MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2015.

FORM 51-102F1

Date and Subject of Report

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Certive Solutions Inc. (the "Company") for the six months ended November 30, 2015. The MD&A should be read in conjunction with the audited annual financial statements as at May 31, 2015. The MD&A has been prepared effective January 29, 2016.

SCOPE OF ANALYSIS

The following is a discussion and analysis of the Company, which was incorporated on June 11, 2010, under the laws of the Province of British Columbia. The Company's head office is located at 1140-1185 West Georgia Street, Vancouver, B.C. V6E 4E6. The Company reports its financial results in U.S. dollars and under International Financial Reporting Standards.

Overview

The six months ended November 30, 2015 and the subsequent period up to and including the date of this MD&A comprised a number of significant and material events which are summarized in this overview and discussed in more detail elsewhere in the MD&A. All amounts expressed herein are U.S. dollars.

Summary of Material Events

For the six months ended November 30, 2015, the Company continued in a period of growth. The Company services the provider side of the U.S. healthcare industry, with specific emphasis on revenue cycle management for U.S. hospitals.

Material Events During the three Months Ended November 30, 2015

1. On September 30, 2015, the Company announced the formation of an Acquisition Committee, the purpose of which to review and examine all acquisition targets for presentation to the Board of Directors and, if thought fit, to recommend for approval by the Board. The Company presently intends to make several acquisitions during the next 18 months. The members of the Acquisition Committee include Scott Ivers, Chief Financial Officer of Kirke Financial LLC; Charlotte Jacobs, a member of the Company's Advisory Council and a senior client executive with Cerner Corporation; John Shackleton, the Company's Executive Chairman and current Chief Executive Officer of SilkRoad, Inc., a multinational human capital management software company; Tim Hyland, also a member of the Advisory Council and former Chief Financial Officer of Schaller Anderson; and Brian Cameron, Chief Financial Officer and a director of the Company.

2. The Company secured another member to its Advisory Council (as reported in the MD&A for the year ended May 31, 2015). Don Gilbert joined the Advisory Council and is the former Secretary of the Health and Human Services Commission for the State of Texas under Governors George Bush and Rick Perry. Mr. Gilbert presently operates a successful consulting and lobbyist firm in healthcare serving a wide variety of clients including Baylor Scott and White, HCA, Christus Health, Tenet, Aetna, iHealth Technologies and many others.

3. During the three month ended November 30, 2015, the Company identified several new business categories in revenue cycle management that reflect the commitment to find new and attractive opportunities for growth. With access to the Texas market through Mr. Gilbert, the Company proceeded to identify opportunities in the following defined categories in the State to Texas.

   Day One Billing

   Day One Billing is a new category within the suite of Certive business offerings, wherein the hospital outsources large volumes of low dollar accounts receivable to the Company in order to ensure that the accounts remain current and that maximum cash is collected on the accounts. Upfront editing ensures expedited delivery of hospital bills to the payer. In this manner, hospitals do not have to address staffing shortages or billing backlogs. Collection follow up results in faster billing to secondary and self-pay accounts and eliminates inefficiencies in the transfer of accounts between multiple vendors.

   An important outcome for Day One Billing is increased patient satisfaction. Furthermore, it is much easier for a hospital facility to manage the performance of one vendor.

   Increased cash flow, reduced aging of account receivable and improved efficiencies provide a solid business case for Day One Billing. Certive intends to launch Day One Billing in Texas in January 2016 with a selected group of hospitals.

   Lost Charge Recovery

   Lost Charge Recovery will be introduced into the Texas market in January 2016. Lost Charge Recovery is a highly scalable process that utilizes our proprietary software to compare the medical record to the detailed bill, thus identifying procedures or products utilized in a procedure that were otherwise not billed. Hospital formatted claims are analyzed against payer contracts to identify these missing charges or procedures. In addition, the process compares reimbursement to payer contractual obligations to assess compliance. The Company has the capacity to expand the category significantly and the necessary contacts in Texas to rapidly introduce the offering commencing in late January 2016.

   Both of these opportunities are being further developed at the date of this MD&A.

4. The Company held an Advisory Council Meeting on October 19, 2016, the outcome of which was that several of the members of the Council were assigned special projects for

which they would take responsibility and ownership. Among those tasks, Don Gilbert was engaged to assist the Company in business development in the State of Texas. Mr. Gilbert has significant contacts in this State and work closely with management to expropriate near and long term opportunities there. Charlotte Jacobs has been engaged to assist management in the evaluation of acquisition opportunities that are not only accretive to the Company but fit the larger vision of the Company's strategic plan for 2016. Jeff Benton will be instrumental in assisting the Company with all of its market functions activities. Jack Chapman will work closely with the Company on execution of operational strategies with its customers.

Material Events Subsequent to the Quarter Ended November 30, 2015

1. The Company recorded gross operating revenues from its Titan, KCA and Omega divisions for the month of December of US$367,162.

2. On December 1, 2015, the Company announced the closing of a private placement of 13,007,310 units at a price of US$0.30 per unit for deemed gross proceeds of US$3,902,193. Each unit consisted of one common share and one common share purchase warrant exercisable at a price of US$0.35 per share for a period of two years from the closing date. 6,166,667 units were sold for cash (US$1,850,000) and 6,840,643 units represented settlements with creditors (US$2,052,193). The Company also issued a Finders Fee of 450,000 units to selected individuals.

3. On December 29, 2015, warrant holders exercised an aggregate of 6,976,922 outstanding common share purchase warrants of the Issuer at a price of US$0.11 per share (CDN$0.15) for total gross proceeds of US$767,461 to the Issuer.

4. On December 31, 2015, the Issuer granted an aggregate of 7,547,417 stock options to various directors, officers, senior employees and consultants of the Issuer. The options are exercisable until December 31, 2020 at a price of CDN$0.25 per share.

5. On January 19, 2016, the Company announced that on January 15, 2016, pursuant to acquisition committee approval, the Company entered into a non-binding letter of intent to acquire 100% of the issued and outstanding common shares of two companies engaged in revenue cycle management for hospital systems. Upon closing of the acquisitions, both companies will become wholly owned subsidiaries of Certive. The agreed combined purchase price is US$20,000,000, 90% of which will be paid in cash and 10% in stock. The stock will be valued at the lower of the closing price of Certive common shares on the Canadian Securities Exchange on the last business day prior to the closing date, or US$0.50 per share. A number of common share purchase warrants will form part of the stock consideration, exercisable at the lower of (i) US$0.05 above the closing price of Certive common shares on the Canadian Securities Exchange on the last business day prior to the closing date or (ii) US$0.55 per share. A total of up to 17,000,000 common shares and 4,000,000 common share purchase warrants may be issued in partial payment of the purchase.

6. On December 11, 2015 Michael Marshall, CEO of e5 Solutions Inc. (USA) agreed to join the Advisory Counsel. Mr. Marshall is a seasoned revenue cycle management executive and the Company's leading operational expert in driving performance and growing new business line categories. Mr. Marshall will initially work closely with management to assess operations in current divisions can be improved and where new business opportunities prevail. The Company intends to work in a collaborative capacity with e5 Workflow Inc. to synergistically develop new revenue opportunities of mutual benefit to both enterprises.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements.

Within this MD&A, the Company has specifically noted the forward looking nature of comments where applicable. Generally, readers should be aware that forward-looking statements included or incorporated by reference in this document include statements with respect to:

a) The Company's acquisition strategy, including the basis upon which the Company will evaluate acquisition criteria and the benefits associated with an acquisition.
b) The Company's ability to identify geographically dispersed non-competing acquisition targets that possess vital hospital customer relationships and unique categories of business.
c) The identification of new lines of business within revenue cycle management for U.S. hospitals that are unique and value added for hospital administrators.
d) The ability to cross-sell different services between and among the Company's customers resulting from selected acquisitions.
e) Expectations of both divisional profitability for each acquisition and comprehensive corporate profitability. The Company must continue to hold pricing in the absence of seeking offshore labor cost reductions to remain competitive and thus prevent a commoditization of its services.
f) Expectations regarding the ability to raise capital to fund increasing working capital requirements and achieve sustainable near and long term growth. Partially cash funded acquisitions may lead to substantial dilution if the majority of the acquisitions are stock based.

g) Inability to show immediate and continued outperformance of incumbents being replaced. The path to better economics in this industry is to price at a premium. In order to premium price however the Company must offer a greater value proposition to the customer than the prior incumbent.
h) The Company must be mindful of a downward move by upper Tier participants who recognize the opportunities in the Tier 3 highly fragmented market space.
i) The Company must assess the relative risk associated with acquisition size, category of revenue integrity services provided and the need for working capital to support growth of each acquisition.
j) The Company must be mindful and reactive to the disruption in US Healthcare markets and target, both acquisition opportunities and internal growth with a focus on this disruption to achieve maximum rates of return on internal cash.

