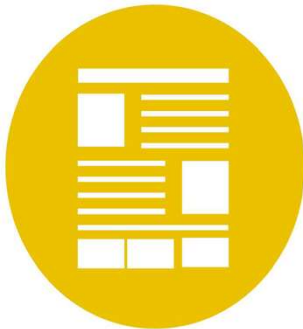


INTEMA SOLUTIONS INC.

Interim Financial Statements

for the second quarter ended
June 30, 2019
(unaudited)

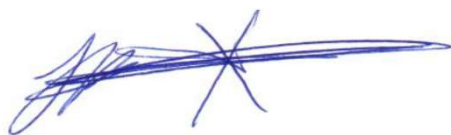


MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The interim financial statements of Intema Solutions inc. are the responsibility of management and have been approved by the Board of Directors on August 27, 2019. The management responsibility in this respect includes the selection of appropriate accounting policies as well as the exercise of some judgment in establishing reasonable and fair estimates in accordance with International Financial Reporting Standards (IFRS) appropriate in the circumstances.

The Company maintains accounting systems and internal controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that we can rely on the accounting records for the preparation of interim financial statements.

The Board of Directors assumes its responsibilities for the interim financial statements principally through its Audit Committee. The Audit Committee reviews the interim financial statements and recommends their approval to the Board of Directors.



Laurent Benezra
Chef executive officer



Elise Vandoorne, CPA CA
Chief financial officer

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Interim Condensed Statements and Statements of Comprehensive Income
for the three-month period ended June 30, 2019
(Unaudited)

	Three months Ended June 30		Six months Ended June 30	
(in Canadian dollars)	2019 \$	2018 \$	2019 \$	2018 \$
Revenue from Continuing Operations	149 353	116 530	323 594	269 697
Direct costs	50 045	83 157	90 557	166 350
Direct labor	12 058	12 893	22 629	34 255
GROSS PROFIT	87 250	20 480	210 407	69 092
Administrative and sales expenses	270 197	200 154	416 636	379 391
Research and development expenses	43 510	54 794	84 448	110 388
OPERATING LOSS	(226 457)	(234 468)	(290 676)	(420 687)
Financial income	-	-	-	-
Financial expenses	2 456	9 919	4 919	19 500
LOSS BEFORE FOLLOWING ITEMS	(228 913)	(244 387)	(295 595)	(440 187)
Gain on debt settlement	118 694	-	661 954	-
OTHER EXPENSES-REVENUES	118 694	-	661 954	-
NET EARNINGS (LOSS)	(110 219)	(244 387)	366 359	(440 187)
Weighted Average Number of Outstanding Shares during the Period (Note 5)	82 262 180	81 367 352	82 262 180	81 367 852
Earnings (Loss) per Share (Note 5)				
Basic and Diluted	(0.001)	(0.003)	0.004	(0.005)



Interim Condensed Statements of Changes in Equity
for the three-month period ended June 30, 2019
(Unaudited)

(in Canadian dollars)

	Shares Capital		Warrants	Equity	Contributed	Deficit	Total Equity
	Number	Amount		Component of			
	#	\$		the			
			Convertible	Surplus		(Deficiency)	
			Debentures				
			\$	\$	\$	\$	\$
Balance as at January 1st, 2019	85 209 577	6 467 687	233 723	20 060	1 033 700	(8 517 178)	(762 008)
Exercised warrants	800 000	46 230	(6 230)				40 000
Issuance of warrants			753 558		(753 558)		-
Gain on settlement				(20 060)	20 060		-
Net Earnings (Loss) and total comprehensive income						366 359	366 359
Balance as at June 30, 2019	86 009 577	6 513 917	981 051	-	300 202	(8 150 819)	(355 649)
Balance as at January 1st, 2018	79 762 243	6 219 987	165 408	19 571	948 585	(7 511 183)	(157 632)
Issuance	5 447 334	193 087	239 581	-	1 232	-	433 900
Cost of issuance	-	(18 765)	-	-	-	-	(18 765)
Net Earnings (Loss) and total comprehensive income	-	-	-	-	-	(440 187)	(440 187)
Balance as at June 30, 2018	85 209 577	6 394 309	404 989	19 571	949 817	(7 951 370)	(182 684)



Interim Condensed Statements of Financial Position
for the period ended June 30, 2019

