 15 - Revenue from Contracts with Customers, effective for annual periods beginning on or after January 1, 2018, with early adoption permitted, specifies how and when to recognize revenue and enhances relevant disclosures to be applied to all contracts with customers.

3. Recent Accounting Pronouncements (continued)

Standards issued or amended which will be adopted in future periods (continued)

IFRS 16 - Leases sets out a new model for lease accounting, replacing IAS 17. IFRS 16 will be effective for accounting periods beginning on or after January 1, 2019. Early adoption will be permitted, provided the Company has adopted IFRS 15.

The Company is currently assessing the effects of these new standards and intends to adopt them on their effective dates.

4. Business Combinations and Associate Investments

(a) Acquisition of Inforica Inc.

On December 2, 2013, the Company acquired 50% of Inforica through a share subscription for an amount of $500,000 made by the Company's wholly-owned subsidiary, Logitek. Concurrent with the acquisition, the Company obtained control of Inforica through the appointment of 2 of the 4 members on the Board of Directors, including the Chairman position which holds the casting vote. The Company has also advanced Inforica additional financing and has appointed common members of management. As a result, for accounting purposes, Inforica is deemed to be controlled by the Company and has been consolidated into these financial statements, with the non-controlling interest being recognized.

The fair value of consideration transferred is as follows:

Advance to Inforica	$	500,000
Fair value of royalty liability (note 23)		220,403
Total fair value of consideration paid	**$**	**720,403**

The fair value is allocated to assets acquired as follows:

Net tangible liabilities of Inforica on acquisition	$	(1,449,895)
Customer relationships (Note 7)		500,000
Trade names (Note 8)		270,000
Software (Note 6)		240,000
Backlog		78,000
Non-controlling interest		435,165
Goodwill		935,165
Deferred tax liability (Note 16)		(288,032)
Total fair value allocation	**$**	**720,403**

4. Business Combinations and Associate Investments (continued)

(a) Acquisition of Inforica Inc. (continued)

Net tangible liabilities of Inforica on acquisition were as follows:

Assets		
Cash and cash equivalents	$	231,366
Accounts receivable, net of $65,871 allowance		261,851
Prepaids and deposits		64,316
Equipment		76,914
Total assets	**$**	**634,447**
Liabilities		
Bank indebtedness	$	219,166
Accounts payable and accrued liabilities		172,399
Deferred revenue		85,386
Government remittances and current taxes payable		868,576
Due to related parties		388,815
Preferred shares		350,000
Total liabilities	**$**	**2,084,342**
Net tangible liabilities	**$**	**(1,449,895)**

Revenue and net loss before income taxes relating to Inforica for the period from December 2, 2013 to November 30, 2014 was $2,522,838 and $213,174 respectively.

Goodwill is primarily related to growth expectations, assembled workforce and expected cost synergies. The backlog relates to revenue contracts recognized over the period of six months from the acquisition date and included in cost of sales. The non-controlling interest is calculated based on 50% of the net identifiable assets and liabilities upon acquisition.

The goodwill of $935,165 has been allocated to the Logitek/Inforica CGU which is part of the Technology Division operating segment disclosed in Note 22.

The preferred shares are not entitled to any dividends, do not have voting rights and the Company may redeem all or a portion of the preferred share at the original issue price of $350,000. The preferred shares are retractable by the holder after the fifth anniversary and may be settled in cash upon written notice to the Company. Due to the retraction provision by the holder, the preferred shares have been classified as a financial liability.

4. Business Combinations and Associate Investments (continued)

(b) Acquisition of Adeeva Nutritionals Canada Inc.

On March 14, 2014, the Company acquired Adeeva and the intellectual property of Dr. James Meschino, which has been transferred into Meschino Health and Wellness Corporation of which the Company holds a 75% interest.

The Company issued 1,027,418 common shares to acquire all of the debt and outstanding common shares of Adeeva. The common shares had a fair value of $525,000 based on the closing price on the date of issuance. In addition, the Company entered into a royalty agreement with the former debt holders whereby they can earn, in the aggregate, up to $1,000,000 based on 1% of revenues and 3% of gross margin of Adeeva products only, excluding any revenue from the intellectual property (Note 23). The common shares issued by the Company pursuant to this transaction are subject to contractual escrow releases of one third per annum over 36 months.

The royalty liability was recorded at fair value based on revenue and gross margin projections on Adeeva products and discounted using a rate of 4.75%. The discount rate was estimated based on the indefinite life of the royalty and the nature of the risk. The expected life of the royalty payments is 17 years. See note 23 – contingent consideration payable.

The fair value of consideration transferred is as follows:

Common shares issued	$	525,000
Fair value of royalty liability		682,000
Total fair value of consideration paid	**$**	**1,207,000**

The fair value is allocated to assets acquired as follows:

Net tangible liabilities	$	(119,247)
Customer relationships (Note 7)		170,000
Trade names (Note 8)		270,000
Intellectual property (Note 6)		110,000
Non-compete agreement (Note 8)		30,000
Technology (Note 6)		110,000
Non-controlling interest (25% of Meschino)		(30,500)
Goodwill		620,464
Deferred tax asset (Note 16)		46,283
Total fair value allocation	**$**	**1,207,000**

4. Business Combinations and Associate Investments (continued)

(b) Acquisition of Adeeva Nutritionals Canada Inc. (continued)

Net tangible liabilities of Adeeva on acquisition were as follows:

Assets		
Cash and cash equivalents	$	6,209
Accounts receivable		75,191
Prepaids and deposits		4,098
Inventory		115,341
Equipment		41,483
Total assets	**$**	**242,322**
Liabilities		
Accounts payable and accrued liabilities	$	336,569
Due to Smart Employee Benefits Inc.		25,000
Total liabilities	**$**	**361,569**
Net tangible liabilities	**$**	**(119,247)**

Revenue and net profit before income taxes relating to Adeeva for the period from March 14, 2014 to November 30, 2014 was $1,244,439 and $230,693 respectively. Revenue and net profit before income taxes relating to Meschino for the period from March 14, 2014 to November 30, 2014 was $Nil and $119,542 respectively.

Goodwill is primarily related to growth expectations, assembled workforce and expected cost synergies.

The goodwill of $620,464 has been allocated to the Adeeva/Meschino CGU which is part of the Benefits Division operating segment disclosed in Note 22.

(c) Acquisition of APS - Antian Professional Services Inc.

On March 1, 2014, the Company acquired 100% of Antian. The transaction consideration was cash of $357,701 and a Vendor Take Back Promissory Note (“VTB”) in the principal amount of $324,482 paying interest at an annualized rate of 3% with quarterly principal repayments over a 5-year period. The VTB is convertible into common shares at any time at a value of $0.75 per common share during the term of the VTB.

The fair value of consideration transferred is as follows:

Cash payment	$	357,701
Vendor take back promissory note (Note 13)		324,482
Total fair value of consideration paid	**$**	**682,183**

4. Business Combinations and Associate Investments (continued)

(c) Acquisition of APS - Antian Professional Services Inc. (continued)

The fair value is allocated to assets acquired as follows:		
Net tangible assets	$	619,086
Customer relationships (Note 7)		63,097
Goodwill		16,411
Deferred tax liability (Note 16)		(16,411)
Total fair value allocation	**$**	**682,183**

Net tangible liabilities of Antian on acquisition were as follows:		
Assets		
Cash and cash equivalents	$	456,159
Accounts receivable		282,725
Equipment		4,677
Total assets	**$**	**743,561**
Liabilities		
Accounts payable and accrued liabilities	$	124,475
Total liabilities	**$**	**124,475**
Net tangible assets	**$**	**619,086**

Revenue and net profit before income taxes relating to Antian for the period from March 18, 2014 to November 30, 2014 was $553,879 and $46,353 respectively.

Goodwill is primarily related to growth expectations, assembled workforce and expected cost synergies.

The goodwill of $16,411 has been allocated to the SOMOS/Antian CGU which is part of the Technology Division operating segment disclosed in Note 22.

(d) Acquisition of Stroma Service Consulting Inc.

On June 11, 2014, the Company acquired 100% of Stroma, a company providing consulting services to various clients including the Government of Ontario. The consideration paid was $650,000 in cash; $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 common shares at $0.50, $0.60 and $0.70 per common share in years one, two and three, respectively; and the issuance of 1,125,000 common shares of the Company. The common shares had a fair value of $562,500 based on the closing price on the date of issuance. In connection with the transaction, 700,000 common share purchase warrants were granted to Mark Sherry, who will continue in his role as President of Stroma, and 300,000 warrants, in the aggregate, were granted to other 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 in years one, two, three and four of the term, respectively.