General History

The following is a chronological description of the Company's history and the basis for its entrance into the revenue cycle management sector of the U.S. healthcare industry:

- The Company changed its name to Certive Solutions Inc. in October 2013 to pursue sales and marketing opportunities as a business process management provider focused on revenue lifecycle management in the U.S. healthcare industry. The Company's Chairman, Mr. Shackleton, was been instrumental in bringing mission critical expertise to the Company

- In late 2013 and largely due to the investigative processes undertaking in the fall of 2013, management targeted the provider side of the U.S. healthcare industry and specifically U.S. hospitals, who wrote of between 3% and 15% of their total revenues to denied claims for a variety of reasons. In March of 2014, the Company entered into a strategic relationship with Titan Health that possessed over twelve years of domain expertise supplying revenue cycle management services on an outsourced basis to U.S. hospitals. The Company's technology and capital formation expertise combined with Titan Health's knowledge of the many opportunities in revenue cycle management lead to a logical partnership. Ultimately this lead to the Company's acquisition of the Titan Health assets in July of 2014 and the integration of the Titan's management and staff into the Company.

- The acquisition of Titan Health Management LLC, (Titan Health) closed on July 3, 2014. From June 1, 2014 to that date, the Company operated Titan Health pursuant to a transition services agreement, which provided among other things, complete financial control of the enterprise until close of the transaction. This has enabled the Company to report consolidated revenues from June 1, 2014 onward.

- With the acquisition of Titan Health, the Company provides its revenue cycle management services to 50 hospitals throughout the United States. Primary activities include zero balance collections, early out collections and billing support services. The Company supports several large revenue cycle providers internally as a result of the high level of

expertise and credibility afforded by the Titan Health staff. The Company's lines of business are disclosed in greater detail below.

- The acquisition of Knowledge Capital Alliance Inc. (KCA) closed on August 31, 2014. From June 1, 2014 to that date, the Company operated KCA pursuant to a transition services agreement, which provided among other things complete financial control of the enterprises until close of the transaction. This has enabled the Company to report consolidated revenues from June 1, 2014 onward. KCA provides business process management solutions to public health departments at both the state and county level. KCA has developed an automated dashboard tool set and workflow technology that will be offered to over 2800 public health organizations throughout the United States. Moreover, the principals of KCA will immediately begin to support the Company's consultative efforts as it seeks out new lines of business within revenue cycle management of U.S. hospitals. At the date of this MD&A, KCA generates approximately US$700,000 in annual revenue.

- On July 15, 2015, the Company acquired Omega Technology Solutions Inc. With the acquisition of Omega, the Company adds a technology base and the ability to provide charge capture services on a retrospective and prospective basis and expands its customer footprint to approximately 100 hospitals. Omega has led the revenue cycle industry in charge capture audit and recovery services for hospitals since 1992. Omega has made a significant investment in revenue integrity analytics technology that is the foundation for its delivery of revenue services and cloud products that identify revenue opportunities and address compliance issues. Omega's solutions deliver real-time analysis and capture of unidentified charges not captured by the hospital, and prevention of charging and billing issues that reduce or delay reimbursement. Additional services offered include comprehensive claims analysis for coding integrity, and revenue leakage prevention. Omega has over 45 well developed, long term relationships with hospitals on the east coast of the United States and has recovered over US$180 million in aggregate since its incorporation 20 years ago. Omega has over 25 employees engaged in the revenue cycle process, and 47 hospitals currently under contract.

General Comments on the Company and its Current Business in Revenue Cycle Management for U.S. Hospitals

The Company provides revenue cycle services to U.S. hospitals. Certive identifies categories of opportunity within traditional revenue cycle for hospitals and on an outsourced basis provide effective recovery of revenue on claims that are retrospectively assessed as underpaid or missed in the billing process. The goal is to optimize reimbursement, increase operational efficiency and minimize the cost of compliance risk for our customer.

Certive has acquired two companies, with long term customer relationships representing over 150 hospitals in the U.S. The Company has expanded its service offerings, increased the number of customers represented and more than doubled in size (both in revenue and in staffing levels) since June 2014. An important goal objective associated with all acquisitions is the ability to secure

valuable retrospective data and through actuarial and algorithmic analysis provide risk analysis tools to hospital administrators that differentiate service offerings providing meaningful and useful tools for the maintenance and growth of hospital profitability.

Identifying new opportunities not easily identified by other participants in revenue cycle is a distinguishing characteristic of Certive. Leveraging trusted relationships that have matured over many years, with all of Certive's customers, is a key component of the long term strategy. Defining a positive future for the challenges facing U.S. healthcare and in particular revenue recognition, will be predicated not only upon services to providers and payers alike, but also defining the new information landscapes that will emerge and providing technology toolsets that enable managers of large hospital systems to better predict financial outcomes for services rendered. Certive continues to approach it customers with this unique culture and identity.

Certive intends to selectively grow its access to new customers through acquisition of companies that provide services to hospitals that are much needed and relate to the ever increasing urgency to identify better overall outcomes on reimbursement. The footprint alone is merely a starting point. With a growing customer base, the Company can sell more services to its customer base and cross sell offerings between and among those customers and develop analytical tools to mitigate three primary risks associated with any provider business:

- Eligibility/Enrollment Risk
- Patient Services Risk
- Collection Risk

The opportunity is to use the Company's analytical capabilities to identify missing information links in the revenue cycle, disrupted by ICD 10, and create new service and product offering uniquely tailored to the changes impacting healthcare delivery and payment.

Certive has targeted additional acquisitions that for the upcoming 2016 calendar year. With the appropriate funding (note price reservation above) in place we will be positioned to close on these acquisitions, all of which will bear the same financial metrics from a growth perspective.

The Company formed an acquisition committee to review and examine all acquisition targets for presentation to the Board of Directors and, if thought fit, to recommend for approval by the Board. The Company presently intends to make several acquisitions during the next 18 months. Certive has assembled an Advisory Council, the cumulative credentials of which are unrivaled in US Healthcare.

Each Council member will be given a Special Project associated with our strategic and tactical plans, together with time lines for completion. The Company held a second Advisory Council meeting on October 19, 2015. The Council has been formally constituted and consists of senior executives from both U.S. healthcare and the financial industry, each of whom are subject matter experts. The purpose of the Advisory Council is to provide direction, guidance and special project based support to management in the design and implementation of business strategies aimed at creating overall near and long term enterprise value as a leading provider of technology enabled revenue cycle management services to U.S. providers including hospitals, physicians, ambulatory care facilities, and laboratories. The Advisory Council was formed specifically to assist

management and the Board of Directors in determining the best strategies to effect growth in an ever changing U.S. healthcare market. Dr. Arthur Pelberg, an internal medicine specialist, served as the President and Chief Medical Officer of Schaller Anderson from 1999 to 2007 and brings to the Company rich clinical and senior level healthcare operations experience. Other domain expertise on the Advisory Council include Fred Hatfield, formerly CEO and COO of Aetna Medicaid and head of acquisition integration for Schaller Anderson, Tim Hyland, former CFO of Schaller Anderson and Tom Marreel, formerly senior vice president of Schaller Anderson. Steve Schramm is founder of Optumas, an actuarial analysis organization for large healthcare purchasers. Mr. Schramm's background brings to Certive the knowledge to design predictive analytics toolsets to provide our customers with meaningful information sourced from vast quantities of disparate data. Charlotte Jacobs is a senior Advisory Strategy Client Executive with Cerner, a leader in health information management. Ms. Jacobs brings to Certive a unique perspective on the dynamics of U.S. healthcare reform and its impact upon companies such as Certive. Jeffrey Benton is currently the managing director of Fairfield Advisors, a hedge fund specializing in market structure arbitrage and volatility strategies. Mr. Benton brings to the Advisory Council years of experience in the translation of business operating strategies to investment information and tools that will, in Certive's case, serve to better enable effective investor relations communications. Mr. Benton is a distinguished and highly regarded member of the U.S. investment community, having served on a number of New York Stock Exchange committees over the years. Mr. Benton is a former Governor of the New York Stock Exchange. Don Gilbert recently joined the Advisory Council and has extensive background in healthcare, particularly in the State of Texas where he served as Secretary of Health and Human Services under Governor George W. Bush. Michael Marshall, CEO of e5 Workflow Inc. joined the Advisory Council in December 2015 and provides to Certive, operational capabilities in revenue cycle management with hands on expertise in all aspects of this industry.

The Company's mission is to demonstrate through execution, operational excellence in identifying, billing and collecting missed charges through an audit and collection process that blends unique technologies and workflow tools together, thus providing usable billing related information and enhancing integrated collection results for our customers.

Members of the Advisory Council have all invested in Certive and are committed to assisting in charting our course through growth by acquisition and organically. The Advisory Council will meet formally four times annually and informally on a regular basis.

The Board of Directors is independent and statutory, covering all areas of interest, from governance to human resources.

Certive has identified several new lines of services that will be offered to all customers in its footprint over the following months. The Company has successfully integrated technologies developed by Omega into the Titan division with seamless accuracy and scalable new results. Certive’s revenues are recurring in nature.

The Company’s Business

The Company is a Scottsdale based, British Columbia domiciled reporting issuer, publicly traded on the Canadian Securities Exchange (CSE: CBP). Effective September 16, 2014 the Company's shares began trading on the Frankfurt Exchange (FWB: 5CE) and on July 15, 2015, the Company's shares were quoted on the OTCQB Capital Markets in the United States under the trading symbol CTVEF. The Company has two wholly owned subsidiaries; Advantive Information Management and Certive Technologies Arizona Inc., each operating as independent subsidiaries.

