

**FINTECH SELECT LTD.
CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS**

Unaudited

September 30, 2017

FINTECH SELECT LTD.

September 30, 2017

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**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

The accompanying condensed unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Fintech Select Ltd.

Condensed Consolidated Interim Statement of Financial Position (Unaudited)

(Presented in Canadian Dollars)

As at September 30, 2017

	Note	September 30 2017	December 31 2016
ASSETS			
			(audited)
CURRENT			
Cash	3	\$ 852,295	\$ 2,601,224
Accounts receivable		263,646	557,662
Inventory		108,353	102,119
Prepaid and other assets		287,777	83,443
		1,512,071	3,344,448
LONG TERM			
Property and equipment	4	215,518	254,935
Intangibles	5	231,517	290,737
		447,035	545,672
		\$ 1,959,106	\$ 3,890,120
LIABILITIES & SHAREHOLDER'S EQUITY			
CURRENT			
Accounts payable and accrued liabilities		\$ 7,207,401	\$ 11,183,985
Deferred revenue		121,382	115,082
Demand loan	6	213,932	2,467,947
Customer deposits		39,200	39,200
		7,581,915	13,806,214
SHAREHOLDER'S EQUITY			
Share capital	7	17,051,144	12,858,501
Contributed and other surplus		6,338,801	6,338,801
Warrant and Option Capital	8, 9	312,513	192,860
Proceeds received for units to be issued		54,286	54,286
Other comprehensive loss		(215,920)	(258,679)
Deficit		(29,163,633)	(29,101,863)
		(5,622,809)	(9,916,094)
		\$ 1,959,106	\$ 3,890,120

Approved by the Board

Martin C Bernholtz
Director (Signed)

Mohammad Abuleil
Director (Signed)

See accompanying notes

Fintech Select Ltd.

Condensed Consolidated Interim Statement of Comprehensive Loss (Unaudited)

(Presented in Canadian Dollars)

For 3 and 9 months ended September 30, 2017

	Three months ended September 30		Nine months ended September 30,	
	2017	2016	2017	2016
REVENUE	\$ 898,729	\$ 1,535,160	\$ 2,927,497	\$ 4,300,553
EXPENSES				
Goods and services purchased	374,801	582,755	1,139,198	1,619,471
Salaries and benefits	392,718	409,202	1,376,698	1,290,215
General and administrative	254,104	345,110	912,363	1,247,169
Stock based compensation	--	--	94,980	--
Foreign exchange loss (gain)	(17,877)	6,917	(31,224)	16,156
Amortization	31,244	41,194	100,928	158,731
Loss on disposal of equipment	--	--	5,896	--
	1,034,990	1,385,178	3,598,839	4,331,742
Operating loss before the following	(136,261)	149,982	(671,342)	(31,189)
Interest on demand loan	(550)	(179,453)	(186,423)	(612,451)
Gain on forgiveness of interest	--	--	770,047	--
Gain on settlement of debts	25,948	--	25,948	--
Net loss	(110,863)	(29,471)	(61,770)	(643,640)
Other comprehensive income from translation of foreign entity	22,441	(8,818)	42,759	34,080
Comprehensive loss	\$ (88,422)	\$ (38,289)	\$ (19,011)	\$ (609,560)
Loss per share				
Basic and diluted	\$ (0.0019)	\$ (0.001)	\$ (0.0013)	\$ (0.0214)
Weighted average number of shares outstanding				
Basic and diluted	59,734,446	30,037,852	45,855,178	30,037,852

See accompanying notes

Nature of Operations and Going concern (see Note 1)

Fintech Select Ltd.