4. Business Combinations and Associate Investments (continued)

(d) Acquisition of Stroma Service Consulting Inc. (continued)

The fair value of consideration transferred is as follows:

Cash payment	$	650,000
Common shares issued (Note 15)		562,500
Warrants issued (Note 15)		317,100
Convertible debt issued (Note 13)		250,000
Total fair value of consideration paid	**$**	**1,779,600**

The fair value is allocated to assets acquired as follows:

Net tangible assets	$	507,932
Trade names (Note 8)		260,000
Customer relationships (Note 7)		660,000
Goodwill		563,324
Deferred tax liability (Note 16)		(211,656)
Total fair value allocation	**$**	**1,779,600**

Net tangible liabilities of Stroma on acquisition were as follows:

Assets		
Accounts receivable	$	1,421,522
Prepaids and deposits		142,346
Loan receivable		171,085
Equipment		69,478
Total assets	**$**	**1,804,431**
Liabilities		
Bank indebtedness	$	347,547
Accounts payable and accrues liabilities		640,062
Deferred revenue		308,890
Total liabilities	**$**	**1,296,499**
Net tangible assets	**$**	**507,932**

Revenue and net profit before income taxes relating to Stroma for the period from June 11, 2014 to November 30, 2014 was $2,398,576 and $71,926 respectively.

Goodwill is primarily related to growth expectations, assembled workforce and expected cost synergies.

In 2014, the goodwill of $563,324 has been allocated to the Stroma CGU which is part of the Technology Division operating segment disclosed in Note 22.

4. Business Combinations and Associate Investments (continued)

(e) Investment and Acquisition of Banyan Work Health Solutions Inc.

On November 3, 2014 the Company acquired 50% of Banyan Work Health Solutions Inc. and BITS Licensing Inc. (collectively "Banyan"). The Company has 50% Board representation and 50% of the voting rights, as does one other shareholder. For the year ended November 30, 2014, the Company accounted for the investment in Banyan on an equity accounting basis. From December 1, 2014 to November 30, 2015 the Company had the right to appoint a further Director. This ability was determined to give the Company control over Banyan and therefore the investment is accounted for between December 1, 2014 and November 30, 2015 by consolidating the results and financial position of Banyan with that of the Company. Subsequent to November 30, 2015, the Company is not asserting that right and therefore, beginning December 1, 2015, will account for and report the results of Banyan on an equity accounting basis (see Note 4(j) and 24).

The purchase price to acquire the 50% equity interest in Banyan for the following consideration;

1) Cash of $1,575,000.
2) 2,000,000 common shares with a fair value of $1,000,000 and 1,000,000 common share purchase warrants with a fair value of $319,200. Of the $1,000,000 of common share consideration, $750,000 of the shares was released at closing, subject to a contractual escrow over 36 months, while the release of the remaining $250,000 of shares is subject to Banyan achieving the same performance criteria post-closing that is applicable to the cash consideration. The common shares issued, including the escrowed common shares, have been valued at fair value based on the closing market price on the date of issuance. As of November 30, 2015 the common shares have not yet been released.
3) Contingent consideration of $425,000 over a four year period based on certain performance criteria. The $425,000 cash payable has been recorded as a contingent consideration payable and recorded at fair value using a discount rate of 4.75% (Note 23). As of November 30, 2015 the contingent consideration has not been paid.

Additionally, the 1,000,000 common share purchase warrants were issued 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 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.

4. Business Combinations and Associate Investments (continued)

The fair value of consideration transferred is as follows:

Cash paid on closing	$	1,575,000
Common shares issued (Note 15)		750,000
Warrants issued (Note 15)		319,200
Contingent liability - common shares (Note 15)		121,370
Contingent liability - cash consideration (Note 23)		378,500
Total fair value of consideration paid	**$**	**3,144,070**

The fair value is allocated to assets acquired on December 1, 2014 as follows:

Net tangible assets	$	1,324,281
Non-controlling interest		(1,455,480)
Trade names (Note 8)		540,000
Customer relationships (Note 7)		1,020,000
Technology and website (Note 6)		310,000
Goodwill		1,688,590
Deferred income taxes (Note 16)		(283,321)
Total	**$**	**3,144,070**

Net tangible liabilities of Banyan on acquisition were as follows:

Cash	$	848,558
Accounts receivable		997,851
Prepaid expenses		20,212
Equipment (Note 5)		271,652
Total assets	**$**	**2,138,273**
Accounts payable and accrued liabilities	$	813,992
Total liabilities	**$**	**813,992**
Net tangible assets	**$**	**1,324,281**

Revenue and net profit before income taxes relating to Banyan for the period from December 1, 2014 to November 30, 2015 was $7,767,605 and $584,220 respectively.

Goodwill is primarily related to growth expectations, assembled workforce and expected cost synergies.

The goodwill of $1,688,590 has been allocated to the Banyan CGU which is part of the Benefits Division operating segment disclosed in Note 22 and is not deductible for tax purposes. All accounts receivable are in the normal course of operations and recorded at fair value. The non-controlling interest is calculated as 50% of the net tangible assets and intangible assets including trade names, customer relationships, technology and website and the related deferred income taxes.

4. Business Combinations and Associate Investments (continued)

(f) 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 $2,542,994 (Note 15). 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.

4. Business Combinations and Associate Investments (continued)

(f) Acquisition of Paradigm Consulting Group Inc. (continued)

The fair value of consideration transferred is as follows:

Cash paid on closing	$	7,688,112
Payment re working capital adjustment		286,158
Total cash payments		7,974,270
Shares issued (Note 15)		2,542,994
Warrants issued (Note 15)		290,000
Convertible note issued (Note 13)		1,106,390
Contingent liability (Note 23)		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 (Note 16)		(1,990,711)
Total	**$**	**13,085,204**

Net tangible liabilities of Paradigm on acquisition were as follows:

Cash	$	1,159,848
Accounts receivable		4,154,741
Prepaids		143,649
Equipment (Note 5)		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**

Revenue and net loss before income taxes relating to Paradigm for the period from December 31, 2014 to November 30, 2015 was $22,019,327 and $521,483 respectively. The net loss for the period includes $984,522 of acquisition, integration and other transaction costs.

Goodwill is primarily related to growth expectations, assembled workforce and expected cost synergies.

The goodwill of $4,697,380 has been allocated to the Paradigm CGU which is part of the Technology Division operating segment disclosed in Note 22 and is not deductible for tax purposes. All accounts receivable are in the normal course of operations and recorded at fair value.

4. Business Combinations and Associate Investments (continued)

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

On February 11, 2015, the Company acquired 50% of SEB Benefits and HR Consulting Inc. The terms of the transaction are 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 will provide start-up support in areas of business infrastructure, working capital loans and other aspects

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

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

(h) 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 has 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 and the remaining $300,000 is receivable over 24 months in varying amounts in 6 month intervals.

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
Trade names	105,450
Goodwill	325,163
	1,025,163
Gain on sale of portion of business	**$ 1,124,837**

4. Business Combinations and Associate Investments (continued)

(i) Summary of Goodwill and Impairment Testing

Continuity of goodwill from business combinations as follows:

	Balance Nov 30, 2014	Fiscal 2015 Acquisitions / Disposals	Fiscal 2015 Write-down	Balance Nov 30, 2015
Logitek Technology Ltd.	$ 878,818	$ (325,163)	$ -	$ 553,655
SOMOS Consulting Group Ltd.	268,975	-	(268,975)	-
Inforica Inc.	935,165	-	-	935,165
APS - Antian Professional Services Inc.	16,411	-	(16,411)	-
Adeeva Nutritionals Canada Inc.	620,464	-	-	620,464
Stroma Service Consulting Inc.	563,324	-	(196,339)	366,985
Banyan Work Health Solutions Inc.	-	1,688,590	-	1,688,590
Paradigm Consulting Group Inc.	-	4,697,380	-	4,697,380
SEB Benefits and HR Consulting Inc.	-	113,080	-	113,080
Total	**$ 3,283,157**	**$ 6,173,887**	**$ (481,725)**	**$ 8,975,319**

On December 19, 2014, Logitek Technology Ltd. ("Logitek") divested in a portion of its business. Goodwill in the amount of $325,163 was allocated against the proceeds and included in the gain on sale of portion of business in the consolidated statement of comprehensive loss (see Note 4(h)).

For purposes of the annual impairment test, the Company applied the value in use method in completing its analysis. Using five year (and related terminal value) discounted future cash flow model with multiple model scenarios, the Company created a range of outcomes in determining the recoverable amount.

Below are the results and key assumptions used in the annual impairment test for each CGU:

Stroma CGU

During the year ended November 30, 2015, the Company reorganized its structure due to restructuring and the goodwill previously allocated to the Stroma CGU was allocated to other CGU's based on the relative values. Goodwill of $563,324 was allocated to the SOMOS/Antian CGU and Paradigm CGU of $196,339 and $366,985, respectively.

SOMOS/Antian CGU

As a result of this analysis the Company concluded the recoverable amount of the CGU was not greater than its carrying amount as of November 30, 2015 and concluded a write-down of $551,516 as required for the recorded goodwill and intangible assets. At November 30, 2014 the recoverable amount of the CGU was greater than its carrying amount and no impairment was recognized.

The key assumptions used in the discounted future cash flow model include projections surrounding revenue growth ranging from 1.7% to 10.0% (November 30, 2014 - 1.7% to 27.4%) and discount rate of 13.4% (November 30, 2014 - 12.2%).

