
IMEX SYSTEMS INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2017
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim financial statements of Imex Systems Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Imex Systems Inc.

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at March 31, 2017	As at December 31, 2016
ASSETS		
Current assets		
Cash	\$ 19,155	\$ 5,381
Funds held in trust (note 3)	23,579	53,520
Accounts receivable (note 4)	5,409,869	5,529,155
Prepaid expenses	61,870	41,067
Investment tax credits receivable (note 5)	49,000	49,000
Income taxes recoverable	350,254	350,254
Harmonized sales taxes receivable	153,302	93,056
Total current assets	6,067,029	6,121,433
Non-current assets		
Property, plant and equipment (note 6)	167,819	180,984
Total assets	\$ 6,234,848	\$ 6,302,417
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness (note 7)	\$ 448,729	\$ 421,934
Accounts payable and accrued liabilities (note 8)	2,304,244	1,774,999
Short-term loan (note 10)	427,642	421,204
Current portion of long-term debt (note 9)	72,547	68,393
Total current liabilities	3,253,162	2,686,530
Non-current liabilities		
Long-term debt (note 9)	111,313	121,052
Total liabilities	3,364,475	2,807,582
Shareholders' Equity		
Capital stock (note 11)	6,489,127	6,489,127
Contributed surplus	5,232,417	4,221,997
Warrants (note 13)	498,358	498,358
Deficit	(9,349,529)	(7,714,647)
Total shareholders' equity	2,870,373	3,494,835
Total shareholders' equity and liabilities	\$ 6,234,848	\$ 6,302,417

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

Approved on behalf of the Board:

"Damodar Arapakota", Director

"Krishnasamy Parthiban", Director

Imex Systems Inc.

Condensed Interim Statements of Income (loss) and Comprehensive Income (loss)

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Fee revenue	\$ 493,322	\$ 2,086,816
Cost of sales		
Consulting contractors	426,203	689,637
License fees	-	31
Gross margin	67,119	1,397,148
Operating expenses		
General and administrative (note 20)	207,751	266,006
Remuneration (note 20)	430,891	339,802
Selling (note 20)	30,284	13,777
Occupancy (note 20)	26,101	28,767
Income (loss) before undernoted items	(627,908)	748,796
Other expenses (income)		
Loss (gain) on foreign exchange	(3,446)	238,128
Other income	-	(400)
Accretion	-	95,581
Performance Shares expense (note 15)	431,650	-
Share-based payments (note 14)	578,770	-
	1,006,974	333,309
Net income (loss)	(1,634,882)	415,487
Other comprehensive income	-	-
Total comprehensive income (loss)	\$ (1,634,882)	\$ 415,487
Basic and diluted net income (loss) per share	\$ (0.09)	\$ 0.04
Weighted average number of shares outstanding (note 16)	17,754,301	10,240,000

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

Imex Systems Inc.

Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Operating activities		
Net income (loss) for the period	\$ (1,634,882)	\$ 415,487
Adjustments for:		
Amortization of property, plant and equipment	13,165	15,920
Accretion	-	95,581
Accrued interest	6,438	-
Performance shares	431,650	-
Share-based payments	578,770	-
Changes in non-cash working capital items:		
Accounts receivable	119,286	(1,083,300)
Prepaid expenses	(20,803)	(4,000)
Harmonized sales taxes receivable	(60,246)	-
Accounts payable and accrued liabilities	529,245	90,621
Salaries payable	-	45,728
Harmonized sales taxes payable	-	(1,673)
Net cash used in operating activities	(37,377)	(425,636)
Investing activities		
Decrease in funds held in trust	29,941	149,600
Net cash provided by investing activities	29,941	149,600
Financing activities		
Increase in bank indebtedness	26,795	94,000
Subscription receipt refunded	-	(150,000)
Repayment of long-term debt	(5,585)	(9,255)
Proceeds from long-term debt	-	75,000
Proceeds from short-term loan	-	245,000
Net cash provided by financing activities	21,210	254,745
Net change in cash	13,774	(21,291)
Cash, beginning of period	5,381	92,984
Cash, end of period	\$ 19,155	\$ 71,693

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

Imex Systems Inc.**Condensed Interim Statements of Changes in Equity****(Expressed in Canadian Dollars)****Unaudited**