Condensed Consolidated Interim Statements of Cash Flows

(Presented in Canadian Dollars)

For 3 and 9 months ended September 30, 2017

	Three months ended September 30		Nine months ended September 30,	
	2017	2016	2017	2016
Cash provided by (used in)				
Operations				
Net loss	\$ (110,863)	\$ (29,471)	\$ (61,770)	\$ (643,640)
Items not affecting cash				
Amortization and impairment	31,244	41,194	100,928	158,731
Interest on demand loan	550	179,529	186,423	612,527
Gain on forgiveness of loan interest	--	--	(770,047)	--
Loss on disposal of equipment	--	--	5,896	--
Stock based compensation	--	--	94,980	--
Unrealized foreign exchange loss	20,458	(2,619)	37,143	37,183
	(58,611)	188,633	(406,447)	164,801
Net change in non-cash working capital				
Accounts receivable	211,911	1,032,291	294,016	704,206
Inventory	19,995	6,084	(6,234)	45,944
Prepaid and other assets	(247,778)	14,688	(204,334)	76,795
Accounts payable and accrued liabilities	(553,952)	(7,676,220)	(3,856,586)	3,974,886
Deferred revenue	(18,900)	(18,900)	6,300	(56,700)
Customer deposits	--	--	--	(249)
	(647,335)	(6,453,424)	(4,173,285)	4,909,683
Investing				
Additions of intangibles and equipment	--	--	(8,186)	(54,583)
	--	--	(8,186)	(54,583)
Financing				
Repayment of demand loan	--	(1,533,041)	(1,670,390)	(1,546,041)
Exercise of warrants and stock options	480,000	--	804,400	--
Issuance of new shares	--	--	3,292,916	--
	480,000	(1,533,041)	2,426,926	(1,546,041)
Effect of exchange rate changes	1,984	(6,200)	5,616	(3,695)
Increase (decrease) in cash	(165,351)	(7,992,665)	(1,748,929)	3,305,364
Cash, beginning of the period	1,017,646	12,573,045	2,601,224	1,275,016
Cash, end of the period	\$ 852,295	\$ 4,580,380	\$ 852,295	\$ 4,580,380

Nature of Operations and Going concern (see Note 1)

See accompanying notes

Fintech Select Ltd.

Condensed Consolidated Interim Statement of Changes in Deficit

(Presented in Canadian Dollars)

For the 9 months ended September 30, 2017

	Share Capital		Contributed Surplus	Warrant and Option Capital	Proceeds Received for Units to Be Issued	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
	Number	Amount						
Balance, December 31, 2016	30,037,852	\$12,858,501	\$ 6,338,801	\$ 192,860	\$ 54,286	\$ (258,679)	\$(29,101,863)	\$(9,916,09
Issuance of capital (net of issuance cost)	19,173,330	3,072,861	--	220,055	--	--	--	3,292,9
Exercise of warrants	11,300,000	1,096,862	--	(192,862)	--	--	--	904,00
Grant of stock options	--	--	--	94,980	--	--	--	94,98
Exercise of options	120,000	22,920	--	(2,520)	--	--	--	20,40
Other comprehensive income from translation of foreign entity	--	--	--	--	--	42,759	--	42,75
Net loss	--	--	--	--	--	--	(61,770)	(61,77
As at September 30, 2017	60,631,182	\$17,051,144	\$ 6,338,801	\$ 312,513	\$ 54,286	\$ (215,920)	\$(29,163,633)	\$(5,622,80
For nine months ended June 30, 2016								
Balance, December 31, 2015			30,037,852	\$12,858,501	\$ 6,338,801	\$ 192,860	\$ 54,286	\$ (279,5
Other comprehensive income from translation of foreign entity	--	--	--	--	--	34,080	--	34,08
Net income	--	--	--	--	--	--	(643,640)	(643,64
As at September 30, 2016	30,037,852	\$12,858,501	\$ 6,338,801	\$ 192,860	\$ 54,286	\$(244,973)	\$(31,590,368)	\$(12,390,89

Fintech Select Ltd.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2017

(Presented in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Fintech Select Ltd. (formerly SelectCore Ltd.) (the "Company") is a leading provider of prepaid payment services and point-of-sale transaction processing disruptive solutions for the prepaid financial services and mobile markets. The address of the registered office of Company is 14 William St N, Chatham, ON, N7M 4L1. The Company's shares are listed on the TSX Venture Exchange under symbol FTEC (formerly SCG). On August 10, 2017, the Company changed its name to Fintech Select Ltd.

These consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue its operations in the foreseeable future and that it will be able to realize its assets and discharge its liabilities in the normal course of operations. The facts and circumstances noted below cast significant doubt on the company's ability to continue as going concern.