4. Business Combinations and Associate Investments (continued)

(i) Summary of Goodwill (continued)

Logitek/Inforica CGU

As a result of this analysis the Company concluded the recoverable amount of the CGU was greater than its carrying amount as of November 30, 2015 and 2014 and no impairment loss has been recognized.

The key assumptions used in the discounted future cash flow model include projections surrounding revenue growth ranging from 1.7% to 21.1% (November 30, 2014 - 1.3% to 21.8%) and discount rate of 24.8% (November 30, 2014 - 11% to 18%).

Adeeva/Meschino CGU

As a result of this analysis the Company concluded the recoverable amount of the CGU was greater than its carrying amount as of November 30, 2015 and 2014 and no impairment loss has been recognized.

The key assumptions used in the discounted future cash flow model include projections surrounding revenue growth ranging from 1.7% to 37.5% (November 30, 2014 - 1.7% to 10.0%) and discount rate of 18.4% (November 30, 2014 - 19.4%).

Banyan CGU

As a result of this analysis the Company concluded the recoverable amount of the CGU was greater than its carrying amount as of November 30, 2015 and no impairment loss has been recognized.

The key assumptions used in the discounted future cash flow model include projections surrounding revenue growth ranging from (5.0%) to 21.3% (2014 - n/a) and discount rate of 26% (2014 - n/a).

Paradigm CGU

As a result of this analysis the Company concluded the recoverable amount of the CGU was greater than its carrying amount as of November 30, 2015 and no impairment loss has been recognized.

The key assumptions used in the discounted future cash flow model include projections surrounding revenue growth ranging from 1.7% to 6.8% (2014 - n/a) and discount rate of 31.8% (2014 - n/a).

4. Business Combinations and Associate Investments (continued)

(j) Non-controlling interest

Continuity of non-controlling interest as follows:

	Investment	Net Income (Loss) and Dividends	Total
Balance, November 30, 2013	$ -	$ -	$ -
Acquisition of Inforica Inc.	(435,165)	-	(435,165)
Acquisition of Meschino	30,500	-	30,500
Net loss and comprehensive loss atributed to non-controlling interest	-	(281,302)	(281,302)
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 atributed to non-controlling interest	-	354,758	354,758
Balance, November 30, 2015	**$ 1,050,815**	**$ (276,544)**	**$ 774,271**

Set out below is a summarized financial information for Banyan that has a non-controlling interest which is material to the Company. The amounts disclosed are based on those included in the consolidated financial statements before inter-company eliminations.

Summarized statement of financial position for Banyan:

	2015	2014
NCI percentage	50%	50%
Current assets	$ 1,797,893	$ -
Current liabilities	1,093,029	-
	704,864	-
Non-current assets	2,117,279	-
Non-current liabilities	232,963	-
	1,884,316	-
Net assets	**$ 2,589,180**	**$ -**
Accumulated non-controlling interest	**$ 1,294,590**	**$ -**

4. Business Combinations and Associate Investments (continued)

(j) Non-controlling interest (continued)

Summarized statement of comprehensive income for Banyan:

		2015		2014
NCI percentage		50%		50%
Revenue	$	7,767,605	$	-
Cost of revenue		5,751,872		-
Expenses		1,431,513		-
Provision for income tax		206,000		-
Total comprehensive income	**$**	**378,220**	**$**	**-**
Income allocated to NCI	**$**	**189,110**	**$**	**-**
Dividends paid to NCI	**$**	**350,000**	**$**	**-**

As of December 1, 2015, it was determined that the Company will no longer control Banyan as defined under IFRS 10 (see Note 24).

5. Equipment

		Nov 30, 2014		Acquire Banyan		Acquire Paradigm		Additions		Nov 30, 2015
Cost										
Furniture and office equipment	$	244,569	$	22,457	$	119,829	$	8,521	$	395,376
Computer hardware		477,685		249,196		371,434		35,559		1,133,874
Computer hardware under lease		267,786		-		-		-		267,786
Total	**$**	**990,040**	**$**	**271,653**	**$**	**491,263**	**$**	**44,080**	**$**	**1,797,036**
Accumulated depreciation										
Furniture and office equipment	$	69,772	$	-	$	73,718	$	53,668	$	197,158
Computer hardware		180,836		-		256,956		158,502		596,294
Computer hardware under lease		115,943		-		-		45,553		161,496
Total	**$**	**366,551**	**$**	**-**	**$**	**330,674**	**$**	**257,723**	**$**	**954,948**
Net balance										
Furniture and office equipment	$	174,797	$	22,457	$	46,111	$	(45,147)	$	198,218
Computer hardware		296,849		249,196		114,478		(122,943)		537,580
Computer hardware under lease		151,843		-		-		(45,553)		106,290
Total	**$**	**623,489**	**$**	**271,653**	**$**	**160,589**	**$**	**(213,643)**	**$**	**842,088**

5. Equipment (continued)

	Nov 30, 2013	Acquire Inforica	Acquire Antian	Acquire Adeeva	Acquire Stroma	Additions	Nov 30, 2014
Cost							
Furniture and office equipment	$ 155,113	$ 6,516	$ 4,677	$ 14,559	$ 9,674	$ 54,030	$ 244,569
Computer hardware	187,541	70,398	-	26,924	59,804	133,018	477,685
Computer hardware under lease	267,786	-	-	-	-	-	267,786
Total	**$ 610,440**	**$ 76,914**	**$ 4,677**	**$ 41,483**	**$ 69,478**	**$ 187,048**	**$ 990,040**
Accumulated depreciation							
Furniture and office equipment	$ 27,636	$ -	$ -	$ -	$ -	$ 42,136	$ 69,772
Computer hardware	51,850	-	-	-	-	128,986	180,836
Computer hardware under lease	58,611	-	-	-	-	57,332	115,943
Total	**$ 138,097**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 228,454**	**$ 366,551**
Net balance							
Furniture and office equipment	$ 127,477	$ 6,516	$ 4,677	$ 14,559	$ 9,674	$ 11,894	$ 174,797
Computer hardware	135,691	70,398	-	26,924	59,804	4,032	296,849
Computer hardware under lease	209,175	-	-	-	-	(57,332)	151,843
Total	**$ 472,343**	**$ 76,914**	**$ 4,677**	**$ 41,483**	**$ 69,478**	**$ (41,406)**	**$ 623,489**

6. Software and Intellectual Property

Software

	Cost				Accumulated Amortization				Net
	Nov 30, 2014 $	Acquisition/ Disposal $	Adds $	Nov 30, 2015 $	Nov 30, 2014 $	Acquisition/ Disposal $	Expense $	Nov 30, 2015 $	Nov 30, 2015 $
HCS licence (1)	500,000	-	-	500,000	170,833	-	50,000	220,833	279,167
HCS admin system (2)	341,702	-	302,648	644,350	-	-	59,435	59,435	584,915
Logitek (3)	1,267,000	(468,790)	-	798,210	232,283	(85,945)	79,821	226,159	572,051
Inforica (4)	240,000	-	-	240,000	48,000	-	24,000	72,000	168,000
Meschino (6)	-	-	246,979	246,979	-	-	-	-	246,979
Adeeva (5)	110,000	-	-	110,000	17,417	-	11,000	28,417	81,583
Banyan	-	310,000	387,096	697,096	-	-	64,000	64,000	633,096
Paradigm	-	-	2,790	2,790	-	-	745	745	2,045
Total	**2,458,702**	**(158,790)**	**939,513**	**3,239,425**	**468,533**	**(85,945)**	**289,001**	**671,589**	**2,567,836**

6. Software and Intellectual Property (continued)

	Cost				Accumulated Amortization				Net
	Nov 30, 2013	Acquisition/ Disposal	Adds	Nov 30, 2014	Nov 30, 2013	Acquisition/ Disposal	Expense	Nov 30, 2014	Nov 30, 2014
	$	$	$	$	$	$	$	$	$
HCS licence (1)	500,000	-	-	500,000	120,833	-	50,000	170,833	329,167
HCS admin system (2)	200,000	-	141,702	341,702	-	-	-	-	341,702
Logitek (3)	1,267,000	-	-	1,267,000	105,583	-	126,700	232,283	1,034,717
Inforica (4)	-	240,000	-	240,000	-	-	48,000	48,000	192,000
Adeeva (5)	-	110,000	-	110,000	-	-	17,417	17,417	92,583
Total	**1,967,000**	**350,000**	**141,702**	**2,458,702**	**226,416**	**-**	**242,117**	**468,533**	**1,990,169**

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. It is being amortized over 10 years on a straight-line basis.
3) Logitek has developed a number of proprietary pieces of software, particularly in the management of customer's supply-chain in the retail field. The software is being amortized over 10 years on a straight-line basis. The current period disposal was due to the sale of the EDI business which has been recorded in the consolidated statement of comprehensive loss under the gain on sale of portion of business.
4) Inforica has developed proprietary software, particularly in the field of energy management. Its use is being expanded to include significant Middle East business. It is being amortized over 5 years on a straight-line basis.
5) Adeeva technology consists of product formulations developed. It is being amortized over 5 years on a straight-line basis.
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.