	June 30, 2019 (unaudited) \$	December 31, 2018 (audited) \$
<hr/>		
(in Canadian dollars)		
<hr/>		
ASSETS		
Current		
Cash and cash equivalents (Note 6)	39 501	13 135
Trade and other receivables (Note 7)	84 782	52 446
Prepaid expenses	25 960	11 650
Research and development tax credit recoverable	68 184	53 130
Current Assets	218 427	130 361
<hr/>		
Non-current		
Deposit	6 000	6 000
Investments (Note 8)	22 496	20 545
Property, plant and equipment (Note 9)	40 299	45 317
Finance leases equipment (Note 10)	25 337	29 808
Other intangible assets (Note 11)	140 962	160 787
Goodwill (Note 12)	49 536	49 536
Research and development tax credit non recoverable	-	-
Non-current Assets	284 630	311 993
<hr/>		
TOTAL ASSETS	503 057	442 354
<hr/>		



Interim Condensed Statements of Financial Position
for the period ended June 30, 2019

	June 30, 2019 (unaudited) \$	December 31, 2018 (audited) \$
<hr/>		
(in Canadian dollars)		
<hr/>		
LIABILITIES		
Current		
Bank Overdraft (Note 6)	-	38
Employees benefits	209 900	320 547
Trade and Other Payables (Note 14)	194 833	729 426
Short-term debt (Note 15)	414 920	37 500
Deferred Revenue	39 053	18 456
Current portion of long-term debt (Note 16)	-	13 395
Debentures	-	85 000
Current Liabilities	858 707	1 204 362
<hr/>		
TOTAL LIABILITIES	858 707	1 204 362
<hr/>		
EQUITY (note 17)		
Share Capital	6 513 916	6 467 687
Warrants	981 051	233 723
Portion of Convertible Debentures included in Equity	-	20 060
Contributed Surplus	300 201	1 033 700
Deficit	(8 150 819)	(8 517 178)
TOTAL EQUITY	(355 650)	(762 008)
<hr/>		
TOTAL LIABILITIES AND EQUITY	503 057	442 354
<hr/>		



Interim Condensed Statements of Cash Flows
for the three-month period ended June 30, 2019

	Three months Ended June 30		Six months Ended June 30	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
(in Canadian dollars)	\$	\$	\$	\$
Net Earnings (Loss) and Total Comprehensive Income	(110 220)	(244 387)	366 359	(440 187)
Non cash Items from net Earnings (Loss) and Total Comprehensive Income				
Variation of the value of the cash surrender value of life insurance	(976)	(975)	(1 951)	(1 950)
Depreciation of assets	4 744	13 722	9 490	27 446
Depreciation of other intangible assets	23 780	36 536	47 983	73 069
Implicit interest of convertible debentures	-	(2 131)	-	4 890
Gain on settlement of convertible debenture	(20 060)	-	(105 060)	-
Changes in non-cash working capital items	(251 679)	65 139	(686 346)	3 827
Net cash flow used in operating activities	(354 411)	(132 096)	(369 524)	(332 905)
Acquisition of intangible assets	(12 578)	(17 695)	(28 156)	(35 339)
Net cash flow used in investing activities	(12 578)	(17 695)	(28 156)	(35 339)
Repayment of current portion of long-term debt	-	-	-	(9 000)
Short term debt	319 920	-	377 420	-
Long term debt	-	(4 500)	-	-
Repayment of obligation under finance leases	-	(6 902)	(13 395)	(12 956)
Issues of shares capital	40 000	26 250	40 000	193 087
Cost of issuing shares	-	-	-	(18 765)
Contributed surplus	20 060	-	20 059	1 232
Fair value of warrants	-	-	-	239 581
Net cash flow from financing activities	379 980	14 848	424 084	393 179
Net increase (decrease) in cash and cash equivalents	12 991	(134 943)	26 404	24 935
Cash and cash equivalents at beginning or period	26 510	136 874	13 097	(26 866)
Cash and cash equivalents at end of period (Note 6)	39 501	1 931	39 501	(1 931)



Notes to the Interim Condensed Financial Statements
for the three-month period ended June 30, 2019
(Unaudited)
(all amounts are in Canadian dollars, until indication)

Note 1. Governing Statues, Nature of Operations and Going Concern

Intema Solutions inc., incorporated under the Canada Business Corporations Act, is a Company which provides consulting services in marketing and Web services, particularly in email campaign deployment to companies. The Company's registered office is located at 365 rue St-Jean, Suite 202, Longueuil, Quebec, Canada, J4H 2X7. The Company is traded publicly on the TSX Venture Exchange under the symbol "ITM.H" and has no controlling shareholders.