During the third quarter of 2017, the company incurred a loss of \$110,863 (third quarter of 2016 - Net loss of \$29,471). The company had a negative cash flow from operations of \$647,335 (third quarter of 2016 - negative \$6,453,424). The Company has a working capital deficiency of \$6,069,844 (December 31, 2016 deficit \$10,461,766). The working capital deficiency limits the Company's ability to fund capital expenditures and operations.

As of the quarter end, the Company had collateral account shortfalls which was contrary to the terms of special agreements with the financial institutions whereby the Company agreed that it shall maintain in designated special collateral accounts in designated banks amount equivalent to the unspent card balances. As at September 30, 2017 the Company had collateral account shortfalls of \$3.80 million liable to the cardholders and all financial institutions. These collateral shortfalls are already included in the working capital deficiency number noted above. The Company continues to work towards an agreeable resolution with the financial institutions and simultaneously has been working to address the collateral shortfall.

The continuation of the Company as a going concern is dependent on raising sufficient working capital to maintain operations, reducing operating expenses, and increasing revenues and profits. The Company is pursuing financing alternatives to fund its operations and debt, and continue its activities as a going concern. There is no assurance that it will be able to do so in the near future. Without enough financing the Company may be forced to cease operations. In April and June 2017, the Company raised \$2,000,000 and \$1,460,000 through private placement of equity (note 7).

These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the going concern assumption not be appropriate. These adjustments could be material.

The consolidated financial statements were authorized for issuance by the Board of Directors on November 28, 2017.

Fintech Select Ltd.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2017

(Presented in Canadian Dollars)

2. BASIS OF PRESENTATION

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (IAS 34) using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended December 31, 2016.

Basis of presentation

These consolidated financial statements are prepared on the historical cost basis which are measured at the fair value, with changes being recognized in other comprehensive income and financial assets classified as "fair value through profit and loss", which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for the cash flow information. Comparative figures for 2016 have been reclassified to conform to the current period's presentation.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, 1382285 Ontario Limited ("SelectComm"), 2143436 Ontario Limited ("SelectCore Comm"), Local Fone Service, Inc. ("LFS"), SelectCore USA, LLC ("SelectCore US") and 2314606 Ontario Limited ("SelectCore Financial Services").

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities generally accompanying a shareholding of more than one half of the voting rights in its subsidiaries. Subsidiaries are fully consolidated from the date on which control is transferred to the Company.

Inter-Company transactions, balances and unrealized gains or losses between subsidiaries are eliminated in preparing the consolidated financial statements. The financial statements of the subsidiaries are prepared for the same reporting period as the reporting company using consistent accounting policies.

Functional and presentational currency

The Company's presentation currency is Canadian dollar. The functional currency for Fintech Select Ltd, SelectComm, SelectCore Comm, and LFS is the Canadian dollar as this is the principal currency of the economic environment in which subsidiaries operate. The functional currency for SelectCore USA LLC is US dollar, as this is the principal currency of the economic environment in which subsidiaries operate.

3. CASH

Cash includes restricted cash balances of \$30,848(December 31, 2016 - \$2,564,200) in designated special collateral accounts in designated banks representing the amounts equivalent to the unspent cards balances under the terms of the special agreements with credit union/financial institution as further explained in Note 1. Withdrawals from the accounts can only be made with the approval of the credit union/financial institution.

Fintech Select Ltd.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2017

(Presented in Canadian Dollars)

4. PROPERTY AND EQUIPMENT

Activity during the period ended September 30, 2017 is as follows:

Cost	Terminals	Electronic Equipment	Office Furniture & Fixtures	Totals
Balance January 1, 2017	954,264	793,472	185,678	1,933,414
Additions	-	1,957	6,229	8,186
Disposal	-	(137,565)	(30,428)	(167,993)
Balance Sep 30, 2017	954,264	657,864	161,479	1,773,607
Accumulated Depreciation				
Balance January 1, 2017	872,525	644,467	161,486	1,678,478
Depreciation for the period	16,655	20,786	4,265	-
Disposal	-	(133,658)	(28,437)	(162,095)
Balance Sep 30, 2017	889,180	531,595	137,314	1,558,089
Net Book Value	65,084	126,269	24,165	215,518