Effective on June 1, 2014, the Company, through Certive Technologies Arizona Inc., began operating two divisions that are accounted for separately before consolidation; one that reports the operating results of Titan Health, and the other that reports the operating results of KCA. This was accomplished through a transition services agreement that provided the Company with full operating control of both entities commencing on that date. On July 15, 2015, the Company closed the acquisition of Omega and accordingly effective on that date, the Company commenced operating a third division on an identical basis as Titan and KCA.

Description of the Business

Business Definition

The Company is a cloud enabled solutions provider in the Revenue Cycle Management (RCM) segment of the U.S. healthcare industry, focused on claims audit and recovery for U.S. hospitals.

The Company is also engaged in the provision of business process management solutions to state and county health departments in the U.S. and in particular Maricopa County, Arizona. Through the acquisition of KCA, the Company delivers these services.

Revenue cycle management (or RCM) refers to the creating of a valid bill to insurance companies and government agencies in an effort to collect payment for services provided – the payment of these services has at least once been denied to qualify as an RCM opportunity. Often, the payment for services has been denied for simple reasons such as a "miscoding" (using an inaccurate reimbursement code or labeling code for services at the time of being provided. With the coding changing yearly this has become a growing problem. Payment for services is regularly denied because payment requests have been made through incorrect channels or with an incorrect cadence implying a workflow issue that can be addressed. In total, these errors have created a *US-only* TAM for recovery of *~$50 billion annually*. Industry statistics on US RCM TAM growth tracks with current figures (RCM for Tier 3 space is 5% of total annual billings – which equate to ~$1 Trillion USD) and will grow secularly with overall health claim growth

Critical Success Factors to the Core Business

There are several key indicators for the Company's success in the claims audit and recovery sector of the U.S. RCM market segment as follows:

Connectivity and Credentialing: The U.S. hospital market is comprised of hospitals that are run by a closely associated group of CEO's and CFO's who are connected by affiliation and migrated from hospital to hospital as industry challenges demand shifts in these C level executives. Insofar

as they are the only point of contact for vendors in the RCM space, it is critical to be connected through association and more importantly to be highly regarded and credentialed in the provision of audit and recovery services. The Company's acquisition of the assets of Titan Health and Omega brings with it over twelve years of service to this market and a highly credentialed and well recognized management and staff who have executed seamlessly for their hospital customers.

Technology: The Company intends to grow through acquisition of RCM companies providing services similar to that of Titan Health and Omega. It is essential that the Company utilizes internally adaptable and compatible cloud workflow and analytical tools to address the many business opportunities in the RCM market. The acquisition of the Omega assets brings with it a suite of software tools utilized by Omega in the delivery of their business that are transportable to Titan and other acquisition targets. These tools and others will enable scaling of the consolidated enterprise which is the key to growth and claims adjudication.

Domain Expertise: With the acquisition of Titan Health and Omega, the Company acquired over 70 years of combined U.S. healthcare expertise. The principals of Titan Health and Omega have worked on both the provider and payer side of the industry and have an intricate knowledge of technical, regulatory and clinical landscapes necessary to navigate the target opportunities. With the establishment of the Advisory Council, the Company further enhanced its domain expertise by securing the input and direct contributions of seven highly credentialed individuals with a collective 200 years of expertise in U.S. Healthcare (See Advisory Council Roles below). This is perhaps the most important component in the Company's assessment of critical success factors.

Lines of Business

Titan Division Lines of Business

The Company provides claims audit and recovery services through five principle lines of business:

Zero Balance: This line of business represents the auditing of claims to identify underpayments by comparing actual payments to contracted terms for specific procedures. Recovering the differences between the two is "zero balance". The Company enters into long term contracts with its hospital customers to collect these claims and earns it fees based upon a revenue share relationship with the hospital in accordance with the contractual terms between the two. Generally, the Company's proportionate revenue sharing contracts provide for a 30% payment on recovered amounts.

Billing Support: The Company provides a front end service to hospitals and other third party providers, analyzing claims prior to submission for payment to commercial insurance companies. The provision of this service to the Company's customers is clear evidence of a trusted and highly credentialed reputation insofar as the hospital seeking this service is relying heavily on an outside third party to support the entire billing process. The Company generally charges a fee for this service based upon time at a rate of cost plus 40%. All overheads are absorbed into the cost calculation.

Early Out: Claims are typically queried by payers for a variety of reasons. As claims are returned for further information, a backlog of partially completed claims filings results, which if not resolved before the expiration of the contractual period between the hospital and the payer, the claim can legitimately be denied. Early Out refers to the process of acting on claims in the work in process bundle before they reach contractual expiration. This service is typically provided on a revenue share basis similar to Zero Balance.

Clinical Review: As the name implies, this service involves a review and audit of claims that have been denied for clinical reasons. The Company earns its fees from this line of business on a revenue share basis. Generally, this service is supported by nurse practitioners who are skilled in determining medical necessity etc.

Special Projects: Following from the extensive domain expertise in the industry, supported by the Titan Health management team, the Company identifies niche market opportunities that are not generally offered by other service providers. Revenue generated from this line of business can be either on a revenue share basis or a fee for service on time basis.

Omega Division Lines of Business

Revenue Integrity Analytics: Analytical software tools are utilized by Omega, combined with investigative expertise to identify risks and opportunities in the revenue cycle. Revenue Integrity Analytics services are offered on a real time basis to analyze charging and billing issues that reduce or delay reimbursement. These services include Claims Analysis for Coding Integrity, Audit and recovery of missing charges and analysis of revenue cycle for improved performance

Revenue Recovery Services: This comprehensive clinical review of outpatient claims ensures that all documented items were billed, that all billed items were charged appropriately, and that all payments were in accordance with designated contracts

Missing Charge Software: OCExaminer software was developed based on nearly 20 years of experience in performing revenue recovery. Omega offers exclusive lost charge edits that are designed to quickly identify revenue enhancement opportunities

CDM Integrity Software: The charge master is the heart of the hospital´s revenue cycle. Omega´s ChargeMASTER application is designed to ensure that the hospitals charge master is complete and compliant. ChargeMASTER provides real-time validation, unlimited licensing, and iPhone™ simplicity allowing hospital staff to quickly and easily maintain the CDM

Contract Analysis Service: Hospitals are typically reimbursed in accordance with contract terms. Omega has developed proprietary technology that facilitates a quick analysis of claims information to ensure that payment is being made correctly.

Remote Coding: Increasingly, HIM directors are turning to outside resources to keep accounts moving. Omega has a large staff of certified coders to provide outsourced remote coding.

Technology and Scale

Management's assessment of the RCM market is that many of the service providers supporting third party outsourcing of denied claims, lack the ability to scale and therefore grow. Scale can be introduced with software solutions and workflow tools that streamline and integrate the vast amounts of data created on individual claims, and automate the audit process. The Company had engaged with e5 Workflow Solutions Inc. to develop specific work flow tools for application in Titan's operation. As a result of the acquisition of Omega's assets, the Company acquired a select suite of software products used internally by Omega in the delivery of its services to hospitals. The Company has successfully integrated many of these software tools into the Titan business unit resulting in more scalable operations and the ability to offer additional services to its customers.

A brief description of the software products follows;

i) C*harge*MASTER: ChargeMASTER is a comprehensive resource for hospital chargemaster and MIS staff. Since it is a web-based application, *ChargeMASTER* is available to analyze the CDM any time. The system can instantly pinpoint items that need to be updated for regulatory compliance and identify new or revised codes that will increase reimbursement yields.

ChargeMASTER contains 3 modules:

- Coding Alerts: invalid/incorrect HCPC/CPT/Revenue Codes, Fraud and Abuse Alerts
- Pricing Analysis: uniform pricing issues and charges that are below OPPS payment rates
- CDM Modeling: Companion Code models, CPT department models

In addition, *ChargeMASTER* provides *information* to assist the user in identifying possible *solutions*.

A *ChargeMASTER* report completes the following functions and is used internally by Omega to provide revenue integrity services to its customers: Shows how/where to immediately bring the CDM into regulatory compliance, identifies coding errors that would cause claims to be rejected, identifies linked (companion) codes that are missing from the CDM, identifies charges that are below OPPS rates, shows how to correct errors so they do not recur.

ii) OC Examiner Charge Capture Software: OCExaminer delivers unique charge capture software designed to help hospitals optimize its revenues. Omega's 20 years of experience in performing hands-on lost charge recovery engagements has resulted in the development of an unmatched revenue capture software. OCExaminer is designed to analyze claims to ensure that any potentially missing charges are identified prior to submitting the bill.

There are five core components of OCExaminer's LCR (Lost Charge Recovery) edits:

- Interventional Radiology
- Drug Administration
- Carve Outs
- Omega's Proprietary LCR Edits

- User-defined Edits

OCExaminer typically identifies between 8% and 15% potential error rate on previously scrubbed claims.

It also helps ensure compliance by automatically checking for:
- Medicare and Medicaid coding issues
- RAC alerts
- NCDs and LCDs

iii) One Point: ***OnePoint*** is a comprehensive resource for hospital and MIS staffs. Since it is a web-based application.