Intellectual Property

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

	Cost			Accumulated Amortization			Net	
	Nov 30, 2014	Adds during period	Nov 30, 2015	Nov 30, 2014	Expense	Nov 30, 2015	Nov 30, 2015	Nov 30, 2014
Intellectual property	$ 110,000	$ -	$ 110,000	$ 17,417	$ 16,499	$ 33,916	$ 76,083	$ 92,583
Total	**$ 110,000**	**$ -**	**$110,000**	**$ 17,417**	**$ 16,499**	**$ 33,916**	**$ 76,083**	**$ 92,583**

6. Software and Intellectual Property (continued)

Intellectual Property (continued)

	Cost			Accumulated Amortization			Net	
	Nov 30, 2013	Adds during period	Nov 30, 2014	Nov 30, 2013	Expense	Nov 30, 2014	Nov 30, 2014	Nov 30, 2013
Intellectual property	$ -	$ 110,000	$ 110,000	$ -	$ 17,417	$ 17,417	$ 92,582	$ -
Total	**$ -**	**$ 110,000**	**$110,000**	**$ -**	**$ 17,417**	**$ 17,417**	**$ 92,582**	**$ -**

7. Customer Relationships and Other

	Cost				Accumulated Amortization				Net
	Nov 30, 2014 $	Acquisition/ Disposal $	Write-Down $	Nov 30, 2015 $	Nov 30, 2014 $	Acquisition/ Disposal $	Expense $	Nov 30, 2015 $	Nov 30, 2015 $
Logitek (1)	803,000	(320,645)	-	482,355	294,433	(108,940)	101,178	286,671	195,684
SOMOS (2)	500,000	-	(69,791)	430,209	175,000	-	100,000	275,000	155,209
Inforica	500,000	-	-	500,000	100,000	-	100,000	200,000	300,000
Antian	63,097	-	-	63,097	8,939	-	12,620	21,559	41,538
Adeeva	170,000	-	-	170,000	26,917	-	34,000	60,917	109,083
Stroma	660,000	-	-	660,000	77,000	-	132,000	209,000	451,000
Banyan	-	1,020,000	-	1,020,000	-	-	204,000	204,000	816,000
Paradigm (3)	-	5,650,000	-	5,650,000	-	-	1,130,000	1,130,000	4,520,000
Total	**2,696,097**	**6,349,355**	**(69,791)**	**8,975,661**	**682,289**	**(108,940)**	**1,813,798**	**2,387,147**	**6,588,514**

(1) During the year ended November 30, 2015 the Company recorded a disposal of the Logitek customer relationships due to the sale of the EDI business which is included in the statement of comprehensive loss under gain on sale of portion of business.

(2) During the year the Company re-assessed the value of the customer relationships of the SOMOS/Antian CGU and accordingly partially wrote them down as included in the consolidated statement of comprehensive loss under write-down of intangibles.

(3) Balance includes $560,000 fair value assigned to non-compete agreements with key Paradigm employees and management. The non-compete agreements are being amortized over 5 years, which is the term of the non-compete agreements.

	Cost			Accumulated Amortization				Net
	Nov 30, 2013 $	Acquisition/ Disposal $	Nov 30, 2014 $	Nov 30, 2013 $	Acquisition/ Disposal $	Expense $	Nov 30, 2014 $	Nov 30, 2014 $
Logitek	803,000	-	803,000	133,833	-	160,600	294,433	508,567
SOMOS	500,000	-	500,000	75,000	-	100,000	175,000	325,000
Inforica	-	500,000	500,000	-	-	100,000	100,000	400,000
Antian	-	63,097	63,097	-	-	8,939	8,939	54,158
Adeeva	-	170,000	170,000	-	-	26,917	26,917	143,083
Stroma	-	660,000	660,000	-	-	77,000	77,000	583,000
Total	**1,303,000**	**1,393,097**	**2,696,097**	**208,833**	**-**	**473,456**	**682,289**	**2,013,808**

8. Trade Names

	Cost			Accumulated Amortization				Net
	Nov 30, 2014	Acquisition/ Disposal	Nov 30, 2015	Nov 30, 2014	Acquisition /Disposal	Expense	Nov 30, 2015	Nov 30, 2015
	$	$	$	$	$	$	$	$
Logitek	450,000	(166,500)	283,500	165,000	(61,050)	56,700	160,650	122,850
SOMOS	388,000	-	388,000	135,800	-	77,600	213,400	174,600
Inforica	270,000	-	270,000	54,000	-	54,000	108,000	162,000
Adeeva	300,000	-	300,000	47,500	-	60,000	107,500	192,500
Stroma	260,000	-	260,000	30,331	-	52,000	82,331	177,669
Banyan	-	540,000	540,000	-	-	108,000	108,000	432,000
Paradigm	-	1,280,000	1,280,000	-	-	256,000	256,000	1,024,000
Total	**1,668,000**	**1,653,500**	**3,321,500**	**432,631**	**(61,050)**	**664,300**	**1,035,881**	**2,285,619**

During the year ended November 30, 2015 the Company recorded a disposal of the Logitek trade names due to the sale of the EDI business which is included in the statement of comprehensive loss under gain on sale of portion of business.

	Cost			Accumulated Amortization				Net
	Nov 30, 2013	Acquisition/ Disposal	Nov 30, 2014	Nov 30, 2013	Acquisition /Disposal	Expense	Nov 30, 2014	Nov 30, 2014
	$	$	$	$	$	$	$	$
Logitek	450,000	-	450,000	75,000	-	90,000	165,000	285,000
SOMOS	388,000	-	388,000	58,200	-	77,600	135,800	252,200
Inforica	-	270,000	270,000	-	-	54,000	54,000	216,000
Adeeva	-	300,000	300,000	-	-	47,500	47,500	252,500
Stroma	-	260,000	260,000	-	-	30,331	30,331	229,669
Total	**838,000**	**830,000**	**1,668,000**	**133,200**	**-**	**299,431**	**432,631**	**1,235,369**

9. Bank Indebtedness

On May 13, 2013, the Company entered into credit facility arrangements (the "Facility") with a leading Canadian Chartered Bank, including a revolving credit facility of $1,000,000, plus additional ancillary related facilities of approximately $200,000. The Facility was provided to wholly-owned SOMOS Consulting Group Ltd. and was guaranteed by Logitek and SEB. The Facility accrued interest at 4.875% (bank prime plus 1.875%) payable monthly in arrears. This facility was closed during the year ended November 30, 2015, see New Credit Facilities.

As well, at November 30, 2014, another wholly-owned subsidiary of SEB, Stroma Service Consulting Inc. had a revolving credit facility arrangement with another Canadian Chartered Bank in the amount of up to $600,000. The facility accrued interest at 5% (bank prime plus 2%) and was payable monthly in arrears. This facility was closed during the year ended November 30, 2015.

At November 30, 2015, Banyan has a revolving credit facility arrangement with a Canadian Chartered Bank in the amount of up to $500,000. The facility accrues interest at 3.7% (bank prime plus 1%) and was payable monthly in arrears. As at November 30, 2015 the facility had an outstanding balance of $216,000.

9. Bank Indebtedness (continued)

New Credit Facilities

On March 10, 2015 the Company closed new 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 consists 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% (November 30, 2015 - 4.75%), depending on the amount advanced under the facility, has a term of 4 years and may be repaid at any time without penalty. The loan is repayable over a 48 month term, interest payable monthly in arrears which results in monthly payments of $87,500 plus accrued interest. Additional annual repayment of principal equal to 50% of annual free cash flows to be applied against the facility in reverse order of maturity. During the year ended November 30, 2015, the Company made principal repayments of $787,500 and the outstanding balance as of November 30, 2015 was $3,412,500 and presented as term bank loan.

ii. Paradigm has also obtained a $3,000,000 operating demand facility, bearing interest at the Prime Rate plus 0.75% to 1.75% (November 30, 2015 – 4.25%), depending on Paradigm's debt to EBITDA ratio, along with a $50,000 corporate credit card. The outstanding balance as of November 30, 2015 on the operating demand facility was $2,809,375.

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. The outstanding balance as of November 30, 2015 on the operating demand facility was $1,400,622.

Both Paradigm's new credit facilities and the new 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.

The Company has calculated that it is in default with regard to the current ratio covenant of the SOMOS facility as at November 30, 2015. As at the date of issue of the financial statements, the Company has not obtained a waiver of the default. The Company has calculated that it is in default with regards to the fixed charge coverage ratio and total funded debt covenants of the Paradigm facility. This was due to non-recurring cash payments related to the acquisition, integration and other expenses for which the Company has not received formal approval from the bank to exclude in its covenant calculations. As a result the Company has re-classified the non-current portion of the Paradigm term loan of $2,362,500 to the current portion of the term loan.

10. Deferred Revenue

This amount is due to Stroma receiving annual licence fee payments for software, Logitek receiving advance payments from clients for software development work to be done and for licencing revenues and Somos receiving advance fees for training. The amounts are recognized as revenue in accordance with the Company's revenue recognition policy.