Activity during the period ended September 30, 2016 is as follows:

Cost	Terminals	Electronic Equipment	Office Furniture & Fixtures	Leasehold Improvements	Totals
Balance January 1, 2016	954,264	792,945	185,678	57,197	1,990,084
Additions/Reclass	-	527	-	-	527
Effect of translation	-	-	-	-	-
Balance Sept 30, 2016	954,264	793,472	185,678	57,197	1,990,611
Accumulated Depreciation					
Balance January 1, 2016	843,506	611,217	155,788	57,197	1,667,708
Depreciation for the period	22,568	25,545	4,380	-	52,493
Effect of translation	-	-	-	-	-
Balance Sept 30, 2016	866,074	636,762	160,168	57,197	1,720,201
Net Book Value Sept 30, 2016	88,190	156,710	25,510	-	270,410

Fintech Select Ltd.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2017

(Presented in Canadian Dollars)

5. INTANGIBLES

Cost	Computer Software	
	30-Sep-17	31-Dec-16
Balance January 1,	\$ 1,302,795	\$ 1,248,739
Additions	-	54,056
Disposal	(3,678)	-
Balance end of period	\$ 1,299,117	\$ 1,302,795
Accumulated Depreciation		
Balance January 1,	\$ 1,012,058	\$ 883,477
Amortization for the period	55,542	128,581
Balance end of period	\$ 1,067,600	\$ 1,012,058
Net Book Value end of period	\$ 231,517	\$ 290,737

6. DEMAND LOAN

	September 30, 2017	December 31, 2016
Debt financing facility	\$ 2,525,000	\$ 2,525,000
Repayment	(3,797,118)	(2,126,728)
Addition	564,446	564,446
Interest	1,691,651	1,505,229
Interest waived	(770,047)	--
	\$ 213,932	\$ 2,467,947

On January 31, 2013, the Company obtained a secured loan facility in the amount of \$2,525,000. Proceeds were used to repay a previous term loan of \$2,814,628.

This loan bears an interest rate of 24% per annum, plus management and maintenance fees in the amount of 0.25% per month of the outstanding principal obligations. The maturity date of this loan is January 31, 2018. It was secured by a promissory note and a general security agreement, covering all of the assets of the Company. The Company incurred \$101,000 in transaction costs of which \$25,000 was paid to certain officers and directors of the company. The Company has the option to repay any or all of the outstanding principal at any time.

The Company issued to the lender 2,525,000 warrants each exercisable into one common share of the company at \$0.15 per share for a period matching the maturity of the loan. These warrants were valued at \$101,000 using the following assumptions: expected volatility of 129% (based on historical share prices), risk-free interest rate at 1.08% expected life of 2 years, dividend yield of \$Nil and a share price of \$0.08.

On April 1, 2017, the interest rate was reduced to 12% per annum. On May 16, the senior lender waived \$770,047 interest and reduced the interest rate to 6% per annum.

Fintech Select Ltd.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2017

(Presented in Canadian Dollars)

7. SHARE CAPITAL

Authorized: Unlimited common shares

Issued and fully paid:

	September 30, 2017		December 31, 2016	
	Number	Amount	Number	Amount
Ordinary Shares	60,631,182	\$ 17,051,144	30,037,852	\$ 12,858,501
Total	60,631,182	\$ 17,051,144	30,037,852	\$ 12,858,501

On July 17, 2015, the company issued 11,300,000 common shares in a private placement at a price of \$0.05 per share for gross proceeds of \$565,000. Each unit consisted of one common share and one common share purchase warrant. Each common share purchase warrant is exercisable for one common share at an exercise price of \$0.08 no later than July 17, 2017.

During the nine months ended September 30, 2017, 11,300,000 warrants were exercised.

On April 13, 2017, the Company completed a private placement. The Company issued 13,333,330 units at a price of \$0.15 per unit and raised aggregate proceeds of \$2,000,000. Each unit consists of one common share and one common share purchase warrant with an exercise price of \$0.20 for a period of three years.

On June 12, 2017, the Company completed a private placement. The Company issued 5,840,000 units at a price of \$0.25 per unit and raised aggregate proceeds of \$1,460,000. Each unit consists of one common share and one common share purchase warrant with an exercise price of \$0.35 for a period of three years.