Going concern

The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. In light of the operating losses and unfulfilled financial ratios, those material uncertainties raise significant doubt about the Company's ability to continue as a going concern. The Company's ability to realize its assets and discharge its liabilities depends on the continued support of its lenders and shareholders. As at June 30, 2019, the Company has accumulated a deficit of \$8,150,819 (\$8,517,178 as at December 31, 2018) and a net loss of \$110,219 during the second quarter of 2019 (net loss of \$244,387 as at June 30, 2018). Going concern of the Company depends of, among other things, its ability to achieve a satisfactory level of revenue, the support of its customers, the conclusion of new financial agreements and its ability to raise new sources of funds.

On February 1, 2019, the Company filed a proposal to its creditors under the Bankruptcy and Insolvency Act. The creditors voted in favor of the proposal and on March 29, 2019, the Quebec Superior Court approved the proposal.

Since March 29, 2019, the Company was reactivated with a renewed management team and financing and backing from committed long-term shareholders. Management believes that the Company now has the means to operate normally and is focused on growing the business on a national and global scale. However, there is no certainty that those measures will be sufficient to allow the continuation of the Company in the normal course of business.

The carrying amounts of assets, liabilities, revenues and expenses presented in the interim financial statements and the statement of financial position classification have not been adjusted as would be required if the going concern assumption was not appropriate

Note 2. Statement of compliance with IFRS

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations currently issued and outstanding.

These financial statements were approved by the Board of Directors on August 27, 2019.

Note 3. Operating expenses

Operating expenses include :	Three months		Six months	
	Ended June 30		Ended June 30	
	2019	2018	2019	2018
	\$	\$	\$	\$
Employees benefits	175 082	124 129	309 658	275 999
Production expenses	21 521	32 899	33 088	65 835
Consulting fees and subcontracts	23 834	-	23 834	-
Research and Development tax credit	(7 527)	(15 089)	(15 054)	(29 609)
Rent	24 745	40 562	24 845	80 838
Office expenses	64 759	68 530	88 870	115 489
Professional fees	28 618	49 708	75 304	81 317
Market development	16 254	-	16 254	-
Depreciation	28 524	50 259	57 469	100 515
Total operating expenses	375 810	350 998	614 270	690 384

Note 4. Financial income and expenses

Financial income and expenses are detailed as follows :	Three months		Six months	
	Ended June 30		Ended June 30	
	2019	2018	2019	2018
	\$	\$	\$	\$
Interest Income	-	-	-	-
Financial income	-	-	-	-
Interest on current liabilities	2 816	1 912	5 278	4 140
Loss (gain) on foreign exchange	(359)	-	(359)	-
	2 456	1 912	4 919	4 140
Implicit interest on convertible debentures	-	-	-	4 925
Interest on convertible debentures	-	2 119	-	4 215
Interest and financial expenses on long-term debt	-	5 888	-	6 220
Financial expenses	2 456	9 919	4 919	19 500

Note 5. Earnings (Loss) per share

Dilutive potential instruments (convertible debentures, warrants, stock options) have not been included in the calculation of dilutive earnings per share when the price was greater than the value of the common share price, or because of their anti-dilutive effect.

Note 6. Cash and cash equivalents

	June 30, 2019	December 31, 2018
	\$	\$
Cash		
\$ CAN	34 285	12 156
\$ U.S. converted	5 216	979
Cash and Cash equivalents	39 501	13 135
Bank overdraft	-	(38)
Net cash (deficiency) and cash equivalents as of cash flows	39 501	13 097

Note 7. Trade and other receivables

	June 30, 2019	December 31, 2018
	\$	\$
Trade accounts receivable	146 781	88 454
Allowance for doubtful accounts	(61 998)	(36 008)
Total trade accounts receivable	84 782	52 446
Other receivables	-	-
Trade and other receivables	84 782	52 446

All amounts are due in the short term. The net carrying amounts represent a reasonable approximation of their fair value

Not impaired and past due by :

0 to 30 days	79 300	37 313
31 to 60 days	-	7 005
61 to 90 days	2 934	5 204
over 90 days	2 548	2 924
Total	84 782	52 446



Notes of Interim Financial Statements
for the period of six months ending June 30, 2019
(Unaudited)
(all amounts are in Canadian dollars, until indication)

Note 7. Trade and other receivables (cont'd)

Before accepting a new customer, the Company evaluates the credit quality of the potential customer and sets credit limits for that customer. Credit limits and credit quality assessments are reviewed each year. To determine the collectability of a trade receivable, the Company considers any change in credit quality from the date the credit was initially granted to the reporting date.