	Capital stock	Warrants	Equity portion of convertible debentures	Contributed surplus	Retained earnings (deficit)	Total
Balance, December 31, 2015	\$ 160,956	\$ 32,800	\$ 401,810	\$ 2,884,967	\$ (409,235)	\$ 3,071,298
Net income for the period	-	-	-	-	415,487	415,487
Balance, March 31, 2016	\$ 160,956	\$ 32,800	\$ 401,810	\$ 2,884,967	\$ 6,252	\$ 3,486,785
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Balance, December 31, 2016	\$ 6,489,127	\$ 498,358	\$ -	\$ 4,221,997	\$ (7,714,647)	\$ 3,494,835
Issuance of performance shares	-	-	-	431,650	-	431,650
Share-based payments	-	-	-	578,770	-	578,770
Net loss for the period	-	-	-	-	(1,634,882)	(1,634,882)
Balance, March 31, 2017	\$ 6,489,127	\$ 498,358	\$ -	\$ 5,232,417	\$ (9,349,529)	\$ 2,870,373

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

Imex Systems Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2017

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations

Imex Systems Inc. (the "Company" or "Imex") is incorporated under the laws of Ontario. The Company provides technology and solutions for eGovernment, Smart Cities and Digital Payments, and provides consulting services on various aspects to government agencies. The Company currently derives approximately 100% of its revenue from contracts with ministries of the provincial government, and international governments. The registered office is at 34 Greensboro Drive, Etobicoke, Ontario, Canada.

On June 14, 2016, the Company commenced trading on the TSX Venture Exchange under the symbol IMX. The symbol was subsequently changed to IMEX on November 4, 2016.

The Company will continue to pursue collection of its receivables as well as opportunities to raise additional capital through equity markets and/or debt; however, there is no assurance of the success or sufficiency of these initiatives. The Company's ability to continue as a going concern is dependent upon it securing the necessary working capital to repay its liabilities as they come due. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption were inappropriate, and these adjustments could be material.

2. Significant accounting policies

Statement of compliance

The Company applies 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"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of May 30, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2016. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2017 could result in restatement of these unaudited condensed interim financial statements.

New standards not yet adopted and interpretations issued but not yet effective

Financial Instruments

In July 2014, the IASB completed the final elements of the proposed new IFRS 9, Financial Instruments standard to be effective January 1, 2018 with early adoption permitted. The project has been divided into three phases: classification and measurement, impairment of financial assets, and hedge accounting. IFRS 9's classification and measurement methodology provides that financial assets are measured at either amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Company is assessing the possible impact of the proposed standard on the financial statements and the company is considering whether early adoption is warranted.

Imex Systems Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2017

(Expressed in Canadian Dollars)

Unaudited

2. Significant accounting policies (continued)

New standards not yet adopted and interpretations issued but not yet effective (continued)

Revenues from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers, which replaces IAS 18, Revenue and IAS 11, Construction Contracts, and the related interpretations on revenue recognition. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers (except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments). It establishes a single, comprehensive framework for revenue recognition. This new standard is effective for the Company's financial statements commencing January 1, 2018. The Company intends to adopt the standard on its effective date and is assessing the impact on its financial statements.

Leases

IFRS 16, Leases ("IFRS 16") was issued in January 2016, and supersedes IAS 17, Leases. This standard introduces a single lessee accounting model. The new standard will affect the initial present value of unavoidable future lease payments as lease assets and lease liabilities on the statement of financial position, including for most leases which are currently accounted for as operating leases. The Standard is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if the Company is also applying IFRS 15. The Company intends to adopt the standard on its effective date and is assessing the impact on its financial statements.

3. Funds held in trust

Included in funds held in trust is \$23,579 escrowed funds be spent on certain marketing initiatives as outlined in the Escrow Agreement.

4. Accounts receivable

The Company is exposed to concentration of credit risk on the trade receivables from its customers. As at March 31, 2017 approximately 94% of the accounts receivable balance is owed from one customer (December 31, 2016 – 92%). The Company is subject to credit risk if it does not sign a new agreement with this customer which could lead to a risk of non-payment. The USD \$14.56M contract has been awarded to the Company through a formal procurement process and was officially announced by the customer and formally accepted by the Company. Therefore a binding contract already exists under the procurement rules of the customer.

As at March 31, 2017 approximately \$5,115,000 (December 31, 2016 – \$5,115,000) is past due.

5. Investment tax credits receivable

The company makes claims in respect of scientific research and experimental development (SR&ED) expenditures for Federal and Ontario tax purposes. At March 31, 2017 - \$49,000 (December 31, 2016 - \$49,000) of these investment tax credits (ITC's) were receivable. The company is subject to an audit of its SR&ED claims by Canada Revenue Agency prior to approval of the ITC's. The outcome of this audit is unknown at this time.