11. Equipment Leases Payable

Maturity	Monthly Payment	Nov 30, 2015	Nov 30, 2014
2015 May	3,136	$ -	$ 15,682
2015 Aug	1,106	-	6,570
2015 Aug	1,010	-	6,696
2016 Aug	789	6,562	15,311
		6,562	**44,258**
Current portion of leases payable		**6,562**	**35,260**
Long-term portion of leases payable		**$ -**	**$ 8,998**

12. Equipment Loans

Lender	Interest rate	Monthly Payment	Maturity	Nov 30, 2015	Nov 30, 2014
Bank of Montreal	BMO Prime + 1.75%	$750	May, 2015	$ -	$ 4,500
Business Dev Bank of Canada	BDC floating base rate + 1%	$1,042	Feb, 2017	15,625	28,125
Total				**15,625**	**32,625**
Current portion of loans				15,625	32,625
Long term portion of loans				**$ -**	**$ -**

As the loans are due on demand the full balance owing has been classified as current.

13. Convertible Debt

		Liability at Fair Value							
		Face Value of Notes							
Maturity Date	Conversion Price	Nov 30/14 $	Additions/ Repayments/ Conversions $	Nov 30/15 $	Equity Component $	Warrants $	Debt Issue Costs $	Liability at Fair Value $
(1) Dec 27, 2014	$ 0.45	554,000	(554,000)	-	-	-	-	-
(2) Feb 14, 2016	$ 0.60	2,000,000	(50,000)	1,950,000	(240,523)	(147,232)	(248,191)	1,314,054
(3) May 13, 2016	$ 0.75	1,025,000	-	1,025,000	(143,656)	(75,850)	(87,630)	717,864
(4) May 13, 2016	$ 0.75	725,000	-	725,000	(98,330)	(59,198)	(24,307)	543,165
(5) May 13, 2016	$ 0.75	250,000	-	250,000	(34,531)	(14,875)	(8,540)	192,054
(6) Jun 6, 2017	$0.60 to Jun 6, 2016 $0.70 to Jun 6, 2017	250,000	(83,333)	166,667	(80,802)	-	-	85,865
(7) Dec 30, 2017	$ 0.50	-	1,106,390	1,106,390	(382,286)	-	-	724,104
(8) Feb 6, 2018	$0.65 to Feb 6, 2016 $0.70 to Feb 6, 2017 $0.75 to Feb 6, 2018	651,858	-	651,858	(303,437)	-	-	348,421
(9) Mar 18, 2019	$ 0.75	289,390	(63,685)	225,705	(96,230)	-	-	129,475
Totals		**5,745,248**	**355,372**	**6,100,620**	**(1,379,795)**	**(297,155)**	**(368,668)**	**4,055,002**

		Liability at Fair Value	Accreted Interest			Balance	
	Maturity Date	Liability at Fair Value $	Bal Nov 30, 2014 $	Accretion $	Bal Nov 30 2015 $	Nov 30/15 $	Nov 30/14 $
(1)	Dec 27, 2014	-	-	5,008	-	-	548,992
(2)	Feb 14, 2016	1,314,054	229,328	325,480	554,808	1,868,862	1,593,382
(3)	May 13, 2016	717,864	146,459	108,849	255,308	973,172	864,323
(4)	May 13, 2016	543,165	78,380	70,045	148,425	691,590	621,545
(5)	May 13, 2016	192,054	24,910	22,389	47,299	239,353	216,964
(6)	Jun 6, 2017	85,865	11,392	25,284	36,676	122,541	180,590
(7)	Dec 30, 2017	724,104	-	112,070	112,070	836,174	-
(8)	Feb 6, 2018	348,421	91,360	58,663	150,023	498,444	439,781
(9)	Mar 18, 2019	129,475	29,815	24,692	54,507	183,982	222,975
Totals		**4,055,002**	**611,644**	**752,480**	**1,359,116**	**5,414,118**	**4,688,552**
Current portion of convertible debt						4,097,198	678,928
Long term portion of convertible debt						**1,316,920**	**4,009,624**

13. Convertible Debt (continued)

1) On December 27, 2012 the Company closed a financing of $554,000 worth of convertible notes with a term of 2 years, paying 10% interest per annum, payable quarterly. The notes were convertible into common shares of the Company at $0.45 per share any time during the term of the notes. The Company paid finder's fees of $22,550 in cash, incurred legal costs directly attributed to the issuance of $31,842 and issued 99,777 share purchase warrants to the finder which are exercisable at $0.45 per share for a period of two years. The value of the warrants and debt issue costs have been allocated against the liability and equity components based on their relative fair values. At November 30, 2012, an amount of $30,000 had been advanced towards the convertible notes.

   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.

   The equity component of $56,516 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 was charged against earnings as accreted interest using the effective interest rate method.

   The cost of issuing 99,777 finder warrants have been recorded as warrants in shareholders' equity. The warrants were valued at $16,224 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%.

   In Fiscal 2015, $479,000 of the notes were converted to 1,064,441 shares of the Company; the balance of the notes were repaid in cash.

2) 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 and 320,000 share purchase warrants, exercisable at $0.50 per share for a period of three years.

   During the year $50,000 of the notes was converted to common shares of the Company. Subsequent to the year end the notes were extended to August 12, 2016 (see Note 24).

   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%.

3) On May 14, 2013 the Company completed a private placement offering of $1,025,000 units (the "Units"); with each Unit consisting of (i) a $1.00 principal amount convertible secured subordinated promissory note of the Company and (ii) one common share purchase warrant of SEB. 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 (Note 19).

13. Convertible Debt (continued)

The Warrants are 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 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 1, $0.60 per share in year 2 and $0.75 per share in year 3.

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%.

4) 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 2 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 1 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 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%.

13. Convertible Debt (continued)

5) 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 1 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 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 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%.

6) 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 the year $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.

7) On December 31, 2014 the Company acquired Paradigm Consulting Group Inc. and PCGI Consulting Services Partnership, amalgamated 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.

13. Convertible Debt (continued)

8) On February 6, 2013, the Company closed the acquisition of Logitek (Note 4). 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.

9) 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. The note is repayable over a term of 5 years with blended quarterly payments of $17,547. The note is convertible at any time to 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 Notes

	2015	2014
Advance from Chairman of the Board (Note 19)	$ 1,500,000	$ -
Accrued interest	145,000	-
Other	5,729	7,099
Total	**$ 1,650,729**	**$ 7,099**

The advance from the Chairman of the Board had a maturity date of June 15, 2015 and bears interest at 10% per annum. During the year ended November 30, 2015, the Company recorded accrued interest of $145,000 (2014 - $Nil).

15. Share Capital

(a) Authorized
Unlimited number of common shares

(b) Common shares issued and outstanding

		Number of shares	Amount $
	Balance November 30, 2013	**62,658,000**	**7,878,625**
(1)	Conversion of debt	888,887	586,199
(2)	Acquisition of Adeeva Nutritionals Canada Inc.	1,027,418	525,000
(3)	Acquisition of Stroma Service Consulting Inc.	1,125,000	562,500
(4)	Acquisition of 50% of Banyan Work Health Solutions Inc.	2,000,000	1,000,000
(5)	$1 million equity unit financing October 29, 2014	2,000,000	1,000,000
(5)	$1 million equity unit financing warrants	-	(350,227)
(6)	$2 million equity unit financing October 29 and November 6, 2014	4,000,000	2,000,000
(6)	$2 million equity unit financing warrants	-	(697,904)
	Exercise of warrants	5,091,388	2,495,083
	Exercise of options	183,250	93,856
	Balance November 30, 2014	**78,973,943**	**15,093,132**
(7)	Acquisition of Paradigm Consulting Group Inc. (Note 4)	5,913,877	2,542,994
(4)	Acquisition of Banyan Work Health Solutions Inc.	-	(128,630)
(8)	Acquisition of SEB Consulting and HR Benefits Inc. (Note 4)	200,000	100,000
(9)	Conversion of notes (Note 13)	1,164,441	592,618
(10)	Private placement	6,000,000	2,400,000
(10)	Private placement warrants	-	(826,200)
	Exercise of warrants	2,367,722	1,741,480
	Exercise of options	772,500	419,881
	Balance November 30, 2015	**95,392,483**	**21,935,275**

1) On February 28, 2014 a convertible note payable of $400,000 was converted to common shares. Per the terms of the note the conversion rate was $0.45 per share resulting in the issue of 888,887 common shares. The fair value attributed to the conversion portion of $186,199 has been fully accreted and reclassified from contributed surplus to share capital.

2) On March 14, 2014 SEB acquired Adeeva Nutritionals Canada Inc. (“Adeeva”) and the Wellness assets and business of Dr. James Meschino Health and Wellness. SEB issued $525,000 of SEB shares at a price of $0.51 per share to acquire all of the debt and issued and outstanding shares of Adeeva, resulting in the issuance of 1,027,418 shares. The SEB shares issued pursuant to this transaction are subject to contractual escrow releases of one third per annum over 36 months. The common shares had a fair value of $525,000 based on the closing price on the date of issuance.

3) On June 11, 2014 the Company acquired 100% of Stroma Service Consulting Inc. As part of the purchase price, the Company issued 1,125,000 shares, valued at $562,500.