Trade receivables are normally recovered in 47 days (39 days in 2018).

The Company does not hold any collateral in respect of these receivables.

The following table discloses a reconciliation of changes in the allowance for doubtful accounts:

	June 30, 2019 \$	December 31, 2018 \$
Balance, beginning of period	36 008	1 438
Allowance	25 990	36 008
Write-off	-	(1 438)
Recovery	-	-
Balance as at June 30, 2019	61 998	36 008

Receivables are written off when the Company estimates it will not collect the amount provided for.

Note 8. Investments

The Company has an investment as at June 30, 2019 of \$22,496 (\$20,545 in 2018) as cash surrender value of life insurance on a member of management. The change consists in deposits totaling \$4,555 (\$9,000 in 2018) an interest income of \$60 (\$100 in 2018), fees and taxes on life insurance premiums of \$2,664 (\$5,201 in 2018).

Note 9. Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost, less any income tax credits, any accumulated depreciation and any accumulated impairment losses. Historical cost includes all costs directly attributable to the acquisition.

Depreciation of property, plant and equipment is calculated based on useful lives, beginning at operating, deducting the residual value of property and equipment by using the following methods as described below:

Assets	Methods	Rate or period
Computers hardware	Diminishing balance	30%
Furniture	Diminishing balance	20%
Leasehold Improvements	Straight-line	Duration of rent

9.1 Net Value	June 30, 2019 \$	December 31, 2018 \$
Cost	136 184	136 184
Accumulated depreciation and loss value	(95 885)	90 867
Net value	40 299	45 317

9.2 Reconciliation table	June 30, 2019 \$	December 31, 2018 \$
Cost Computers hardware	\$	\$
Balance, beginning of period	33 352	66 703
Additions	-	-
Write-off	-	(33 351)
Balance, end of period	33 352	33 352
Accumulated depreciation and loss value Computers hardware		
Balance, beginning of period	31 295	60 826
Depreciation	309	1 763
Write-off	-	(31 294)
Balance, end of period	31 604	31 295

Note 9. Property, Plant and Equipment

9.2 Reconciliation table	June 30, 2019	December 31, 2018
Cost Furniture	\$	\$
Balance, beginning of period	98 286	196 571
Additions	-	-
Write-off	-	(98 285)
Balance, end of period	98 286	98 286
Accumulated depreciation and loss value Furniture		
Balance, beginning of period	55 985	90 819
Depreciation	4 230	21 150
Write-off	-	(55 984)
Balance, end of period	60 215	55 985
	June 30, 2019	December 31, 2018
Cost Leasehold improvements	\$	\$
Balance, beginning of period	4 546	67 270
Additions	-	-
Write-off	-	(62 724)
Balance, end of period	4 546	4 546
Accumulated depreciation and loss value Leasehold improvements		
Balance, beginning of period	3 587	37 945
Depreciation	480	14 663
Write-off	-	(49 021)
Balance, end of period	4 067	3 587

Note 10. Finance Leases Equipment

All payments required by the obligations under finance leases have been made, the Company own these computers hardware.

Depreciation of finance leases equipment is calculated based on useful lives, beginning at operating, deducting the residual value of property and equipment by using the following method as described below:

Assets	Methods	Rate or period
Finance Leases equipment	Diminishing balance	30%

Note 10. Finance Leases Equipment (cont'd)

10.1 Net Value	June 30, 2019 \$	December 31, 2018 \$
Cost	133 290	133 290
Accumulated depreciation and loss value	(107 953)	103 482
Net value	25 337	29 808

10.2 Reconciliation table	June 30, 2019 \$	December 31, 2018 \$
Cost Finance Leases Equipment		
Balance, beginning of period	133 290	202 027
Write-off	-	(68 737)
Balance, end of period	133 290	133 290
Accumulated depreciation and loss value Finance Leases Equipment		
Balance, beginning of period	103 482	144 309
Depreciation	4 471	17 315
Write-off	-	(58 142)
Balance, end of period	107 953	103 482

Note 11. Other Intangible Assets

All Other intangible assets are stated at historical cost, less any income tax credits, any accumulated depreciation and any accumulated impairment losses. Historical cost includes all costs directly attributable to the acquisition.