Imex Systems Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2017

(Expressed in Canadian Dollars)

Unaudited

6. Property and equipment

Cost	Computer equipment	Furniture and fixtures	Leasehold improvements	Total
Balance, December 31, 2015	\$ 297,262	\$ 81,592	\$ 180,136	\$ 558,990
Additions	37,858	-	-	37,858
Balance, December 31, 2016	335,120	81,592	180,136	596,848
Balance, March 31, 2017	\$ 335,120	\$ 81,592	\$ 180,136	\$ 596,848

Accumulated Depreciation	Computer equipment	Furniture and fixtures	Leasehold improvements	Total
Balance, December 31, 2015	\$ 234,887	\$ 40,391	\$ 60,855	\$ 336,133
Depreciation for the year	53,477	8,240	18,014	79,731
Balance, December 31, 2016	288,364	48,631	78,869	415,864
Depreciation for the period	7,013	1,648	4,504	13,165
Balance, March 31, 2017	\$ 295,377	\$ 50,279	\$ 83,373	\$ 429,029

Carrying Value	Computer equipment	Furniture and fixtures	Leasehold improvements	Total
Balance, December 31, 2016	\$ 46,756	\$ 32,961	\$ 101,267	\$ 180,984
Balance, March 31, 2017	\$ 39,743	\$ 31,313	\$ 96,763	\$ 167,819

7. Bank indebtedness

A revolving demand facility has been authorized by the Royal Bank of Canada ("RBC") to a maximum of \$600,000 (December 31, 2016 - \$600,000) and bears interest at the bank's prime lending rate plus 3% per annum. The Company has provided a general security assignment over the assets of the company. At March 31, 2017, the Company had drawn \$262,671 (December 31, 2016 - \$265,476) from this facility.

The company also has a line of credit with Wells Fargo of up to \$89,000, bearing interest at 10.25% (December 31, 2016 - 10.25%) per annum. At March 31, 2017, the company had drawn \$82,863 (December 31, 2016 - \$85,759) from this facility.

8. Accounts payable and accrued liabilities

	As at March 31, 2017	As at December 31, 2016
Accounts payable and accruals	\$ 2,300,156	\$ 1,769,258
Payroll taxes payable	4,088	5,741
	\$ 2,304,244	\$ 1,774,999

Imex Systems Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2017

(Expressed in Canadian Dollars)

Unaudited

9. Long-term debt

\$100,000 payable, interest at 8.50%, repayable in monthly instalments of 2,222 on account of principal, plus interest, due November 2017, secured by a personal guarantee by the primary owner for the full amount of the loan.	\$ 24,112
\$50,000 payable, interest at 8.50%, repayable in monthly instalments of 853 on account of principal, plus interest, due November 2019, secured by a personal guarantee by the primary owner for the full amount of the loan.	20,998
\$75,000 payable, interest at 8.70%, repayable in monthly instalments of 1,250 on account of principal, plus interest, due April 2021, secured by a personal guarantee by the primary owner for the full amount of the loan.	65,000
\$75,000 payable, interest at 5.70%, repayable in monthly instalments of 1,250 on account of principal, plus interest, due February 2022, secured by a personal guarantee by the primary owner for the full amount of the loan.	73,750
	<hr/> 183,860
Less: current portion	72,547
	<hr/> \$ 111,313

Minimum principal repayments over the next five years are as follows:

2017	\$ 62,808
2018	40,236
2019	30,526
2020	30,000
Thereafter	20,290
	<hr/> \$ 183,860

10. Short-term loan

During the year ended December 31, 2016, a shareholder controlled by the Chief Executive Officer advanced USD \$268,000 and \$50,000 to the Company. These amounts bear interest at 10% per annum and are due on demand. Included at March 31, 2017 is accrued interest of \$10,286.

11. Capital stock

a) Authorized share capital

Unlimited Common shares

Unlimited Class B Preference shares, voting, non cumulative, redeemable and retractable at nominal value

Imex Systems Inc.**Notes to Condensed Interim Financial Statements****Three Months Ended March 31, 2017****(Expressed in Canadian Dollars)****Unaudited**

11. Capital stock (continued)

b) Issued

Common shares	Number	Amount
Balance, December 31, 2015 and March 31, 2016	10,240,000	\$ 160,956
Balance, December 31, 2016 and March 31, 2017	17,754,301	\$ 6,489,127

12. Finders' options

	Number of stock options	Weighted average exercise price
Balance, December 31, 2015 and March 31, 2016	122,150	\$ 1.00
Balance, December 31, 2016 and March 31, 2017	213,257	\$ 1.00

The following table reflects the actual finders' options issued and outstanding as of March 31, 2017:

Expiry date	Exercise price (\$)	Number of options outstanding	Number of options vested (exercisable)
November 13, 2017 ⁽¹⁾	1.00	213,257	213,257

(1) Exercisable into a unit with each Unit consisting of one common share and one-half of one warrant. Each whole warrant entitling the holder to subscribe for one common share at an exercise price of \$1.50 per share for a period of 18 months.