8. STOCK OPTIONS

The Board of Directors has adopted a stock option plan for the Company (the "Plan"). Pursuant to the Plan, the Board of Directors may, from time to time at its discretion, allocate non transferable options to purchase shares to directors, officers and technical consultants of the Company.

Under the Plan, the aggregate number of shares to be issued upon the exercise of options granted thereunder may not exceed 10% of outstanding shares. Furthermore, the aggregate number of shares to be issued upon exercise of the options granted there under to any one director or officer shall not exceed 5% of the issued and outstanding shares and the number of shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding shares. Options shall expire no later than five years after the date of grant. Options may be exercised no later than ninety (90) days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

The exercise price of options granted pursuant to the Plan shall be set by the Board of Directors and shall not be less than the applicable discount permitted by the TSX-V or such other stock market on which the shares are then traded. The options issued under the plan vest according to the provisions determined by the Board at the time of grant.

Fintech Select Ltd.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2017

(Presented in Canadian Dollars)

On April 3, 2017, the Company granted 3,380,000 incentive stock options to various officers, directors, employees and consultants. The options are exercisable at \$0.17 per option for a period of three years from the date of grant, vesting pursuant to the terms of the Company's Stock Option Plan. 120,000 stock options were exercised during the nine months ended September 30, 2017.

On June 26, 2017, the Company granted 2,000,000 incentive stock options to directors and consultants. The options are exercisable at \$0.30 per option for a period of three years from the date of grant, vesting pursuant to the terms of the Company's Stock Option Plan.

The Company had following options outstanding at September 30, 2017

	Number of options	Weighted average exercise price	Value of options
Balance, January 1, 2017	-	-	-
Granted in April	3,380,000	\$0.17	\$ 70,980
Granted in June	2,000,000	0.30	24,000
Exercised	120,000	0.17	2,520
Expired or cancelled	-	-	-
Balance, September 30, 2017	5,260,000	\$0.22	\$ 92,460

Date of Expiry	Number of Options	Exercise Price	Grant Date Fair Value of options
02-Apr-20	3,380,000	\$0.17	\$ 70,980

The options granted were valued using the Black-Scholes option pricing model with the following assumptions, quoted at their weighted averages.

	<u>2017</u>
Expected dividend yield	0.00%
Expected volatility	20%
Risk free interest rate	0.82%
Expected life	3

Fintech Select Ltd.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2017

(Presented in Canadian Dollars)

Date of Expiry	Number of Options	Exercise Price	Grant Date Fair Value of options
25-Jun-20	2,000,000	\$0.30	\$ 24,000

The options granted were valued using the Black-Scholes option pricing model with the following assumptions, quoted at their weighted averages.

	2017
Expected dividend yield	0.00%
Expected volatility	18%
Risk free interest rate	1.04%
Expected life	3

9. WARRANTS

The Company had following warrants outstanding at September 30, 2017.

	Number of warrants	Weighted average exercise price	Value of warrants
Balance, January 1, 2016	11,300,000	\$0.08	\$ 192,860
Granted, private placements	-	-	-
Exercised	-	-	-
Expired or cancelled	-	-	-
Balance, December 31, 2016	11,300,000	\$0.08	\$ 192,860
Granted, private placements	19,173,330	0.25	220,053
Exercised	11,300,000	0.08	192,860
Balance, September 30, 2017	19,173,330	\$0.25	\$ 220,053

On July 17, 2015, the company issued 11,300,000 common shares in a private placement at a price of \$0.05 per share for gross proceeds of \$565,000. In addition, for each issued common share, the company issued one (1) warrant exercisable into one (1) common share expiring in 24 months which, if exercised, will lead to proceeds per Warrant of \$0.08. The issued common shares and warrants are subject to a hold period expiring on November 18, 2015. All these warrants had been exercised.