15. Share Capital (continued)

4) 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 2,000,000 shares valued at $1,000,000, (subsequently adjusted in Fiscal 2016 to reflect the discounting of the shares held back). Of the total shares issued 1,500,000 were released at closing and are subject to a 36 month contractual escrow. The remaining 500,000 shares are escrowed and will be released over a period of 4 years, based on Banyan achieving certain earnings performance criteria post-closing.

5) 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.

6) On October 29, 2014 and November 6, 2014, the Company closed a financing of $2,000,000 consisting of 4,000,000 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 Company incurred legal costs directly attributable to the financing of $55,858.

7) On December 31, 2014 the Company acquired Paradigm Consulting Group Inc. and PCGI Consulting Services Partnership, which were subsequently amalgamated into one company, named Paradigm Consulting Group Inc. ("Paradigm"). As part of the consideration 5,913,877 SEB shares with a fair value of $2,542,994. 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.

8) On February 11, 2015, the Company acquired 50% of SEB Benefits and HR Consulting Inc. The terms of the transaction included the issue of $100,000 of SEB shares at a fair value of $0.50 per share, the shares being subject to a contractual escrow over a 24 month period, released 25% every 6 months.

9) In February and January, 2015, convertible notes with a face value of $529,000 were converted to 1,164,441 shares of the Company; the balance of the notes were repaid in cash. The fair value attributed to the conversion portion of $63,618 has been fully accreted and reclassified from contributed surplus to share capital.

10) In October, 2015 the Company issued 6,000,000 units in a private placement, priced at $0.40 per unit for gross proceeds of $2,400,000. Each unit comprising of one common share and one common share purchase warrant. The common share purchase warrant are exercisable for a period of 24 months at $0.75 per share and vests on December 31, 2016. The warrants were valued at $826,200 (Note 15(c)).

15. Share Capital (continued)

(c) Share purchase warrants

			Number of Warrants Outstanding					
			Nov 30, 2014	**Activity During Period**			**Nov 30, 2015**	
	Exercise Price	**Expiry**	**Outstanding**	**Issued**	**Expired**	**Exercised**	**Outstanding**	**Exercisable**
1	$ 0.45	Dec 27, 2014	78,555	-	(55,333)	(23,222)	-	-
2	$ 0.35	Feb 27, 2015	286,000	-	-	(286,000)	-	-
	$ 0.65	Jul 11, 2015	6,491,667	-	(5,841,667)	(650,000)	-	-
3	$ 0.35	Aug 30, 2015	100,000	-	(100,000)	-	-	-
4	$ 0.40	Nov 14, 2015	75,000	-	(75,000)	-	-	-
5	$0.65 to Feb 6, 2016 $0.75 to Aug 6, 2016	Aug 6, 2016	1,000,000	-	-	-	1,000,000	700,000
6	$ 0.50	Oct 29, 2016	200,000	-	-	-	200,000	200,000
4	$0.65 to Nov 14, 2016	Nov 14, 2016	1,250,000	-	-	-	1,250,000	1,250,000
7	$ 0.50	Feb 12, 2017	320,000	-	-	-	320,000	320,000
2	$0.65 to Feb 27, 2016 $0.75 to Feb 27, 2017	Feb 27, 2017	3,160,000	-	-	(508,500)	2,651,500	2,651,000
8	$ 0.40	Apr 29, 2017	-	600,000	-	-	600,000	600,000
6	$0.60 to Oct 29, 2016 $0.75 to Oct 29, 2017	Oct 29, 2017	2,000,000	-	-	-	2,000,000	2,000,000
6	$0.60 to Oct 29, 2016 $0.75 to Oct 29, 2017	Oct 29, 2017	3,050,000	-	-	-	3,050,000	3,050,000
8	$ 0.75	Oct 29, 2017	-	6,000,000	-	-	6,000,000	-
6	$0.60 to Nov 6, 2016 $0.75 to Nov 6, 2017	Nov 6, 2017	950,000	-	-	-	950,000	950,000
9	$0.65 to Mar 1, 2016 $0.70 to Mar 1, 2017 $0.75 to Mar 1, 2018	Mar 1, 2018	675,000	-	-	-	675,000	675,000
10	$0.55 to Jun 6, 2016 $0.60 to Jun 6, 2017 $0.70 to Jun 6, 2018	Jun 6, 2018	1,000,000	-	-	(900,000)	100,000	100,000
11	$ 0.50	Nov 4, 2018	1,000,000	-	-	-	1,000,000	333,334
12	$ 0.50	Feb 11, 2018	-	50,000	-	-	50,000	12,500
13	$ 0.50	Feb 27, 2019	-	1,000,000	-	-	1,000,000	166,667
			21,636,222	**7,650,000**	**(6,072,000)**	**(2,367,722)**	**20,846,500**	**13,008,501**
			$ 0.55	**$ 0.69**	**$ 0.64**	**$ 0.55**	**$ 0.64**	**$ 0.60**

1) On December 27, 2012 the Company closed a financing of $554,000 worth of convertible notes The Company issued 99,777 share purchase warrants to the finder which were exercisable at $0.45 per share for a period of two years. The cost of issuing 99,777 finder warrants have been recorded as warrants in shareholders' equity. The warrants were valued at $16,224 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%.

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%.

15. Share Capital (continued)

(c) Share purchase warrants (continued)

The Company paid finder's fees in connection with the $1,106,000 equity financing, including 286,000 agent warrants, exercisable at $0.35 per share for a period of two years from closing. The warrants were valued at $37,752 using the Black-Scholes option-pricing model using the following assumptions: expected life of 2 years, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

3) In conjunction with financings on August 30, 2013 and September 6, 2013, the Company issued 100,000 share purchase warrants to a 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 2 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%.

   In conjunction with the issue of the $500,000 of Units, the Company paid 75,000 finder warrants exercisable for 24 months from closing at $0.40 for 1 common share of the Company. The finder warrants were valued at $12,945 using the Black-Scholes option-pricing model using the following assumptions: expected life of 24 months, risk free rate of 0.98%, expected dividend yield of 0% and expected volatility of 100%.

5) 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.

6) 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%.

15. Share Capital (continued)

(c) Share purchase warrants (continued)

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%.

7) 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%.

8) On October 30, 2015, the Company closed a financing of $2,400,000 of Equity Units. 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.

   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%.

9) 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%.

10) 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%.

15. Share Capital (continued)

(c) Share purchase warrants (continued)

11) 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%.

12) On February 11, 2015 the Company acquired 50% of SEB Benefits and 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%.

13) 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%.

(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 November 30, 2015 is 9,539,248. At November 30, 2015, the Company had 7,231,500 options issued and outstanding under the terms of the Plan.

15. Share Capital (continued)

(d) Share purchase options

	Exercise Price	Expiry	Nov 30, 2014 Outstanding	Issued	Expired	Exercised	Nov 30, 2015 Outstanding	Exercisable
	$ 0.35	Jul 24, 2015	50,000	-	(50,000)	-	-	-
	$ 0.33	Aug 16, 2015	400,000	-	-	(400,000)	-	-
	$ 0.34	Sep 13, 2015	200,000	-	-	(200,000)	-	-
	$ 0.40	Nov 23, 2015	240,000	-	(240,000)	-	-	-
i	$ 0.60	Feb 7, 2016	400,000	-	-	-	400,000	400,000
ii	$ 0.35	Mar 15, 2016	300,000	-	-	(160,000)	140,000	140,000
	$ 0.20	Apr 5, 2016	87,000	-	-	-	87,000	87,000
iii	$ 0.35	Apr 23, 2016	1,032,000	-	-	(12,500)	1,019,500	1,019,500
iv	$ 0.35	Apr 23, 2016	100,000	-	-	-	100,000	100,000
v	$ 0.50	Feb 7, 2017	300,000	-	-	-	300,000	225,000
vi	$ 0.58	Mar 31, 2017	130,000	-	-	-	130,000	97,500
vii	$ 0.58	Mar 31, 2017	100,000	-	-	-	100,000	100,000
viii	$ 0.42	Jul 24, 2017	250,000	-	-	-	250,000	162,500
ix	$ 0.50	Sep 5, 2017	200,000	-	-	-	200,000	100,000
x	$ 0.45	Oct 23, 2017	200,000	-	-	-	200,000	100,000
xi	$ 0.45	Oct 23, 2017	505,000	-	-	-	505,000	252,500
xii	$ 0.50	Oct 23, 2017	600,000	-	-	-	600,000	360,000
xiii	$ 0.50	Oct 24, 2017	1,400,000	-	-	-	1,400,000	1,400,000
xiv	$ 0.50	Oct 24, 2017	600,000	-	-	-	600,000	600,000
xv	$ 0.50	Jan 20, 2018	-	900,000	-	-	900,000	900,000
xvi	$ 0.50	Mar 26, 2019	-	300,000	-	-	300,000	115,000
			7,094,000	**1,200,000**	**(290,000)**	**(772,500)**	**7,231,500**	**6,159,000**
	Weighted avg exercise price		**$ 0.45**	**$ 0.50**	**$ 0.39**	**$ 0.34**	**$ 0.47**	**$ 0.47**

i. On February 7, 2014, the Company granted 400,000 options exercisable until February 7, 2016 at an exercise price of $0.60 per share. The stock options vested 100,000 on issue, 100,000 after 3 months, 100,000 after 6 months and 100,000 after 1 year. The stock options were valued at $132,200 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%.

ii. 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 vest as follows: 20,000 immediately and 20,000 every three months until all are fully vested. 200,000 of these stock options vest 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%.