Depreciation of other intangible assets is calculated based on useful lives, beginning at operating, deducting the residual value of other intangible assets by using the following methods as described below:

Assets	Methods	Rate or period
Patents	Straight-line	20 years
Softwares	Straight-line	3 years
Domain name	none	unlimited

Note 11. Other Intangible Assets (cont'd)

11.1 Net Value	June 30, 2019	December 31, 2018
	\$	\$
Cost	1 237 953	1 209 797
Accumulated depreciation and loss value	(1 096 991)	(1 049 010)
Net value	140 962	160 787

11.2 Reconciliation table	June 30, 2019	December 31, 2018
	\$	\$
Cost Patents		
Balance, beginning of period	42 004	41 668
Additions	6 499	336
Balance, end of period	48 503	42 004

Accumulated depreciation and loss value Patents

Balance, beginning of period	5 548	3 465
Depreciation	1 113	2 083
Balance, end of period	6 661	5 548

	June 30, 2019	December 31, 2018
	\$	\$
Cost Softwares		
Balance, beginning of period	1 163 865	1 107 162
Additions	21 657	56 703
Balance, end of period	1 185 522	1 163 865

Accumulated depreciation and loss value Softwares

Balance, beginning of period	1 043 462	889 958
Depreciation	46 870	153 504
Balance, end of period	1 090 332	1 043 462

Note 11. Other Intangible Assets (cont'd)

Cost Domain name	June 30, 2019 \$	December 31, 2018 \$
Balance, beginning of period	3 928	3 928
Additions	-	-
Balance, end of period	3 928	3 928

Note 12. Goodwill

Goodwill with indefinite useful life, is initially measured as the excess of the consideration transferred over the net of the amounts, at the acquisition date, the identifiable assets acquired and liabilities assumed.

Goodwill is not amortized but is subject to a systematic annual impairment test during the fourth quarter or whenever there is an indication of impairment. Rising interest rates, lower turnover and operating income include loss ratios that management monitors.

Note 13. Bank overdraft

The Company has no credit loan or bank loan as at June 30, 2019 and December 31, 2018.

Note 14. Trade and other payables

	June 30, 2019 \$	December 31, 2018 \$
Trade and accrued payable	145 020	663 494
Sales tax	49 813	49 339
Interest payable on convertible debentures	-	5 667
Interest payable on long-term debt	-	10 926
Trade and other payables	194 833	729 426

Include an amount payable to a director of \$50,467 as June 30, 2019. This amount is secured by a mortgage of \$500,000. That mortgage has been cancelled in August 2019.

Note 15. Short-term debt

The Company has a short-term debt due to private companies and individuals, without interest as at June 30, 2019 of \$414,920 (\$37,500 as at December 31, 2018). The debt includes a cash advance of \$392,000 from the net proceeds of the \$750,000 special warrants financing.

Note 16. Long-term debt

	June 30, 2019 \$	December 31, 2018 \$
Loan from Canada Economic Development, at the Bank of Canada rate plus 3%, payable on December 31, 2010.	-	13 395
Current portion	-	13 395
Long-term debt	-	-

As of December 31, 2018, the Company was in default with respect to the payment schedule. That loan has been settled with the proposal as of March 29, 2019.

Note 17. Equity**17.1 Share Capital**

Authorized:

The Company's authorized capital stock consists of an unlimited number of voting and participating common shares, without par value.

	June 30, 2019 \$	December 31, 2018 \$
Issued		
Opening balance	6 467 687	6 219 987
Private placement (a)	-	243 327
Warrants exercised (b)	46 230	4 373
Ending balance	6 513 917	6 467 687

Note 17. Equity (cont'd)**17.1 Share Capital**

Authorized:

The Company's authorized capital stock consists of an unlimited number of voting and participating common shares, without par value.