Fintech Select Ltd.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2017

(Presented in Canadian Dollars)

	Date of Expiry	Number of Warrants	Exercise Price	Grant Date Fair Value of Warrants
	12-Apr-20	13,333,330	\$0.20	\$173,333
The warrants granted were valued using the Black-Scholes option pricing model with the following assumptions, quoted at their weighted averages.				
				2017
Expected dividend yield				0.00%
Expected volatility				18%
Risk free interest rate				0.82%
Expected life				3

On April 13, 2017, the company issued 13,333,330 common shares in a private placement at a price of \$0.15 per share for gross proceeds of \$2,000,000. In addition, for each issued common share, the company issued one (1) warrant exercisable into one (1) common share expiring in 36 months which, if exercised, will lead to proceeds per Warrant of \$0.20. The issued common shares and warrants are subject to a hold period expiring on August 13, 2017.

	Date of Expiry	Number of Warrants	Exercise Price	Grant Date Fair Value of Warrants
	11-Jun-20	5,840,000	\$0.35	\$46,720
The warrants granted were valued using the Black-Scholes option pricing model with the following assumptions, quoted at their weighted averages.				
				2017
Expected dividend yield				0.00%
Expected volatility				20%
Risk free interest rate				0.88%
Expected life				3

On June 12, 2017, the company issued 5,840,000 common shares in a private placement at a price of \$0.25 per share for gross proceeds of \$1,460,000. In addition, for each issued common share, the company issued one (1) warrant exercisable into one (1) common share expiring in 36 months which, if exercised, will lead to proceeds per Warrant of \$0.35. The issued common shares and warrants are subject to a hold period expiring on October 11, 2017.

Upon expiry of the warrants, related outstanding balance in warrant capital will be transferred to contribute surplus.

During the nine months ended September 30, 2017, 11,300,000 warrants were exercised.

Fintech Select Ltd.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2017

(Presented in Canadian Dollars)

10. COMMITMENTS

The Company has net lease commitments for premises and equipment requiring the following minimum annual payments:

Within 1 year	\$	102,781
2 to 6 years	\$	114,538
	\$	217,319

11. SEGMENT INFORMATION

The Company operates primarily in three industry segment, its distribution and Point-Of-Sale division, its Financial and Payment Services division, and its Call Center division.

\$ Millions	Distribution		Call Center		Financial and Payment Services		Corporate		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	0.80	1.18	1.10	1.03	1.03	2.09	--	--	2.93	4.30
Assets	0.15	0.27	0.41	0.23	1.11	5.49	0.29	0.11	1.96	6.10
Net Profit/(Loss)	(0.18)	(1.25)	--	(0.02)	0.26	0.63	(0.14)	(0.74)	(0.06)	(0.64)

12. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares, warrant reserve, contributed surplus and deficit, equity portion of long term debt, proceeds received for units to be issued, accumulated other comprehensive income and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its growth activities, and to maintain its ongoing operations. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity and or debt financing.

The Company's overall capital risk management strategy during the period ended September 30, 2017 and in 2016 has been to expedite customer payments and reduce credit terms offered to certain customers.

13. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by the accounting and finance department under policies approved by the Board of Directors. This department identifies and evaluates financial risks in close cooperation with management. The finance department is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

Fintech Select Ltd.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2017

(Presented in Canadian Dollars)

(a) Market Risk

(i) Currency Risk

The Company operates primarily in Canada and has an inactive subsidiary in USA. The Company has exposure to foreign exchange risk. Foreign exchange risk arises from purchase and sales transactions, as well as recognized financial assets and liabilities denominated in foreign currencies.

The Company's main objective in managing its foreign exchange is to maintain Canadian cash on hand to support Canadian forecasted cash flows over a 12 month horizon. To achieve this objective, the Company monitors forecasted cash flows in foreign currencies and attempts to mitigate the risk by modifying the nature of cash held.

Balances denominated in USD at September 30, 2017 and 2016 are as follows:

	2017	2016
Cash	\$ 129,728	\$ (2,989)
Accounts receivable and other receivables	99,712	39,318
Accounts payable and accrued liabilities	(1,150,577)	(892,773)
Total net receivable (liability)	\$ (921,137)	\$(856,444)

Fluctuations in the Canadian dollar exchange rate have an impact on the Company's results from operations. They can impair the ability of the Company to pay its foreign currency-denominated expenses.