OnePoint contains 6 modules;

- ChargeMASTER
- OCExaminer
- Patient Eligibility Determination
- Claims Management
- Remittance Advices
- Work Flow for both ChargeMaster and OCExaminer

Revenue Integrity In Healthcare

Healthcare providers have long relied on conventional revenue cycle management practices to drive and ensure financial performance, yet most are not collecting all the revenue to which they are entitled. This disparity – the gap between the amount of revenue providers are entitled to and the amount of reimbursement eventually received – is called revenue leakage, and it's a significant problem. Vast amounts of reimbursement are lost daily due to inaccurate pricing, charging, and coding of services and supplies related to patient care. Most healthcare organizations realize they're missing revenue, but are unable to detect the source or extent of the leakage.

In today's healthcare environment, optimal financial performance requires more than cost reduction strategies, random audits, and denial management. Recent studies suggest that 92 percent of hospitals lose money on outpatient services – the fastest growing segment of hospital billable services – and the rework of medical necessity denials costs some hospitals more dollars than they ultimately receive in collections. This adds up to lost revenue contributing to the negative margins experienced by nearly one-third of hospitals. Moreover, today's financial and labor market forces are dictating that healthcare providers do more with fewer resources. At the same time, they must deliver the outstanding quality care their communities deserve, while abiding by the government stipulations designed to protect and regulate the industry.

Drivers of Revenue Integrity:

Those who focus only on decreasing costs lose out to those who focus on optimizing revenue. According to a recent Thomson Reuters report, the most profitable hospitals derive more of their advantage from enhancing revenues than from controlling costs, spending more for supplies, drugs, and other direct expenses than their less profitable counterparts. And, they pay higher salaries and benefits, but have more productive employees, offsetting higher compensation levels. At best, reducing costs represents a small fraction of full revenue potential. A comprehensive revenue integrity program is needed.

Historically, healthcare organizations had to focus primarily on whether reimbursements were accurate. Even now, some are still struggling to get accurate claims out the door with little time or resources for meeting new challenges. Mounting concerns about rising costs, compliance requirements, and reduced reimbursement are further complicated by the increased number of auditing entities. For example, The Patient Protection and Affordable Care Act has created an additional Recovery Audit Contractor (RAC) program for Medicaid with the goal of identifying and recouping over- and under-payments in that program. Hospitals must be prepared to receive inquiries – from multiple audit entities from federal, state, and commercial programs – that will increase their operating costs and burdens.

Charge Capture:

One of the most common sources of revenue leakage is related to improperly captured or incorrectly billed charges for procedures and supplies. Hospitals may know they're losing revenue, but fail to realize the extent to which incorrect charging and coding contribute to the problem. Further, most hospitals lack the ability to see into their charge capture business processes and data in a way that empowers them to identify the specific sources of revenue leakage – where their actions are out of alignment with industry best practices – and then to stop the leakage at its source. The greatest charge capture risks exist in high-volume, large revenue-producing departments, and in areas with complex coding requirements such as cardiology, radiology, and pharmacy.

Pharmacy is a prime example, where the root of the problem lies in the gap between the pharmacy spend data and the chargemaster data. Possibly the greatest potential for leakage occurs when reimbursable medications are missing or miscoded in the chargemaster. A single erroneous code can cause every transaction entered against that code to be wrong, resulting in potentially millions in lost revenue. A single coding error can be caused by something as simple as a typo in a dispensing cabinet. There is no way to detect such a typo without comparing the pharmacy spend data to the chargemaster data and looking for specific products being purchased but not successfully billed.

According to an April 2009 HFMA survey, nearly 50 percent of participants believe that using automated tools to recognize patterns of error and measure performance is the best approach to improving charge capture.

Denials and Repayment:

The practice of finding and fixing issues on the back end of the revenue cycle (downstream) results in excessive reworking of claims to fix the same errors repeatedly, as well as a greater volume of

denials and delayed payments. In addition to lost revenue, efforts to resolve these issues represent a significant drain on workflow and financial resources. Repayment of revenue captured incorrectly leads to substantial loss. If an organization is not consistently and completely compensated over time, serious financial liability ensues.

Moving forward with a more systematic means of identifying and addressing errors is often met with resistance. A sensible solution requires a fundamental shift from quantifying return on investment (ROI) based on errors found downstream, to a process that ensures industry best practices are followed from early in the revenue cycle all the way through to the measurement of real-time transaction accuracy. Making a successful transition depends on a high level of commitment to consistency, evaluation, accountability, and a proactive plan for achieving these best practices.

Market Opportunity/ Revenue Cycle Management (RCM)

Industry Structure: The RCM industry is comprised of three tiers that delivery services to U.S. hospitals;

Tier One is the domain of large consultancies with multi-disciplined practices. Their targets are large enterprise deployments.

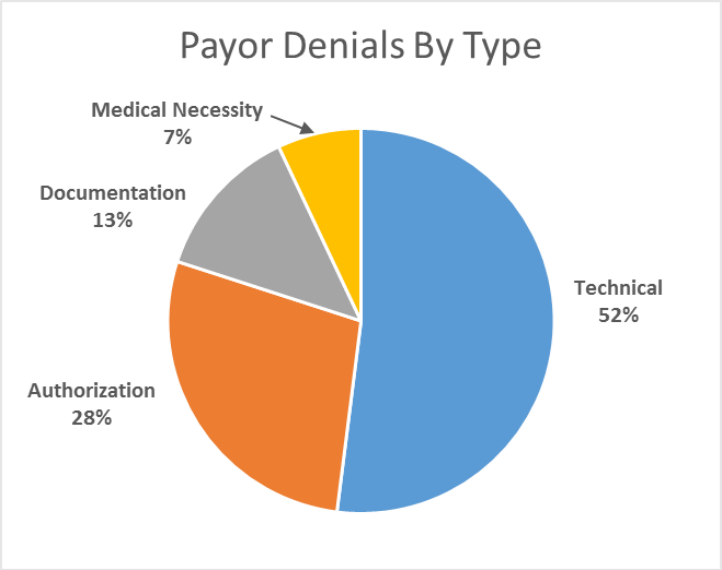
Tier Two is comprised of vendors who generate between $100 million and $600 million in annual revenue. There are less than 5 competitors in this tier and they are typically the target of private equity aggregators.

Tier Three is comprised of many smaller vendors who generate between $2 million and $10 million in annual revenues. This segment is highly fragmented and largely undercapitalized. Companies in this Tier however have great connectivity with their customers and are generally more resilient in supporting their customer's needs. This segment represents the acquisition target market for the Company.

The total addressable market (TAM) for RCM in the U.S. hospital market approaches US$1 trillion today. Recovered revenue on denied claims represents approximately 5% of the industry value or US$50 billion annually. While outsourcing claims recovery is in its infancy, logic would suggest that the industry must seek specialized outsourcing solutions simply, to survive and control cash in a largely cash starved environment. Changing regulations at both federal and state levels, the introduction of ICD 10 and other factors affecting data workflow will demand both experienced and trusted outsourcing solutions combined with cloud based workflow that enables rapid scale. Since a significant percentage of the RCM hospital market is serviced by Tier Three providers, and since most lack the technology to scale and capital resources to implement, acquisition opportunities abound.

The differentiating advantage will be technology and the Company recognizes the importance of implementing internal solutions to support the services offered to its customers. Systems, information and recovery process integration are the keys to maximizing recovery of denied claims. A marginal loss in gross dollars associated with denied claims generally has a significant

impact on net operating profits. The following graph demonstrates the categories of denials by type.



Market Opportunity

U.S. hospitals write off between 3% and 15% of their annual revenue to denied claims as a result of coding errors, lack of pre-approvals, lapsed coverage or category allocation. Furthermore, over 50% of these denied claims are abandoned with no intervention whatsoever.

The state of U.S. healthcare is trending towards increasing complexity and with that comes the need for trusted service providers that can support existing operations without disrupting them and provide a much needed result; more efficient claims collections processes. Decreasing reimbursements, increasing regulatory complexities, a deteriorating payer mix, increased patient financial responsibility, significant compliance hurdles and a new consumer driven system are all adding to the very real opportunity for strategically well positioned, aggressive and trusted providers.

The Company intends to be highly opportunistic and strategic in its approach to this opportunity by leveraging its skilled industry knowledge, developing a clear and concise approach to acquisition opportunities, evaluated based largely on the connectivity of customer contracts to the acquisition target, the ability to maximize recurring revenues by extending contract terms and expanding service offerings to the targets existing offering and demonstrating CAGR of at least 30% annually.

The complexities associated with healthcare reform in the U.S. has placed increasing economic and compliance pressures upon a system already burdened with significant difficulties in reimbursement to providers, and in particular hospitals, by government and commercial payers. Approximately 15% of every healthcare dollar goes to claims processing, payments, billing, revenue cycle management, and bad debt according to a recent McKinsey report. In a $3.7 trillion

healthcare market, this equates to in excess of $550 billion in lost revenue. Of this total, the estimated value of Certive's near-term addressable market is approximately $5 billion.

The pending adoption of ICD 10, the latest revision of the International Statistical Classification of Diseases and Related Health Problems (ICD), is expected to add to this complexity as it became the industry standard in October 2015. The Centers for Medicare & Medicaid Services projects that in the early stages of ICD 10 implementation, healthcare claim denial rates will increase between 100% and 200%, and that payment delays, will grow by 20% to 40%, significantly growing the current market opportunity. It is believed that nearly 40% of all hospitals are considering end-to-end outsourcing for business process functions to improve efficiency, creating a significant, and largely untapped, market opportunity which Certive is uniquely poised to exploit.