	June 30, 2019	December 31, 2018
	Number	Number
Issued		
Opening balance	85 209 577	79 762 243
Private placement (a)	-	5 387 334
Warrants exercised (b)	800 000	60 000
Ending balance	86 009 577	85 209 577

(a) Private placement

On March 15, 2018, in connection with a private placement, the Company issued 5,387,334 common shares at a price of \$0.075 per share for a total amount of \$404,050, together with 5,387,334 warrants. The amount of the offering is net of warrants value of \$157,463. A share issue expense totaling \$3,260 was recorded as a reduction of the value of the private placement.

(b) Warrants exercised

On January 24, 2018 the Company issued 60,000 common shares at a price of \$0.06 per share to a holder of warrants who exercised its right to convert into shares for \$3,600. The subscription amount was increased by the fair value that was attributed to this equity component of the warrants of \$773.

On June 6, 2019 the Company issued 800,000 common shares at a price of \$0.05 per share to a holder of warrants who exercised its right to convert into shares for \$40,000. The subscription amount was increased by the fair value that was attributed to this equity component of the warrants of \$6,230.

Note 17. Equity (cont'd)

17.2 Warrants issued to shareholders

Changes in the outstanding warrants issued to shareholders are detailed as follows :

	Number	Weighted average exercise price
Outstanding as at January 1, 2018	10 000 000	0.06 \$
Issued (a)	5 387 334	0.115 \$
Exercised (b)	(60 000)	0.06 \$
Expired warrants of shareholders (c)	(9 940 000)	0.06 \$
Extension of warrants (d)	9 940 000	0.05 \$
Outstanding as at December 31, 2018	15 327 334	0.073 \$
Issued (a)	-	0.00 \$
Issued Special warrants (a)	30 000 000	0.025 \$
Exercised (b)	(800 000)	0.05 \$
Expired warrants of shareholders (c)	-	0.00 \$
Outstanding as at June 30, 2019	44 527 334	0.042 \$

(a) Warrants issued

On March 15, 2018, 5,387,334 warrants were issued pursuant to a private placement. They are recorded as a reduction of the share capital in the amount of \$157,463. A warrant issue expense totaling \$3,260 was recorded as a reduction of the value of the private placement. Each warrant allows to subscribe to one common share at an exercise price of \$0.09 the first year and at \$0.12 for the second year.

On March 29, 2019, the Company has completed a non-brokered private placement of 30,000,000 special warrants at a purchase price of \$0.025 per special warrant for gross proceeds of \$750,000. Each special warrant will be converted into one unit on a preconsolidation basis, subject to the completion of a share consolidation of the Company on the basis of one new common share for two previous common shares. Should the consolidation not be completed, the special warrants will be converted in units on the basis of a price of \$0.05 per unit. Each unit includes one common share and one underlying warrant. The 30,000,000 special warrants will be converted into 15,000,000 units.

Note 17. Equity (cont'd)

17.2 Warrants issued to shareholders (cont'd)

(b) Warrants exercised

On January 24, 2018, 60,000 warrants were exercised and converted to 60,000 Common shares at the price of \$0.06 per share. The fair value of \$773 allocated to these warrants has been recorded as an addition of the share value.

On June 6, 2019, 800,000 warrants were exercised and converted to 800,000 Common shares at the price of \$0.05 per share. The fair value of \$6,230 allocated to these warrants has been recorded as an addition of the share value.

(c) Expired warrants of shareholders

On August 26, 2018, 9,940,000 warrants expired without being exercised. The fair value of \$128,045 allocated to these warrants has been reclassified to contributed surplus.

(d) Extension of warrants

On August 26, 2018, the 9,940,000 warrants were extended for an additional year at exercise price of \$0.05. The fair value allocated of \$79,520 has been classified to contributed surplus.

The fair value of the warrants granted was estimated using the Black-Scholes pricing model using the following assumptions :

	2019	2018
Expected life of the warrants	1 year	1-2 years
Expected volatility	131% to 146%	131% to 146%
Risk-free interest rate	2.14%	2.10%
Expected dividends	0.0%	0.0%

Note 17. Equity (cont'd)

17.2 Warrants issued to shareholders (cont'd)

The expected volatility was determined by calculating the historical volatility of the Company's common share price back from the date of the grant and for a period corresponding to the expected life of the warrants. When computing historical volatility, management may disregard an identifiable period of time in which it considers that the share price was extraordinary volatile because of a specific event that is not expected to recur during the expected life of warrants. In addition, if the share price of the Company was extremely volatile for a period of identifiable time, for example as a result of a general market decline, management may put less emphasis on volatility during this period.