13. Warrants

	Number of warrants	Amount
Balance, December 31, 2015 and March 31, 2016	120,000	\$ 32,800
Balance, December 31, 2016 and March 31, 2017	1,823,264	\$ 498,358

The following table reflects the actual warrants issued and outstanding as of March 31, 2017:

Expiry date	Exercise price (\$)	Number of options outstanding	Grant date fair value
November 13, 2017	1.50	1,823,264	498,358

Imex Systems Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2017

(Expressed in Canadian Dollars)

Unaudited

14. Stock options

	Number of stock options	Weighted average exercise price
Balance, December 31, 2015, March 31, 2016 and December 31, 2016	-	\$ -
Issued (i)	1,550,000	0.75
Balance, March 31, 2017	1,550,000	\$ 0.75

(i) On January 4, 2017, the Company issued 1,550,000 stock options to management, directors and consultants of the Company. The options are exercisable into common shares at a price of \$0.75 per share until December 29, 2019 and vested immediately.

The fair value of the 1,550,000 options was estimated at \$578,770 using the Black-Scholes option pricing formula with the following assumptions: exercise price – \$0.75, expected dividend yield - 0%, expected volatility - 125%, risk-free interest rate - 0.84% and an expected average life of 3 years.

The following table reflects the actual stock options issued and outstanding as of March 31, 2017:

Expiry date	Exercise price (\$)	Remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
December 29, 2019	0.75	2.75	1,550,000	1,550,000

15. Performance Shares

On May 13, 2016, the Company issued 2,500,000 common shares (the "Performance Shares") to the Chief Executive Officer of the Company, which are subject to the release terms as follows:

- Upon an aggregate of \$9,000,000 in Booked Sales (signing a contract for a particular dollar amount whether or not the revenue is actually realized in the 18 months immediately following the Transaction) being achieved, 500,000 Performance Shares would be released from escrow;
- Upon an aggregate of \$10,000,000 in Booked Sales being achieved, an additional 500,000 Performance Shares would be released from escrow;
- Upon an aggregate of \$11,000,000 in Booked Sales being achieved, an additional 500,000 Performance Shares would be released from escrow;
- Upon an aggregate of \$12,000,000 in Booked Sales being achieved, an additional 500,000 Performance Shares would be released from escrow; and
- Upon any new large contract being signed whereby an aggregate of \$15,000,000 in Booked Sales is achieved, then an additional 500,000 Performance Shares would be released from escrow.
- The board of Imex would have the discretion to waive target and release Performance Shares from escrow if Imex is close to meeting target Booked Sales.

The Company has treated the Performance Shares as an equity-settled award to an employee which is valued at the date of the grant and expensed over the expected time to completion. The Performance Shares were value at \$2,158,250 based on the value of the common shares to be issued, using the following assumptions: (i) all release terms would be met and all Performance Shares would be released and (ii) the conditions would be met over a fifteen month time period.

During the three months ended March 31, 2017, the Company recorded a Performance Shares expense of \$431,650.

Imex Systems Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2017

(Expressed in Canadian Dollars)

Unaudited

16. Weighted average number of shares outstanding

For the three months ended March 31, 2017, basic and diluted income (loss) per share has been calculated based on the income (loss) attributable to common shareholders of \$(1,634,882) (three months ended March 31, 2016 - \$415,487) and the weighted average number of common shares outstanding of 17,754,301 (three months ended March 31, 2016 - 10,240,000). Diluted loss per share did not include the effect of stock options, finders' options and warrants as they are anti-dilutive.

17. Related party transactions

Related parties include the Board of Directors, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at fair value.

(a) The Company entered into the following transactions with related parties:

During the three months ended March 31, 2017, the company incurred \$7,500 (three months ended March 31, 2016 - \$6,750) for professional fees to a company where the Chief Financial Officer is a senior employee. As at March 31, 2017, \$23,040 (December 31, 2016 - \$14,386) was payable.

During the three months ended March 31, 2017, the company incurred \$24,000 (three months ended March 31, 2016 - \$45,000) for consulting from a former officer of the Company. As at March 31, 2017, \$200,050 (December 31, 2016 - \$172,690) was payable.