Growth Strategy

Certive is focused on becoming a significant and dominant competitor in the US$50B claim audit and recovery segment of revenue cycle for U.S. hospitals. This segment has a typical three-tier structure with large Tier 1 players at the top and smaller fragmented players at the bottom Tier 3. The Tier 3 space is comprised of small, closely held companies that generate between US$2 million and US$5 million in annual revenues with great principals and strong relationships with good customers but are constrained by the cash needed to invest in business development and the technology which is required to provide scalability, operational efficiency improvement and improved client results. Business development with hospitals is almost exclusively built upon relationships with hospital CFO's. In the absence of acquiring the relationships it would be virtually impossible for any new entrant to this segment to even secure a first meeting with a hospital CFO.

Certive's growth strategy is to acquire customers via asset acquisition of select tier 3 companies and to invest in technology and business development, enabling scale, improved value for clients, and improved margins. Billing and auditing and collection of claims is a complicated process including large quantities of claims and data. Skilled labor will always be part of the operational component of these services, but operational efficiency is a critical success factor to drive improved margins, scalability for growth, and the delivery of a differentiating value proposition for competitiveness. Analytical capabilities are also increasing in importance.

The Company is currently developing workflow tools that will improve the capacity to recover denied claims, with the simplest of process improvements and in particularly in data capture. We will be driving implementation of these tools by mid-2015, with an expected 30% incremental increase in productivity. The Company intends to become a major player in this space. The growth strategy is therefore to utilize an asset acquisition process to gain customer access (i.e. hospitals) immediately with little or no marketing dollar investment

Since the Company made the Titan purchase eighteen months ago the employee base has grown from 15 to 60 employees. The Company has introduced and is providing a new service referred to as Billing Support to many of its hospital customers, a service with a recurring revenue model. The Company has contracted with a former turn around CFO of major hospital systems in the U.S. that is guiding Certive to shape a company that provides a full service in the revenue cycle

continuum assisted by technology that operates from the generation of the bill to the collection of it.

The Company's growth strategies are being refined as the Advisory Council and management address the strategic and tactical processes to obtain incremental cumulative growth. Customer acquisition is being facilitated through the acquisition of Tier 3 companies that provide revenue cycle management services to hospitals. Evaluation of the Company's acquisition targets is critical to ensuring that the customer acquisitions resulting therefrom have long term value. The Company refers to the growing base of customers achieved via acquisition of revenue cycle vendors as "footprint". The Advisory Council will assist management in targeting additional service offerings that can thereby be sold into that footprint. Furthermore, the Company's value should be enhanced as its footprint increases. The growth strategy is therefore impacted by the speed with which revenue cycle service vendor acquisitions can be accomplished thus leading to a larger footprint. Having a clear understanding of hospital customer needs will then provide the capacity for incremental revenues and cross selling between and among these customers.

Role of the Advisory Council

The Company's Advisory Council is comprised of seven highly credentialed individuals who collectively have years of domain expertise in US Healthcare. The curriculum vitae of each member of the Advisory Council have been clearly articulated above and in prior disclosures. Of particular importance however is the fact that each member of the Advisory has now and will continue to have an ongoing, active role in shaping the future of the Company.

By way of explanation, Certive has with the appointment of Dr. Art Pelberg, access to a seasoned medical director with clinical experience and a wealth of experience in operating a highly successful "plan centric" healthcare enterprise. Charlotte Jacobs will serve to assess the viability of our acquisition targets in terms of technology prowess and the value of our hospital footprint to major participants in the U.S. Healthcare industry. Jeffery Benton, with a lifetime career of excellence in the public markets and a prestigious former Governor of the New York Stock Exchange will be invaluable in shaping our messaging to the investment community. Don Gilbert, the distinguished Secretary of Health and Human Services for the State of Texas under Governor George W. Bush, will assist Certive nationally in reaching deep into relationships necessary to drive for significant internal growth. Tom Marreel, will work as an integral part of Certive's management to shape, direct and implement sales and marketing strategies for the consolidated enterprise. With cross selling opportunities abounding, Mr. Marreel with be a key to ensuring that Certive realizes the benefit from the acquired footprint. Fred Hatfield and Tim Hyland, both accomplished deal making, restructuring CFO's will be implicitly necessary to drive efficiencies at the corporate level and ensure that Certive's acquisition strategies are sound and meet the tests set for multipliers on enterprise value. Steve Schramm, an accomplished actuarial, who owns a very successful plan based analytics firm, will provide the ultimate elixir to ensure that disparate data becomes valuable and marketable information to healthcare executives in revenue cycle.

This talent pool has been assembled with the vision of enabling Certive to become a well- rounded, diversified force in US Healthcare and to be predictive rather than reactive to an ever changing landscape in a highly opportunistic yet disruptive environment.

RESULTS OF OPERATIONS – Six Months Ended November 30, 2015: Certive Solutions Inc.

Results of operations are reported on a comparative basis comparative with the ended November 30, 2014.

The Company generated US$3,347,148 in gross revenue for the six months ended November 30, 2015, comparative with US$1,741,157 for the six months ended November 30, 2014, an increase of US$1,605,991 or 92% over the comparative three-month period.

For the six months ended November 30, 2015, the Company recorded gross revenues of US$3,347,148, of which Billing Support Services accounted for US$897,565, Claim Audit and Collections accounted for US$1,127,733 and Consulting Services accounted for US$314,660, Chargemaster sales of US$981,951 and Dashboard sales of US$25,239.

There are several factors that will continue to impact gross revenues for the Company as follows:

a) Capacity to secure acquisitions: As noted elsewhere in this MD&A, the Company's principal source of revenue growth is by way of the acquisition of tier three companies that currently provide revenue cycle management services and who have trusted customer relationships. Generally, as more acquisitions are completed there will be a corresponding increase in both gross revenues and operating margins. Despite a general increasing trend in revenues, there may be variations in quarterly revenues due to the timing of revenue recognition and the overall size of the collection accounts assigned to the Company from time to time by its customers.

b) The Billing Support revenue model is time and charges based and therefore very predictable. Claim Audit and Collections services are however based upon a revenue sharing model, generally 25%-40% of that which is collected by the Company for its customers. This is not as predictable insofar as the quality of the accounts provided by the Company's customers will vary as to size and status making it difficult to identify, in advance, the estimated predictable recovery.

c) As an integral part of the reported gross revenues for the Company as at November 30, 2015, an amount totaling $502,503 was recorded as revenue representing work in process accounts. This is inconsistent with prior reporting periods and relates only to the Omega division. The rationale for including work in process as revenues for Omega is that the amount represents accounts for which Omega has billed the payer and for which it has a bona fide contractual agreement to receive a pro-rata share of the amount otherwise collectable by Omega's customer. Omega could technically secure payment of its portion of the recovery directly from the payer.

For the six months ended November 30, 2015, the aggregate payroll costs totaled US$1,848,205 or 55% of consolidated revenues for the period. Furthermore, this cost represents 80.7% of the total operating costs for the twelve months. This is significant as it clearly defines the extent to which labor plays an

important role in driving revenues to the Company within the Titan Health, Omega, and KCA business units.

The Company completed the acquisition of the Omega assets on July 15, 2015. Revenue generated for quarter ended November 30, 2015 was US$839,131. For the six months ended November 30, 2015, Omega recorded gross revenues of $981,951.

Titan recorded US$2,025,298 in revenues for the six months ended November 30, 2015 as compared to US$1,372,005 for the comparative six months ended November 30, 2014 an increase of US$653,293 or 48% comparatively.

Consulting revenues generated by KCA for the six months ended November 30, 2015 were US$314,660 as compared to US$369,152 for the six months ended November 30, 2014 a decrease of US$54,492 or 15% occasioned by reduced consulting services provided to Maricopa County during the reporting period.

It is important to note that the Omega business unit is not as dependent upon labor to scale compared to Titan. Many of the business lines in Omega are facilitated with proprietary software technologies. During the quarter, the Company has furthered the implementation of Omega technologies into the Titan division and this initiative combined with shifting the Titan labor pool will provide a variable approach to staffing in the Titan division and thus reduce costs associated with staffing. Moreover, Titan has embarked upon an active outbound client facing initiative, the objective of which is to secure more lucrative groups of claims to audit leading to larger overall recoveries for the client and hence greater revenue sharing for Titan.

Consulting fees and contractor expenses are directly related to the KCA business unit and to the consulting income generated by KCA. As a practical matter, KCA hires contractors to perform the work on the contracts it has secured with counties. KCA has only one employee, that being Fred Erickson, founder of KCA. All other work is performed by contractors.

Consolidated gross operating margin for the six months ended November 30, 2015 was US$1,058,567 or 31.6% of revenues, as compared to US$256,264 for the six months ended November 30, 2014, or 14.7% gross margin.