Fluctuation of the U.S. dollar relative to the Canadian dollar of 5% would impact net loss by approximately \$ 46,057 at September 30, 2017 (2016 impact net loss \$42,822).

(ii) Interest rate risk:

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk.

The Company's demand loan has fixed interest rates. Fluctuations in market rates of interest would not change the Company's interest expense.

(b) Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The maximum exposure to credit risk of the Company at period-end is the carrying value of its cash, accounts receivable and amounts due from related parties.

The Company manages credit risk by maintaining bank accounts with Schedule 1 banks in Canada and investing only in cash.

Cash is held with Canadian chartered banks.

Fintech Select Ltd.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2017

(Presented in Canadian Dollars)

Financial instruments that potentially subject the Company to credit risk consist of accounts receivable, amounts due from related parties and other receivables. The Company does not require collateral or other security for accounts receivable or amounts due from related parties. The Company estimates its provision for uncollectable amounts based on analysis of the specific amount and debtor's payment history and prospects.

Top three customers represent 65% of accounts receivable at September 30, 2017 (2016 - four customers represented 68%). Subsequent to the September 30, 2017, 56% (2016 – 22%) of the balance was collected. As at September 30, 2017, approximately \$243,287 (2016 - \$578,147) of the Company's receivable were past due the average credit period of 60 days of which approximately \$129,341 (2016 - \$396,620) have been allowed for.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at September 30, 2017, the Company has accounts payable and accrued liabilities and demand loan of \$7,421,333 due within 12 months (December 31, 2016: \$13,651,932), cash of \$852,295 (December 31, 2016 - \$2,601,224) and receivables of \$551,423 (December 31, 2016 - \$641,105) to meet its current obligations. As a result the Company has liquidity risk.

(d) Economic Dependence

Three customers, each accounting for more than 5% of total revenues, represent 53% of the Company's revenue in the current quarter (2016 - three customers, each accounting for more than 5% of total revenues, represented 79% of total revenues).

The Company depends on large telecommunications carriers and financial institutions to provide certain products and services. If these providers were unwilling or unable to provide such products and services in the future, the Company's ability to provide products and services to its customers may be adversely affected and the Company might not be able to obtain similar services from alternative providers on a timely basis or on terms favorable to the Company.

(e) Fair value

The estimated fair values of accounts receivable, accounts payable, accrued liabilities and long term debt approximates their carrying values due relatively short term nature of the instruments and/or floating interest rates of the instruments.

Fintech Select Ltd.

Notes to condensed consolidated interim financial statements (Unaudited)

September 30, 2017

(Presented in Canadian Dollars)

14. RELATED PARTY TRANSACTIONS AND BALANCES

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

The following summarizes the Company's related party transactions for the three months ended September 30, 2017:

	Three months ended September 30	
	2017	2016
Salaries and benefits	\$ 62,846	34,892
Accounts payable	\$ 8,725	234,571
Other receivable	\$ 21,624	--

An entity that is related to a director of the Company has a 21.8% interest in the lender of the demand loan as at September 30, 2017.

15. KEY MANAGEMENT COMPENSATION

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company. Company's key management personnel include Chief Executive Officer & President, Chief Financial Officer and Vice President.

Remuneration of Directors and key management of Company was as follows:

	Three months ended September 30	
	2017	2016
Salaries and Benefits	\$ 89,441	\$ 64,453

16. CONTINGENCY

On April 20, 2017, the Company was served by PACE Savings & Credit Union Limited ("**PACE**") with a Statement of Claim filed in the Ontario Superior Court of Justice (the "**Claim**") for the amount of \$4,000,000. The Claim relates to the shortfall of a secured cash pledge ("Secured Deposit"), as per the Special Account Agreement executed between the Company and All Trans Financial Services Credit Union Limited ("**All Trans**"), which was acquired by PACE. The Company has been disclosing this shortfall in its financial statements during the previous years.

On September 28, 2017, the Company was served by Home Trust Company ("**Home Trust**") with a Statement of Claim pursuant to the Simplified Rules of the ADR Institute of Canada. The claim relates to a shortfall in a funding account created pursuant to a Card Management Agreement among Fintech Select and Home Trust and, in particular, minimum monthly fees. The Company has recorded these payables in its financial statements.