15. Share Capital (continued)

(d) Share purchase options

iii. 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 vest 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%.

iv. 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 vest 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%.

v. 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 vest 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%.

vi. 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 vest 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%.

vii. 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 vest 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%.

viii. 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 vest 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%.

ix. 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 vest 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%.

x. 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 vest 100,000 on issue and 100,000 after 1 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%.

15. Share Capital (continued)

(d) Share purchase options

xi. 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 vest 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%.

xii. 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 vest 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%.

xiii. 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 vest 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%.

xiv. 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 vest 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%.

xv. 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%.

xvi. On March 26, 2015 the Company granted 300,000 options exercisable at $0.50 to March 26, 2019, 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%.

(e) Loss per Share

The weighted average number of common shares outstanding for the year ended November 30, 2015 was 88,238,095 and for the year ended November 30, 2014 was 68,046,280.

The dilutive effect of options and warrants outstanding was not included in 2015 or 2014 as it would serve to reduce the loss per share reported.

16. Deferred Taxes

Income Tax

The reconciliation of the combined Canadian federal and provincial statutory income tax rate to the effective tax rate for the years ended November 30, 2015 and 2014 is as follows:

		2015		2014
Net loss before recovery of income taxes	$	5,811,922	$	7,347,128
Expected income tax expense (recovery)	$	(1,540,160)	$	(1,946,990)
Tax rate changes and other adjustments		(268,930)		110,600
Permanent differences		(85,150)		258,480
Change in tax benefits not recognized		1,836,220		1,319,980
Income tax (recovery) expense	$	(58,020)	$	(257,930)

The Company's income tax (recovery) is allocated as follows:

Current tax (recovery) expense	$	952,900	$	-
Deferred tax (recovery) expense		(1,010,920)		(257,930)
	$	(58,020)	$	(257,930)

The 2016 statutory tax rate of 26.5% is consistent with the 2015 statutory tax rate of 26.5%.

Deferred Tax

The following table summarizes the components of deferred tax:

		2015		2014
Deferred Tax Assets				
Intangible asset	$	264,700	$	12,220
Non-capital losses carried forward		469,210		669,090
Deferred Tax Liabilities				
Intellectual property	$	(20,230)	$	(34,580)
Equipment		(84,570)		(36,190)
Trade names		(610,810)		(321,010)
Software development		(206,570)		(298,730)
Customer relationships		(1,744,440)		(537,970)
Royalty liability		-		(11,400)
Capital leases		(24,240)		(26,437)
Convertible Debenture		(171,580)		(280,020)
Net deferred income tax liabilities	$	(2,128,530)	$	(865,027)

16. Deferred Taxes (continued)

Deferred Tax (continued)

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Movement in net deferred tax liabilities:

	2015	2014
Balance at the beginning of the year	$ (865,027)	$ (571,214)
Recognized in profit/loss	1,010,920	257,930
Recognized in equity	-	(81,927)
Other intangibles and goodwill	(2,274,423)	(469,816)
Balance at the end of the year	$ (2,128,530)	$ (865,027)

Unrecognized Deferred Tax Assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2015	2014
Non-capital losses carried forward	$ 16,725,780	$ 9,663,440
SR&ED pool and related tax credits	980,500	812,120
Share issue and financing fees	1,019,210	921,370
Property, plant and equipment	27,180	597,020
Intangible Asset	1,057,720	76,800

The Canadian non-capital loss carry forwards expire between 2027 and 2035 as noted below. Share issue and financing costs will be fully amortized in 2019. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company’s Canadian non-capital income tax losses expire as follows:

2027	$ 312,220
2028	179,760
2029	20,800
2030	642,080
2031	1,803,230
2032	1,904,280
2033	3,756,650
2034	5,436,150
2035	4,495,860
	$ 18,551,030

17. 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.

As at November 30, 2015 the allowance for doubtful accounts was $61,235 (2014 - $92,291) and the accounts that were past due amounted to $596,587 (2014 - $815,861).

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 $78,275.

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. Specifically, the Company is seeking to raise term-debt financing to retire portions of the debt assumed on the acquisition of Maplesoft Consulting Group Inc. (see Note 24) and to supply working capital. There are no assurances that the Company will be successful in achieving this goal.

The Company has calculated that it is in default with regard to the current ratio covenant of the SOMOS facility as at November 30, 2015. As at the date of issue of the financial statements, the Company has not obtained a waiver of the default. The Company has calculated that it may also be in default with regard to the Debt to Equity covenant of the Paradigm facility. As a result, the Company has re-classified the non-current portion of the Paradigm term loan to the current portion of the term loan.

17. Financial Instruments (continued)

Liquidity Risk (continued)

In December, 2015, the Company closed the acquisition of Maplesoft by assuming a total debt of $8,482,028 plus a revolving operating credit facility of up to $7,500,000 (Note 24).

Inlcuding SEB and subsequent Maplesoft assumed debt, total debt repayments is as follows:

	Short-term notes (Note 14)	Convertible loans (1) (Note 13)	Equipment loans (Note 12)	Equipment leases (Note 11)	Term bank loan (Note 9)	Maplesoft debt (Note 24)	Total
Fiscal 2016	$ 1,650,729	$ 4,097,198	$ 12,500	$ 6,562	$ 1,050,000	$ 4,869,028	$ 11,686,017
Fiscal 2017	-	517,955	3,125	-	1,050,000	925,000	2,496,080
Fiscal 2018	-	1,457,295	-	-	1,050,000	60,000	2,567,295
Fiscal 2019	-	28,172	-	-	262,500	790,000	1,080,672
Fiscal 2020	-	-	-	-	-	1,838,000	1,838,000
Total	**$ 1,650,729**	**$ 6,100,620**	**$ 15,625**	**$ 6,562**	**$ 3,412,500**	**$ 8,482,028**	**$ 19,668,064**

(1) Face value of convertible debentures.

(2) Term loan scheduled repayments dates (Note 9).
The term bank loan is presented as a current liability in the statement of financial position.

In addition, $2,000,000 of convertible debt is maturing on May 13, 2016, and $1,950,000 of convertible debt is maturing on August 12, 2016.

The Company is actively pursuing alternative financing sources to retire the Maplesoft debt and the convertible debt described above.

The borrowings of the Company under the Debt Facility and certain Notes are secured by its lenders by a general security agreement (“GSA”) over substantially all of the 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 or, if available, that it will be available on acceptable terms. If adequate funds are not available, the Company may have to reduce substantially or otherwise eliminate certain expenditures. There can be no assurance 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.

18. Capital Management

The Company's capital consists of share capital (net of share issue costs), contributed surplus, options and warrants in the amount of $28,560,188 at November 30, 2015 ($20,354,699 at November 30, 2014). The Company's capital management objectives are to safeguard its ability to continue as a going concern (see Note 1) 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.

19. Related Party Transactions and Balances

Bevertec CST Inc.

Bevertec CST Inc. (“Bevertec”) is a related party to the Company by virtue of a Director of the Company is also an officer and director of Bevertec. The Company recognized revenue of $28,088 from Bevertec in these consolidated financial statements (2014 - $64,224), which was derived from transactions with Bevertec in the normal course of operations.

Key Management Compensation

Two shareholders of the Company, one acting in the capacity of President, Chief Executive Officer and Chief Information Officer, and another acting in a capacity of Chief Financial Officer, Chief Operating Officer and Corporate Secretary were paid management fees during the period December 1, 2014 to November 30, 2015 totalling $513,750 ($426,000 during the period December 1, 2013 to November 30, 2014). The President, Chief Executive Officer and Chief Information Officer is also a director of the Company. As at November 30, 2015 the amount remaining unpaid was $51,822 (2014 - $70,625) is included in accounts payable and accrued liabilities.

Advance to and from Directors

As at November 30, 2015 there is a balance owing from a director of the Company in the amount of $112,539 (2014 - $112,539). Another director of the Company had a balance at November 30, 2015 of $60,000 (2014 - $60,000). Both balances are included in accounts receivable.

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 $145,000 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 overdue.

On May 14, 2013, the Company completed a private placement offering of $1,025,000 of convertible secured subordinated promissory notes of the Company (Note 13). These notes were issued to two directors of the Company and are outstanding as of November 30, 2015.

Director Fees

Director fees for the Company were accrued in the amount of $213,000 (2014 - $187,000). As at November 30, 2014 the amount remaining unpaid was $162,875 (2014 - $187,000) and is included in accounts payable and accrued liabilities.

The stock-based compensation expense includes $110,649 (2014 - $209,830) related to stock-options issued to directors and officers.