General overhead expenses for the six months ended November 30, 2015 totaled US$3,007,671 as compared to US$885,938 for the six months ended November 30, 2014, an increase of US$2.121,733 or 239% over the comparative six months. The Company incurred US$133,360 of sales & marketing costs during the six months ended November 30, 2015 as compared to no costs for the six months ended November 30, 2014. This was largely due to the initial investment in growth and the apparent need to invest significantly in marketing and sales initiatives in 2015. In the preceding comparative six months, the Company did not engage in any direct selling activities largely due to the acquisition of Titan, which had a book of customers with recurring renewable contracts. Interest and bank charges for the six months ended November 30, 2015 totaled $266,197 as compared to US$146,669 for the six months ended November 30, 2014 and increase of US$119,528 an increase of 81.4% due wholly to the accrual of interest on convertible notes. Management anticipates conversion of the notes during fiscal 2016 and accordingly a significant reduction in debt servicing costs. Consulting fees of US$738,878 were paid in the first six months as compared to $50,000 for the first six months ended 2014. The increase is related to contracts

with additional third party providers, who have assisted the Company in several key areas including business development, tactical operational improvement and market functions. Management fees of US$362,000 were paid to the Company's CEO and CFO during the first six months ended November 30, 2015 as compared to US$189,400 in fiscal 2014, an increase of US$172,600. General administrative expenses increased from US$103,136 to US$240,112 for the six months ended November 30, 2015, an increase of US$136,976 over the comparative six months, wholly attributed to the general costs associated with operating the Titan, Omega, and KCA divisions during the year. All of the General and Administrative costs associated with Titan, Omega and KCA are recorded in this category. Professional fees paid for the six months ended November 30, 2015 were US$382,478 as compared to US$15,956 for the comparative prior year six months. This is largely due to the legal and audit costs associated with the Titan and KCA acquisitions. Rent and occupancy costs for the six months ended November 30, 2015 totaled US$136,278 as compared to US$67,518 for 2014. Rent includes occupancy costs for the Company's head office and its operations in Tucson which employ 60 full time employees and its Ft. Lauderdale operations which employ 30 full time employees. Travel and promotion costs for the six months ended November 30, 2015 were US$62,229 compared to US$50,920 for the comparative six months ended November 30, 2014.

The comprehensive loss for the six months ended November 30, 2015 was US$1,949,104 as compared to US$629,674 for the six months ended November 30, 2014, impacted by increased overhead expenditures netted against a greater dollar value gross profit. If these non-recurring costs are eliminated from the calculation of net income/loss, the adjusted loss for the six months ended November 30, 2015 would have been US$720,196.

Operating margins on a consolidated basis increased from 27% for the quarter ended August 31, 2015 to 35% for the quarter ended November 30, 2015, a significant operational improvement quarter over quarter. Similarly the adjusted net loss for the quarter ended November 30, 2015 of $249,484 is a significant improvement over the adjusted results of the preceding quarter or $470,412 in net loss from operations.

The fully diluted loss per share outstanding as at November 30, 2015 was US$0.04 per share calculated on 40,983,622 consolidated weighted average common shares outstanding.

FINANCIAL POSITION

1. The Company completed an equity private placement subsequent to the quarter ended November 30, 2015 as follows: On December 1, 2015, the Issuer announced the closing of a private placement of 13,007,310 units at a price of US$0.30 per unit for deemed gross proceeds of US$3,902,193. Each unit consisted of one common share and one common share purchase warrant exercisable at a price of US$0.35 per share for a period of two years from the closing date. 6,166,667 units were sold for cash (US$1,850,000) and 6,840,643 units represented settlements with creditors (US$2,052,193).

The financial position as at November 30, 2015, is reported on a comparative basis with the company year ended May 31, 2015.

As at November 30, 2015, the Company had a working capital deficiency of $4,205,323. Based upon the conversion of debt obligations the adjusted working capital position is $3,797,323. The following schedule sets out the reconciliation of such conversions.

Convertible Debt	Debt Conversion	Adjusted Convertible Debt
$4,065,208	($229,000)	$3,836,208

Short Term Loans	Debt Conversion	Adjusted Short Term Loans
$799,602	($179,000)	$620,602

Current assets consisted of cash US$264,963 accounts receivable of US$1,151,236.

Current liabilities totaled US$5,802,722. Of this total, US$4,065,866 is represented by various categories of convertible promissory notes and other related convertible obligations of the Company. Assuming that all convertible debt is indeed converted into shares of the Company, the adjusted total current liabilities is $1,313,546 and the adjusted working capital is US$283,583 as at November 30, 2015.

Management believes that 100% of all convertible notes and other convertible obligations will be settled by way of conversion within nine months of the date of this MD&A.

SELECTED ANNUAL INFORMATION

The following financial data, which has been prepared in accordance with International Financial Reporting Standards (IFRS), is derived from the Company's financial statements. These sums are being reported in U.S. dollars and did not change as a result of the adoption of policies concerning Financial Instruments.

	Year ended		
	May 31, 2015	May 31, 2014	May 31, 2013
Total Revenue	$3,862,837	$--	$--
Interest income	$--	$--	$--
Expenses	$6,177,515	$2,130,905	$9,368,440
Net loss	($2,314,678)	($2,130,905)	($9,368,440)
Total assets	$4,496,007	$414,719	$50,343
Total long-term liabilities	$	$--	$--
Net loss per share (basic and diluted)	($.06)	($.08)	($.37)

For the year ended May 31, 2013, the Company wrote off US$4,222,190 in goodwill that was deemed impaired at that date. The Company incurred a further US$981,165 in total expensed for

the period. For the year ended May 31, 2014, the Company incurred operating and other costs totaling US$2,130,905. The difference between fiscal 2013 and 2014 is largely attributable to the write off of goodwill. Prior to June 1, 2014, the Company did not have operations and accordingly commenced segmenting its Consolidated Statements of Comprehensive Loss for the quartered ended November 30, 2014.

SELECTED QUARTERLY INFORMATION

The following table summarized the results of operations for the four most recent quarters.

	Three months ended			
	November 30, 2015	August 31, 2015	May 31, 2015	February 28, 2015
Total Revenue	$ 1,934,087	$ 1,413,061	$ 1,142,621	$ 979,059
Interest income	$ --	$ --	$ --	$ --
Expenses	$ 3,412,479	$ 1,883,773	$ 2,075,602	$ 1,731,082
Net loss	($1,478,392)	($ 470,712)	($ 932,981)	($ 752,023)
Net loss per share and diluted loss per share	($.04)	($.01)	($.02)	($.02)

	Three months ended			
	November 30, 2014	August 31, 2014	May 31, 2014	February 28, 2014
Total Revenue	$ 837,872	$ 903,285	$ --	$ --
Interest income	$ --	$ --	$ --	$ --
Expenses	$ 1,340,907	$ 1,029,924	$ 864,554	$ 452,165
Net loss	($ 503,035)	($ 126,639)	($ 864,554)	($ 452,165)
Net loss per share and diluted loss per share	($.01)	($.00)	($.08)	($.03)

Summary of Quarterly Results

From the quarter ended February 28, 2013 to the quarter ended May 31, 2014, the Company was a development stage enterprise and had no income. For these periods, expenses varied due to expenditures on business development. For the year ended May 31, 2013, the Company wrote off investments in certain assets which significantly impacted the total expenses for the year and for the quarter as well as reported net losses. For the quarter ended August 31, 2014, the Company completed its first acquisition and recorded revenues of US$903,924 with expenses including additional payroll of US$1,092,924. The resulting loss of US$126,639 was anticipated given the fact that several new categories of operating costs were incurred. For the quarter ended November 30, 2014 the Company recorded revenues of US$837,872 with expenses of US$1,340,907. The loss US$503,035 was the result of increased labor costs and expenditures on technology workflow development plus increased general administration costs. For the quarter ended February 28, 2015, revenues were US$979,059, up US$141,187 over the previous quarter or 17%. The Company recorded expenses in the quarter totaling US$1,731,082, an increase of US$390,175 over the preceding quarter. The recorded loss increased by $248,988 largely due to increased hires in November 2014 for new business anticipated in March 2015. The Company estimates a 90-day training period of all new employees. For the quarter ended May 31, 2015, gross revenues were US$1,142,632, up US$163,562 from the preceding quarter or 27%. Total expenses were US$2,075,602 resulting in a comprehensive loss of US$932,981. For the quarter ended August 31, 2015, gross revenues were US$1,413,061, up US$270,440 from the preceding quarter or 24%. Total expenses were US$1,883,773 resulting in a comprehensive loss of US$470,712.

For the quarter ended November 30, 2015, the Company recorded revenues of US$1,934,087. The Company recorded operating expenses of US$1,262,870 for the quarter ended November 30, 2015, representing a 34.7% operating margin. Overhead expenses totaled US$2,149,609 for the three months. Comprehensive loss for the three months ended November 30, 2015 was US$1,478,392.

LIQUIDITY

(a) As at the date of this MD&A, the Company has sufficient working capital to cover its operating overheads for a period of 5 months. Each of Titan and KCA divisions generate revenues for their divisions in excess of breakeven volumes and therefore no additional capital is currently required to support their operations save and except for allocated expansion resources.

(b) Other than as set forth herein, there are no expected fluctuations in the Company's liquidity, taking into account demands, commitments, events or uncertainties.

(c) The Company does not currently have any liquidity risks associated with financial instruments.

(d) The Company does not currently expect to have a working capital deficiency after it has converted the existing convertible notes as noted above.

(e) There are no balance sheet conditions or income or cash flow items that may affect the Company's liquidity.