See note 10.

(b) Remuneration of directors and key management personnel (including the Chief Executive Officer, Chief Financial Officer and directors), other than consulting fees, of the Company was as follows:

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Salaries	\$ 45,000	\$ 30,000
Share-based payments	466,750	-
	<u>\$ 511,750</u>	<u>\$ 30,000</u>

As at March 31, 2017, \$108,873 (December 31, 2016 - \$63,873) was payable.

Imex Systems Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2017

(Expressed in Canadian Dollars)

Unaudited

18. Segmented information

The Company has determined it has one reportable segment based on how management views and operates the business.

Geographic information

Three months ended March 31, 2017

	Canada	Africa/Asia	Total
Fee revenue	\$ 493,322	\$ -	\$ 493,322
Cost of sales	422,123	4,080	426,203
Gross margin	71,199	(4,080)	67,119
Operating expenses	654,006	41,021	695,027
Loss before undernoted items	(582,807)	(45,101)	(627,908)
Other expenses	1,007,824	(850)	1,006,974
Loss before income taxes	(1,590,631)	(44,251)	(1,634,882)
Net loss	\$ (1,590,631)	\$ (44,251)	\$ (1,634,882)

Three months ended March 31, 2016

	Canada	Africa/Asia	Total
Fee revenue	\$ 736,816	\$ 1,350,000	\$ 2,086,816
Cost of sales	641,500	48,168	689,668
Gross margin	95,316	1,301,832	1,397,148
Operating expenses	607,101	41,251	648,352
Income (loss) before undernoted items	(511,785)	1,260,581	748,796
Other expenses (income)	(71,009)	404,318	333,309
Income (loss) before income taxes	(440,776)	856,263	415,487
Net income (loss)	\$ (440,776)	\$ 856,263	\$ 415,487

All of the Company's assets are held in Canada.

Major customers

In the three months ended March 31, 2017, four customers accounted for 35.5%, 21.3%, 19.9% and 10.1% respectively of the Company's revenues (three months ended March 31, 2016 three customers accounted for 43.1%, 21.6% and 18.6% respectively).

19. Commitments and contingencies

(i) In the fiscal year ended December 31, 2013, the company entered into a lease agreement committing to a new office space in Toronto for 10 years. The company has the following future minimum lease payments for the premises over the next five years:

2017	\$ 54,000
2018	84,000
2019	84,000
2020	84,000
Subsequent years	168,000
	\$ 474,000

Imex Systems Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2017

(Expressed in Canadian Dollars)

Unaudited

19. Commitments and contingencies (continued)

(ii) During the year ended December 31, 2016, as a result of breaches of contract and continued delays in payment of amounts due, the Company sent a demand letter to a contractor requesting payment of all amounts due, including various costs incurred by the Company. The Company received a response from the contractor disagreeing with its position and demanding payment for losses incurred under the previous contract and claiming breaches of contract on the Company's part. As of the date of these financial statements, no claim or resolution of the difference has occurred.

As a result of the uncertainty regarding the final collection of amounts owing, the Company has recorded a bad debt expense of \$3,236,188 in the year ended December 31, 2016.

(iii) During the year ended December 31, 2016, the Company filed a claim against a former subcontractor for breach of contract requesting damages of approximately USD \$372,000 related to funds advanced to the subcontractor. As of the date of these financial statements, no amounts have been setup as receivable due to the uncertainty of collection.

20. Schedules to financial statements

General and Administrative

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
General office	\$ 47,677	\$ 75,165
Professional fees	84,222	126,867
Telephone and communication	16,992	16,660
Insurance	17,925	14,121
Amortization of property, plant and equipment	13,165	15,920
Equipment and vehicle leasing	10	8,905
Bank charges	9,139	4,719
Interest on long-term debt	18,621	3,649
	\$ 207,751	\$ 266,006

Remuneration

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Salaries and wages	\$ 427,159	\$ 316,656
Employee benefits	2,822	23,146
Recruitment	910	-
	\$ 430,891	\$ 339,802

Imex Systems Inc.**Notes to Condensed Interim Financial Statements****Three Months Ended March 31, 2017****(Expressed in Canadian Dollars)****Unaudited**

20. Schedules to financial statements (continued)**Selling**

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Travel and accommodation (recovery)	\$ 2,883	\$ 9,459
Marketing	27,401	4,318
	\$ 30,284	\$ 13,777

Occupancy

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Repairs and maintenance	\$ 2,170	\$ 2,215
Rent and occupancy (recovery)	23,931	26,552
	\$ 26,101	\$ 28,767