20. Commitments and Contingencies

As at November 30, 2015, the Company has the following lease commitments:

	Premise leases
Fiscal 2016	$ 1,033,160
Fiscal 2017	983,756
Fiscal 2018	1,013,054
Fiscal 2019	572,253
Total	**$ 3,602,222**

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 then 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 November 30, 2015 no amounts have been paid. This asset is recorded as software (Note 6).

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.

In the ordinary course of operating the Company's business it may from time to time be subject to various claims or possible claims. Management is of the position that there are no claims or possible claims that if resolved would either individually or collectively result in a material adverse impact on the Company's financial position, results of operations, or cash flows. These matters are inherently uncertain and management's view of these matters may change in the future.

21. Net Change in Non-Cash Working Capital Items

Changes in non-cash working capital as follows:

		2015		2014
Accounts receivable	$	(137,278)	$	(208,435)
Inventory		15,109		19,516
Prepaid and deposits		152,008		(369,314)
Accounts payable and accrued liabilities		90,619		1,061,879
Deferred revenue		(154,074)		(29,045)
Government remittances and current income taxes payable		(647,137)		(113,671)
Total	**$**	**(680,753)**	**$**	**360,930**

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 (previously termed “Health Care 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 Health Care 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 November 30, 2015			
	Benefits	**Technology**	**Corporate**	**Total**
Statement of Financial Position				
Current assets	$ 2,073,161	$ 11,745,741	$ 350,791	$ 14,169,693
Advance to acquisition target	-	-	1,125,671	1,125,671
Long term deposits	-	-	194,148	194,148
Equipment	256,218	585,870	-	842,088
Acquired software	1,825,740	742,096	-	2,567,836
Customer relationships	925,083	5,663,431	-	6,588,514
Trade names	624,500	1,661,119	-	2,285,619
Intellectual property	76,083	-	-	76,083
Goodwill	2,422,134	6,553,185	-	8,975,319
Total assets	**$ 8,202,919**	**$ 26,951,442**	**$ 1,670,610**	**$ 36,824,971**
Current liabilities	2,409,206	14,168,254	6,351,424	22,928,884
Total liabilities	**$ 3,140,112**	**$ 18,284,503**	**$ 7,674,538**	**$ 29,099,153**

22. Segment Disclosures (continued)

	For the year ended November 30, 2015			
	Benefits	**Technology**	**Corporate**	**Total**
Statement of Comprehensive Loss				
Revenues	$ 9,419,883	$ 40,927,416	$ -	$ 50,347,299
Cost of revenue	(6,428,209)	(31,285,468)	-	(37,713,677)
Expenses	(3,910,962)	(8,754,787)	(3,545,938)	(16,211,687)
Loss before the following:	**(919,288)**	**887,161**	**(3,545,938)**	**(3,578,065)**
Acquisition and integration costs	-	(1,010,127)	-	(1,010,127)
Write-down of intangibles	-	(551,516)	-	(551,516)
Interest expense	(33,046)	(410,375)	(601,150)	(1,044,571)
Accretion of interest	-	(249,588)	(502,892)	(752,480)
Gain on sale of portion of business	-	1,124,837	-	1,124,837
Recovery of income tax	(50,153)	(496,112)	604,285	58,020
Net loss of the year	**$ (1,002,487)**	**$ (705,720)**	**$ (4,045,695)**	**$ (5,753,902)**

	As at November 30, 2014			
	Benefits	**Technology**	**Corporate**	**Total**
Balance Sheet				
Current assets	$ 477,339	$ 5,380,782	$ 198,487	$ 6,056,608
Long term deposits	-	275,352	-	275,352
Equipment	29,241	594,248	-	623,489
Acquired software	763,452	1,226,717	-	1,990,169
Customer relationships	143,083	1,870,725	-	2,013,808
Trade names	252,500	982,869	-	1,235,369
Intellectual property	92,583	-	-	92,583
Investment in associates	3,300,892	-	-	3,300,892
Goodwill	620,464	2,662,693	-	3,283,157
Total assets	**$ 5,679,554**	**$ 12,993,386**	**$ 198,487**	**$ 18,871,427**
Current liabilities	653,060	6,207,571	1,470,841	8,331,472
Total liabilities	**$ 653,060**	**$ 6,728,288**	**$ 7,321,328**	**$ 14,702,676**

22. Segment Disclosures (continued)

	For the year ended November 30, 2014			
	Benefits	**Technology**	**Corporate**	**Total**
Income Statement				
Revenues	$ 1,328,292	$ 18,693,928	$ -	$ 20,022,220
Cost of revenue	(492,580)	(15,250,842)	-	(15,743,422)
Operating costs	(1,700,380)	(3,757,850)	(2,619,169)	(8,077,399)
Operating income (loss)	**(864,668)**	**(314,764)**	**(2,619,169)**	**(3,798,601)**
Interest	(32,413)	(96,845)	(417,557)	(546,815)
Share-based compensation	-	-	(975,043)	(975,043)
Amortization	(138,587)	(893,833)	-	(1,032,420)
Depreciation	(39,323)	(189,131)	-	(228,454)
Accretion of interest	-	(41,891)	(752,096)	(793,987)
Equity in associate investments	-	-	28,192	28,192
Income tax recovery	-	-	257,930	257,930
Net loss for the year	**$ (1,074,991)**	**$ (1,536,464)**	**$ (4,477,743)**	**$ (7,089,198)**

23. Contingent Consideration Payable

	Nov 30, 2014	**Additions / Adjustments**	**Changes in estimates**	**Nov 30, 2015**
Inforica acquisition (1)	$ 194,017	$ 46,245	$ (200,016)	$ 40,246
Adeeva acquisition (2)	659,000	-	80,484	739,484
Banyan investment (3)	378,500	-	(174,731)	203,769
Paradigm acquisition (4)	-	1,171,550	340,644	1,512,194
	1,231,517	1,217,795	46,381	2,495,693
Less: current portion	(93,962)		(26,912)	(120,874)
	$ 1,137,555	**$ 1,217,795**	**$ 19,469**	**$ 2,374,819**

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.

23. Contingent Consideration Payable (continued)

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.

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**

24. Subsequent Events

Acquisition of 100% of Maplesoft Consulting Group Inc.

On December 3, 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 is 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 $8,482,028 plus a revolving operating credit facility of up to $7,500,000, of which approximately $5,900,000 was drawn. Of the term debt, $3,746,518 was due March 31, 2016 but has been extended to April 30, 2016. Approximately $1,935,000 is due in stages over the balance of 2016. Approximately $2,800,510 is due in 2018 and 2019. SEB has guaranteed $4,784,000 of the debt. The CEO of SEB has personally guaranteed $2,560,000 of the debt.

3. SEB is committed to making a working capital investment in Maplesoft of $1,500,000. Of the agreed $1,500,000 advance to Maplesoft, $1,000,000 had been advanced as of November 30, 2015.

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 over a five year period (the "Performance Incentive Payments").

24. Subsequent Events (continued)

Acquisition of 100% of Maplesoft Consulting Group Inc. (continued)

In addition, SEB is committed to provide an advance of $2,000,000 to existing 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 Maplesoft shareholders, $125,000 had been advanced as of November 30, 2015.

As the accounting for the acquisition is not complete, the Company could not disclose fair value of consideration transferred and received as at the acquisition date.

Private Placement

On December 7, 2015 the Company completed the second tranche ("Second Tranche") of a private placement equity financing for gross proceeds of $1,600,000, which together with the closing of the first tranche on October 29, 2015 for gross proceeds of $2,400,000 ("First Tranche"), has resulted in the aggregate offering of $4,000,000 being fully subscribed (see Note 15). The Second Tranche financing consists of 4,000,000 units (the "Units") at a price of $0.40 per Unit. Each Unit consists of (i) one common share of SEB and (ii) one common share purchase warrant of SEB (the "Warrants"). Each Warrant has a term of 24 months from the date of issuance and vests on December 31, 2016 at an exercise price of $0.75 per share.

The financing was non-brokered and sourced from a strategic investor. All securities issued in connection with the financing are subject to a four month hold period from the date of closing.

Pursuant to SEB's previous engagement of finders, a cash fee of 4.49% of the gross proceeds raised in the private placement and finder warrants (the "Finder Warrants") equal to 8.975% of the number of Units of SEB, will be issued. Each Finder Warrant is exercisable for a period of 18 months from the closing date at an exercise price of $0.40 per share. Given the fully subscribed offering of 10,000,000 Units, 897,500 Finder Warrants will be issued to the finders in respect of SEB's finders' fee obligations in conjunction with the First Tranche and Second Tranche closings.

Extension of Convertible Notes

On February 12, 2016, $1,950,000 of Convertible Notes were extended under the following terms: maturity date of August 12, 2016, interest rate of 10% and bonus of 1% of principal payable on maturity. All other terms remained the same.

Loss of Control of Banyan

From December 1, 2014 to November 30, 2015 the Company had the right to appoint a further Director. This ability was determined to give the Company control over Banyan and therefore the investment is accounted for between December 1, 2014 and November 30, 2015 by consolidating the results and financial position of Banyan with that of the Company. Subsequent to November 30, 2015, the Company is not asserting that right and therefore, beginning December 1, 2015, will account for and report the results of Banyan on an equity accounting basis.