(f) The Company has two subsidiaries at the date of this MD&A.

(g) There are currently no defaults or arrears by the Company on dividend payments, lease payments, interest or principal payment on debt, debt covenants; and redemption or retraction or sinking fund payments.

CAPITAL RESOURCES

There are no known trends or expected fluctuations in the Company's capital resources, including expected changes in the mix and relative cost of such resources.

OFF BALANCE SHEET ARRANGEMENTS

As at January 29, 2016, the Company had no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company does not have any other proposed transactions to discuss at this time, other than as is disclosed in Subsequent Events.

TRANSACTIONS WITH RELATED PARTIES

a) As of November 30, 2015, the Company had advanced US$51,571 to Canadian Data Preserve, Inc., a company with common directors. In addition, the Company has advances to additional related parties of $29,000, thus total advances to related parties of $80,571. The common directors are Brian Cameron, Van Potter, and Jack Saltich. The advances are secured with a promissory note bearing interest at 8% per annum. The advance has not been repaid at the date of this MD&A. During the current financial year, the Company has recorded allowance for doubtful debts for the amount of the receivable recorded at that date. Subsequent to the year end, Canadian Data Preserve Inc. has advised the Company that it intends to complete an acquisition and fund a new business venture. The amount allowed for at year end may therefore be recoverable and the Company has continued to fund Canadian Data Preserve Inc.

b) After the completion of the Plan of Arrangement Agreement, the Company paid and accrued consulting fees of US$15,000 plus taxes to Tulox for services provided in spinning off Tulox's interest in the Licensing Agreement to a separate entity. As of May 31, 2013, the Company still owed Tulox US$1,800 with respect to this service.

c) As of November 30, 2014, the Company owed US$20 to Tulox with respect to funds advanced in order to cover monthly bank charges. The loan is non-interest bearing and has no fixed term of repayment.

d) During the six months ended November 30, 2015, the Company had no obligations to related parties.

e) During the six months ending November 30, 2015, the Company paid management,

consulting, and director's fees and salaries to key management personals totaling US$736,640.

Michael Bartlett	$ 42,000
Brian Cameron	$181,000
Van Potter	$181,000
Ann Fierro	$ 78,000
Fred Erickson	$ 84,400
Thomas Hoehner	$ 88,240
Todd Hisey	$ 82,000
Total	$736,640

f) As at November 30, 2015, the Company loans receivable from related parties as follows:

i. Due from Canadian Data Preserve Inc. US$51,571

g) As of November 30, 2015, the Company had Loans and Convertible Loans due to related parties as follows:

i. Convertible Note due to Titan Health Management Solutions Inc. US$1,800,000

ii. Convertible Note due to Omega Technology Solutions Inc. US$600,000

iii. Loan due to Van Potter - US$20,000

iv. Loans due to Titan and KCA - US$2,153,981

OUTSTANDING SHARE DATA

Authorized: unlimited common shares without par value
unlimited preferred shares without par value

Issued and Outstanding:

	Number of Shares		Amount
Common share issued on incorporation	1	$	1
Cancellation of incorporator share	(1)		(1)
Issuance of shares in pursuant of Plan of Arrangement	6,038,667		15,000

Issued in respect of the acquisition of AIM	8,958,000		179,160
Issued for cash	1,940,000		97,000
Exercise of options	1,000,000		50,000
Balance as at February 28 2012	17,936,667	$	341,160
Consolidation 7:1 as at April 27, 2012	2,562,381	$	341,160
Issued in respect of AIM acquisition	9,735,143	$	3,407,300
Issued in respect of VVT acquisition	13,275,000	$	4,646,425
Issued in respect of private placement	2,550,830	$	1,075,396
Subscription Receivable		$	(20,000)
Balance as at May 31, 2012	28,133,354	$	9,450,281
Issued as Bonus on Debentures	184,000	$	108,820
Balance as at May 31, 2013	28,317,354	$	9,559,101
Common shares issued for:			
Cash - $015	2,666,667	$	400,000
2:1 Share Consolidation	(15,490,700)		
Private Placement - $.10	24,114,810	$	2,411,481
Treasury Order - $.1	1,430,960	$	144,689
Balance at August 31, 2014	41,039,091	$	12,515,271
Private placement - $.14	1,277,864	$	180,365
Private placement – Adjustment	(1,333,333)		(400,000)
Balance at February 28, 2015	40,983,622	$	12,295,636
Private placement - $.30	13,457,310	$	4,037,193
Private placement - $.11	6,976,922	$	882,500
Private placement - $.15	78,750	$	8,567
Balance as at December 29, 2015	61,496,604	$	17,223,896

Stock Options:

The following stock options were granted as at December29, 2015:

Van Potter	508,708
Brian Cameron	508,709
Jack Saltich	500,000
Mike Bartlett	500,000
John Shackleton	500,000
MaryAnn Miller	300,000
Fred Hatfield	200,000
Arthur Pelberg	200,000
Tim Hyland	200,000
The Marreel Family	

Trust	800,000
Steve Schramm	200,000
Charlotte Jacobs	600,000
Jeffrey Benton	200,000
Don Gilbert	200,000
Scott Ivers	200,000
Jack Chapman	200,000
Johnathan More	550,000
Mouane Sengsavang	150,000
Robert Kang	150,000
Ian Moddison	250,000
Peggy Turner	130,000
Dale Fitzhenry	500,000
Total	7,547,417

Warrants:

As at January 29, 2016 there were 14,149,032 warrants outstanding, exercisable until March 24, 2016 an average price of US$0.12 per share. On December 29, 2015 warrant holders exercised an aggregate of 6,976,922 outstanding common share purchase warrants of the Issuer at a price of US$0.11 per share (CDN$0.15) for total gross proceeds of US$767,461 of the issuer.

On December 29, 2015 6,976,922 warrants were exercised for $882,500.

CONTINGENCIES

Except for the commitments mentioned in Liquidity subsection (b), there are no other contingencies outstanding as of date of this discussion.

SUBSEQUENT EVENTS

Subsequent to the Company's quarter-end, November 30, 2015, the following material subsequent events are reported:

1. On December 1, 2015, the Issuer announced the closing of a private placement of 13,007,310 units at a price of US$0.30 per unit for deemed gross proceeds of US$3,902,193. Each unit consisted of one common share and one common share purchase warrant exercisable at a price of US$0.35 per share for a period of two years from the closing date. 6,166,667 units were sold for cash (US$1,850,000) and 6,840,643 units represented settlements with creditors (US$2,052,193).

2. On December 29, 2015, warrant holders exercised an aggregate of 6,976,922 outstanding common share purchase warrants of the Issuer at a price of US$0.11 per share (CDN$0.15) for total gross proceeds of US$767,461 to the Issuer.

3. On December 31, 2015, the Issuer granted an aggregate of 7,547,417 stock options to various directors, officers, senior employees and consultants of the Issuer. The options are exercisable until December 31, 2020 at a price of CDN$0.25 per share.

4. On January 19, 2016, the Company announced that on January 15, 2016, pursuant to acquisition committee approval, the Company entered into a non-binding letter of intent to acquire 100% of the issued and outstanding common shares of two companies engaged in revenue cycle management for hospital systems. Upon closing of the acquisitions, both companies will become wholly owned subsidiaries of Certive. The agreed combined purchase price is US$20,000,000, 90% of which will be paid in cash and 10% in stock. The stock will be valued at the lower of the closing price of Certive common shares on the Canadian Securities Exchange on the last business day prior to the closing date, or US$0.50 per share. A number of common share purchase warrants will form part of the stock consideration, exercisable at the lower of (i) US$0.05 above the closing price of Certive common shares on the Canadian Securities Exchange on the last business day prior to the closing date or (ii) US$0.55 per share. A total of up to 17,000,000 common shares and 4,000,000 common share purchase warrants may be issued in partial payment of the purchase.

5. On December 11, 2015 Michael Marshall, CEO of e5 Workflow Inc. (USA) agreed to join the Advisory Counsel. Mr. Marshall is a seasoned revenue cycle management executive and the Company's leading operational expert in driving performance and growing new business line categories. Mr. Marshall will initially work closely with management to assess operations in current divisions can be improved and where new business opportunities prevail. The Company intends to work in a collaborative capacity with e5 Workflow Inc. to synergistically develop new revenue opportunities of mutual benefit to both enterprises.

6. Effective December 4, 2015, MaryAnn Miller became a director of the Company, member of the audit committee and chairs the governance and compensation committees.

CONTROLS AND PROCEDURES

The Chief Financial Officer is responsible for establishing and maintaining effective disclosure controls and procedures for the Company as defined in National Instrument 52-109 *Certification of Disclosure in Annual and Interim Filings.* Management has concluded that as of October 28, 2011, discussion of disclosure controls and procedures is preemptive; however, once operations begin, such controls will be effective enough to provide reasonable assurance that material information relating to the Company would be known, particularly during the period in which reports are being prepared.

Disclosure controls and procedures

The Chief Financial Officer is responsible for establishing and maintaining effective disclosure controls and procedures for the Company as defined in National Instrument 52-109 *Certification*

of Disclosure in Annual and Interim Filings. Management has concluded that as of October 28, 2011, discussion of disclosure controls and procedures is preemptive; however, once operations begin, such controls will be effective enough to provide reasonable assurance that material information relating to the Company would be known, particularly during the period in which reports are being prepared.