Summary table of outstanding and exercisable warrants as at June 30, 2019

	Expiring date	Number of warrants	Average remaining term (year)	Weighted average exercise price
	August 2019	9 140 000	0.16	0.050 \$
	March 2020	5 387 334	0.71	0.120 \$
Special warrants	March 2020	30 000 000	0.75	0.025 \$
		44 527 334		0.042 \$

Summary table of outstanding and exercisable warrants as at December 31, 2018

	Expiring date	Number of warrants	Average remaining term (year)	Weighted average exercise price
	August 2019	9 940 000	0.65	0.050 \$
	March 2020	5 387 334	1.12	0.115 \$
		15 327 334		0.073 \$

Note 17. Equity (cont'd)

17.3 Incentive stock option plan

The shareholders of the Company have a adopted stock plan under which members of the Board of Directors may award stock options for common shares to directors, officers, employees and consultants. The conditions and the exercise price of each option are determined by the Board of Directors.

The maximum number of shares issuable under the plan is 2,600,000.

The total number of common shares reserved for stock option plan to directors, officers and employees shall not represent, over a 12 months period, more than 5% of the Company's common shares issued and outstanding, that number being calculated on the grant date.

The total number of common shares reserved for stock option plans to consultants and investor relation service providers shall not represent, over a 12 months period, more than 2% of the Company's common shares issued and outstanding, that number being calculated on the grant date.

The purchase price of the common shares upon the exercise of each option granted under the stock option plan will be the price determined by the Board of Directors or the Compensation Committee at the time of each option granted, but that price may not be less than the Expected price which means the market price at the time of each option granted less a discount according to the accepted rules by TSV Venture Exchange, subject to a minimum price of \$0.10. The market price at the time of each option granted means the TSX Venture Exchange market closing price on the day before they are granted. If there is no trading on the day before, the closing price is replaced by the average or the bid-and-offered.

The stock options are exercisable at any time and expire 90 days after the departure date of the holder for directors and officers, and 30 days for consultants.

Change in the stock options are detailed as follows:

	Number of options	Weighted average exercise price
Outstanding as at January 1st, 2018	1 575 000	0.103 \$
Expired	(650 000)	0.101 \$
Cancelled	(300 000)	0.105 \$
Outstanding as at December 31, 2018	625 000	0.105 \$
Expired	(625 000)	0.105 \$
Cancelled	-	-
Outstanding as at June 30, 2019	-	-

Note 18. Related Party Transactions

During the periods ended June 30, 2018 and December 31, 2018, the Company made transactions with some officers and directors and companies controlled by officers or directors of Intema Solutions Inc.

Company's key management personnel are members of the Board of directors, the President and Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer. Key management personnel remuneration includes the following expenses:

	Three months Ended June 30		Six months Ended June 30	
	2019	2018	2019	2018
Salaries and Benefits	85 811	50 875	136 467	101 750
Professional fees	7 500	-	7 500	-
	93 311	50 875	143 967	101 750

The remuneration payable to a director totalled \$125,490 at June 30, 2019 and is secured by a mortgage of \$500,000. That mortgage has been cancelled in August 2019.

Note 19. Economic Dependence

During the period of six months ended June 30, 2019 the Company realized sales to one major customer for an amount totaling \$182,863 (\$148,523 as of June 30, 2018).

Note 19. Segment reporting

The Company has reviewed its activities and determined that it leads them in a single reportable operating segment. This single reportable operating segment derives its revenues from the deployment of e-mailing campaign to large companies and web services. Almost all activities are carried out in Canada. The assets of the Company are located in Canada.

Note 20. Events after the reporting period

On July 12, 2019, the shareholders approved the Company's plan to consolidate its common shares on a two-for-one basis, which is expected to occur in the current quarter. Holders of pre-consolidation common shares will not be entitled to receive certificates for fractional post-consolidation common shares, and will not be entitled to exercise any of the rights of shareholders in respect of any fractional post-consolidation common shares other than the right to receive a cash payment in respect of each such fractional post-consolidation common share, without interest, equivalent to \$0.08 for each pre-consolidation common share.

In August 2019, an amount payable to a director of \$161,723 as unpaid salary and expenses account has been converted into a loan payable by monthly payment of \$5,000 without interest.