Internal control over financial reporting

The Chief Financial Officer is responsible for establishing and maintaining effective internal control over financial reporting as defined in National Instrument 52-109. Because of its inherent limitations, internal control over financial reporting may have material weaknesses and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has concluded that internal control over financial reporting will be effective. The design and operation of internal control over financial reporting will provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable generally accepted accounting principles.

Internal control over financial reporting will include those policies and procedures that establish the following: maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and dispositions of assets; reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable generally accepted accounting principles; receipts and expenditures are only being made in accordance with authorizations of management and the Board of Directors; and reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets.

Management will design internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

Segregation of duties

Currently duties have not been segregated due to the small number of individuals involved in this start-up. This lack of segregation of duties has not resulted in any material misstatement to the financial statements.

As the Company incurs future growth, management plans to expand the number of individuals involved in the accounting and finance functions. At the present time, the Chief Executive Officer and Chief Financial Officer oversee all material transactions and related accounting records. In addition, the Audit Committee of the Company review on a quarterly basis the interim financial statements and key risks and will query management about significant transactions.

Complex and non-routine transactions

The Company may be required to record complex and non-routine transactions. These sometimes will be extremely technical in nature and require an in-depth understanding of Canadian GAAP. Finance staff will consult with their third party expert advisors as needed in connection with the recording and reporting of complex and non-routine transactions. In addition, an annual audit will be completed and presented to the Audit Committee for its review and approval.

These consolidated financial statements, including comparatives have been prepared in accordance with International Accounting Standards ("IAS") 1, "Presentation of Consolidated financial statements" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value as explained in the accounting policies set out in Note 3. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these consolidated financial statements are in accordance with IFRS.

These consolidated financial statements were authorized by the audit committee and board of directors of the Company on January 29, 2014.

Comparative periods

Prior period comparative figures have been amended to conform to the current period's presentation. Previously, the Company's due from and due to related parties were reported separately on the statement financial position. They are now reported as a net figure under due from related party.

Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) Depreciation

The Company's management exercises its judgment in estimating the useful lives of the depreciable assets. The estimated useful lives reflect the management's estimate of the periods the Company intends to derive future economic benefits from the use of these assets. The Company depreciates its capital assets in accordance with the accounting policies stated in Note 3.

ii) Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

iii) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Determination of functional currency

The functional currency is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency for the Company is the U.S. dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. Intra-company balances and transactions, and any unrealized income and expenses arising from intra-company transactions, are eliminated in preparing the consolidated financial statements.

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Advantive Information Management Inc.	Vancouver, BC	100%	Information Technology

Certive Technologies Arizona Inc.	Scottsdale, Arizona	100%	Information Technology

Foreign exchange

Transactions in currencies other than the U.S. dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are recognized through profit or loss.

Cash

Cash includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and subject to an insignificant risk of change value.

License

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. At the end of each reporting period, the License is reviewed to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. See Note 7 for details.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable

payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized through profit or loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized through profit or loss.

The Company has not classified any financial assets as held-to-maturity or available for sale.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

The Company has classified its cash as fair value through profit or loss. The Company’s receivables and due from related parties are classified as loans and receivables.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Other financial liabilities: This category includes promissory notes, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost. The Company’s accounts payables and other liabilities, due to related parties, short term loans and convertible debt are classified as other financial liabilities.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits

will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Future accounting pronouncements

A number of new standards, amendments to standards and interpretations are not yet effective as at February 28, 2015, and have not been applied in preparing this consolidated financial statement. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

Accounting standards issued and effective for years beginning January 1, 2013

Consolidated financial statements

IFRS 10 *Consolidated Financial Statements* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard:

i) requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements.

ii) defines the principle of control, and establishes control as the basis for consolidation

iii) sets out how to apply the principle of control to identify whether an investor controls and investee and therefore must consolidate the investee

iv) sets out the accounting requirements for the preparation of consolidated financial statements. IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation-Special Purpose Entities.

Joint Ventures

IFRS 11 *Joint Arrangements* establishes the core principle that a party to a joint arrangement

determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement.

Disclosure of involvement with other entities

IFRS 12 *Disclosure of Involvement with Other Entities* requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effect of those interests on its financial position, financial performance and cash flows.

Separate financial statements

IAS 27 *Separate Financial Statements* has the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures, and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements.
Investment in associates and joint ventures

IAS 28 *Investments in Associates and Joint Ventures* prescribes the accounting for investment in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture).

Interest-bearing loans and other borrowings

Interest-bearing loans and other borrowings are recognized initially at fair value less related transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of borrowings on an effective interest basis.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

Revenue recognition

Contract revenue is recognized when goods are shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

RISK FACTORS

Strategic and operational risks
Strategic and operational risks are risks that arise if the Company fails to develop sufficiently develop its strategic plans. These strategic opportunities or threats arise from a range of factors which might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is subject to normal industry credit risks. The Company's other receivable balance may consist of amounts outstanding on Harmonized Sales Tax Credits from Canada Revenue Agency. Therefore, the Company believes that there is minimal exposure to credit risk.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2015, the Company had a cash and cash equivalent balance of $1,597,399 and current liabilities of $5,802,722 of which $4,065,866 will be settled for stock.

Interest risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than U.S. dollar. Cash and accrued liabilities are denominated in Canadian currency. Therefore, the Company's exposure to currency risk is minimal.

RISKS AND UNCERTAINTIES

Risk Factors

In evaluating an investment in the Company's shares, in addition to the other information contained or incorporated by reference herein, investors should consider the following risk factors. These risk factors are not **a** definitive list of all risk factors associated with the Company and its business.

General and Industry Risks

The Company's business objectives in the next 12 months are to establish, by the end of 2014, (i) an expanded profitable operating business that can be sustained on an ongoing basis, (ii) a strong market position that will permit the company to rapidly and profitably expand the market for its products, and (iii) significant competitive advantages that will permit the company to sustain its market shares and profit margins.

Securities and Dilution

The purpose of the concurrent financing is to raise funds to carry out the Company's business objectives with the ultimate objective of establishing a human resources company providing unique Web-based solutions to the small and medium-sized business enterprises. The only source of future funds presently available to the Company is through the sale of equity capital or the assumption of debt. There is no assurance that such sources of financing will be available on acceptable terms, if at all. If the Company seeks additional equity financing, the issuance of additional shares will dilute the interests of their current shareholders. Failure to obtain such additional financings could result in delay or indefinite postponement of the Company's strategic goals.

Competition

The computer software backup/recovery industry is intensely competitive in all of its phases, and the Company will compete with many companies possessing greater financial resources and technical facilities than the Company.

Conflicts of Interest

Certain of the Company's proposed directors and senior officers are directors or hold positions in other public companies. If any disputes arise between these organizations and the Company, or if certain of these organizations undertake transactions with the Company's competitors, there exists the possibility for such persons to be in a position of conflict. Any decision or recommendation made by these persons involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other organizations. In addition, as applicable, such directors and officers will abstain from voting on any matter in which they have a conflict of interest.

No History of Earnings or Dividends

As a newly formed company, the Company has no history of earnings, and there is no assurance that the Company will generate earnings, operate profitably or provide a return on investment in the future. The Company has no plans to pay dividends for the foreseeable future.

Potential Profitability Depends Upon Factors Beyond the Control of the Company

The potential profitability of the Company is dependent upon many factors beyond the Company's control. Profitability also depends on the costs of operations, including costs of labor, equipment, electricity, regulatory compliance or other production inputs. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, events that cause worldwide economic uncertainty may make raising of funds for development difficult. These changes and events may materially affect the financial performance of the Company.

Dependency on a Small Number of Management Personnel

The Company is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the Company and its business operations.

Failure to perform contracts

Contracts for the Company's services may include penalties and/or incentives related to performance, which could materially affect operating results. Management provides for any anticipated penalties against contract value.

Project performance

Any inability of the Company to execute customer projects in accordance with requirements, including adherence to timetables, could have a material adverse effect on the Company's business, operations and prospects.

Intangible asset impairment

The Company has recognized the value of its contracts and customer list as an intangible asset. The Company assesses these assets periodically to evaluate if value recognized as an asset has become impaired. If the Company were to determine that the applicable expected future cash flows do not support the intangible asset book values, impairment would need to be recognized that could have an adverse impact on the financial results of the Company.

Future capital requirements

The Company's future capital requirements will depend on many factors, including inorganic growth initiatives, securing new contracts, the rate of expansion and the status of competitive products. Depending on these factors, the Company may require additional financing which may or may not be available on acceptable terms. If additional funds are raised by issuing equity securities, dilution to the existing shareholders may result. If adequate funds are not available, the Company may not be able to achieve its growth objectives and operational targets, which could have a material adverse effect on the Company's business.

Officers and Directors

Van Potter	CEO & Director
Brian Cameron	CFO & Director

John Shackleton	Executive Chairman of the Board and Director
Michael Bartlett	Vice Chairman and Director
Jack Saltich	Director
MaryAnn Miller	Director

Contact Address

Certive Solutions Inc.
1140-1185 West Georgia Street
Vancouver, B.C.
V6E 4E6