

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: RESAAS Services Inc. (the “**Issuer**”)

Trading Symbol: RSS

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions.

All related party transactions have been disclosed in the Issuer’s financial statements for the period ended June 30, 2017.

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

All securities issued and options granted have been disclosed in the notes to the Issuer's financial statements for the period ended June 30, 2017.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period, and

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

- (b) summary of options granted during the period.

Date	Number	Name of Optionee if Related Person and Relationship	Generic Description of Other Optionees	Exercise Price	Expiry Date	Market Price on Date of Grant

3. Summary of securities as at the end of the reporting period.

A summary of securities is included in the Issuer's financial statements for the period ended June 30, 2017.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	Position(s) Held
Cory Brandolini	Chairman, Director
Thomas Rossiter	President, Chief Executive Officer, Director
Cameron Shippit	Chief Financial Officer, Secretary, Director
Marwan Haddad	Chief Technology Officer, Vice-President of Engineering
J. Christopher Morgando	Director
Adrian Barrett	Director
Pierre Chadi	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated August 29, 2017

Cameron Shippit
Name of Director or Senior Officer

/s/ "Cameron Shippit"
Signature

CFO, Secretary and Director
Official Capacity

Issuer Details

Name of Issuer RESAAS Services Inc.	For Quarter Ended June 30, 2017	Date of Report YYYY/MM/DD 2017/08/29
Issuer Address 1550 – 401 West Georgia Street		
City/Province/Postal Code Vancouver, BC V6B 1A1	Issuer Fax No. None	Issuer Telephone No. (778) 996-9544
Contact Name Cameron Shippit	Contact Position CFO, Secretary and Director	Contact Telephone No. (778) 996-9544
Contact Email Address cam.shippit@resaas.com	Web Site Address http://www.resaas.com	

Schedule "A"

Financial Statements

[inserted as following pages]

RESAAS SERVICES INC.

Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying 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 financial statements.

RESAAS SERVICES INC.

Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	June 30, 2017 \$	December 31, 2016 \$
	(Unaudited)	
Assets		
Current assets		
Cash and cash equivalents	3,850,715	6,056,127
Amounts receivable	59,384	77,956
Prepaid expenses	55,502	74,375
Total current assets	3,965,601	6,208,458
Non-current assets		
Property and equipment (Note 4)	55,365	60,494
Website development costs (Note 5)	1,530,454	1,537,274
Intangible assets (Note 6)	59,196	47,405
Total non-current assets	1,645,015	1,645,173
Total assets	5,610,616	7,853,631
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	349,756	385,773
Deferred revenue	90,057	40,885
Obligations under finance lease (Note 7)	3,351	5,280
Total current liabilities	443,164	431,938
Obligations under finance lease (Note 7)	5,099	6,361
Total liabilities	448,263	438,299
Shareholders' equity		
Common shares	27,254,440	27,071,707
Share-based payment reserve	12,808,063	11,884,059
Deficit	(34,900,150)	(31,540,434)
Total shareholders' equity	5,162,353	7,415,332
Total liabilities and shareholders' equity	5,610,616	7,853,631

Going concern (Note 2(c))

Commitments and contingencies (Note 13)

Subsequent events (Note 15)

Approved and authorized for issuance by the Board of Directors on August 29, 2017:

/s/ "Tom Rossiter"

Tom Rossiter, Director

/s/ "Cam Shippit"

Cam Shippit, Director

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

RESAAS SERVICES INC.

Interim Consolidated Statements of Comprehensive Loss

(Expressed in Canadian dollars except share amounts)

(Unaudited)

	Three Months Ended June 30, 2017 \$	Three Months Ended June 30, 2016 \$	Six Months Ended June 30, 2017 \$	Six Months Ended June 30, 2016 \$
Revenue	133,747	56,729	249,840	155,110
Expenses				
Amortization	352,864	287,593	686,530	530,151
Consulting fees	105,848	143,035	275,423	188,966
Filing fees	49,380	36,645	69,708	60,244
Foreign exchange loss	5,193	5,624	4,823	20,529
General and administrative (Note 8)	578,630	436,788	1,092,622	818,348
Management fees (Note 8)	95,351	166,228	182,967	237,697
Promotion and advertising	86,290	81,188	155,639	204,510
Professional fees	96,846	98,852	148,061	206,010
Stock-based compensation (Notes 8 and 11)	807,317	2,735,396	876,482	2,740,620
Travel	49,140	29,702	130,736	73,258
Total operating expenses	2,226,859	4,021,051	3,622,991	5,080,333
Loss before other income	(2,093,112)	(3,964,322)	(3,373,151)	(4,925,223)
Other income				
Interest income	5,761	7,055	13,435	14,904
Net loss and comprehensive loss for the period	(2,087,351)	(3,957,267)	(3,359,716)	(4,910,319)
Basic and diluted loss per common share	(0.05)	(0.11)	(0.09)	(0.13)
Weighted average number of common shares outstanding	39,234,355	36,924,271	39,264,283	36,923,319

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

RESAAS SERVICES INC.

Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars except share amounts)
(Unaudited)

	Common Shares		Share-based Payment Reserve	Deficit	Total Shareholders' Equity
	Number	Amount \$	\$	\$	\$
Balance, December 31, 2015	36,923,480	23,252,234	7,661,465	(23,453,697)	7,460,002
Issuance of common shares pursuant to the exercise of warrants at \$1.80 per share	23,989	70,082	(26,902)	—	43,180
Fair value of stock options granted	—	—	3,374,367	—	3,374,367
Net loss	—	—	—	(4,910,319)	(4,910,319)
Balance, June 30, 2016	36,947,469	23,322,316	11,008,930	(28,364,016)	5,967,230

	Common Shares		Share-based Payment Reserve	Deficit	Total Shareholders' Equity
	Number	Amount \$	\$	\$	\$
Balance, December 31, 2016	39,172,469	27,071,707	11,884,059	(31,540,434)	7,415,332
Issuance of common shares to settle accrued liabilities at \$1.99 per share	91,814	182,733	—	—	182,733
Fair value of stock options granted	—	—	924,004	—	924,004
Net loss	—	—	—	(3,359,716)	(3,359,716)
Balance, June 30, 2017	39,264,283	27,254,440	12,808,063	(34,900,150)	5,162,353

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

RESAAS SERVICES INC.

Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Six Months Ended June 30, 2017 \$	Six Months Ended June 30, 2016 \$
Operating activities		
Net loss	(3,359,716)	(4,910,319)
Items not affecting cash:		
Amortization	686,530	530,151
Stock-based compensation	876,482	2,740,620
Changes in non-cash operating working capital:		
Amounts receivable	18,572	(4,090)
Prepaid expenses	18,873	(12,916)
Accounts payable and accrued liabilities	49,172	(219,236)
Deferred revenue	146,716	17,013
Net cash used in operating activities	(1,563,371)	(1,858,777)
Investing activities		
Acquisition of intangible assets	(12,841)	(3,175)
Purchase of property and equipment	(7,890)	(2,021)
Website development costs	(618,119)	(489,125)
Net cash used in investing activities	(638,850)	(494,321)
Financing activities		
Repayment of finance lease obligations	(3,191)	(1,147)
Proceeds from the exercise of options and warrants	—	43,180
Net cash (used in) provided by financing activities	(3,191)	42,033
Increase (decrease) in cash and cash equivalents	(2,205,412)	(2,311,065)
Cash and cash equivalents, beginning of period	6,056,127	6,820,022
Cash and cash equivalents, end of period	3,850,715	4,508,957
Cash and cash equivalents is comprised of:		
Amounts held in legal trust account	18,297	17,760
Cash in bank	3,756,030	4,439,976
Cashable guaranteed investment certificates	76,388	51,221
Total cash and cash equivalents	3,850,715	4,508,957
Non-cash investing and financing activities:		
Stock compensation capitalized as website development costs	47,522	633,747

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

RESAAS SERVICES INC.

Notes to the Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian dollars except shares and options)

(Unaudited)

1. Corporate Information

RESAAS Services Inc. (the "Company") was incorporated on June 4, 2009 under the Business Corporations Act (British Columbia). The Company is engaged in the development of web and mobile communications software for the real estate industry. The Company's head office is located at Suite 1550 – 401 W. Georgia St., Vancouver, British Columbia, Canada, V6B 5A1.

2. Basis of Presentation

(a) Statement of Compliance and Principles of Consolidation

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS as issued by the IASB. The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements.

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, RESAAS USA Inc., a company incorporated in the state of California in 2012, and The Real Estate Social Network Ltd., a company incorporated in the state of Delaware in 2013. All significant intercompany transactions have been eliminated on consolidation.

(b) Basis of Measurement

These interim consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of these interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities include the following;

Significant areas of estimation include:

- i) The useful life and recoverability of long-lived assets;
- ii) The inputs used in the valuation of share-based payments;
- iii) Recognition of deferred income tax assets;
- iv) Revenue recognition for special contracts and projects.

Significant areas of judgment include:

- i) Qualification of costs to capitalize as website development costs;
- ii) Revenue recognition for special contracts and projects;
- iii) Application of the going concern assumption.

RESAAS SERVICES INC.

Notes to the Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian dollars except shares and options)

(Unaudited)

2. Basis of Presentation (continued)

(c) Going Concern

These interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As of June 30, 2017, the Company had not yet generated significant revenue or positive cash flow from operations and had an accumulated deficit of \$34,900,150. These factors, among others, create substantial doubt as to the ability of the Company to continue as a going concern. Management believes that the proceeds from additional equity financing activities that it is currently pursuing, combined with revenue that the Company expects to generate in subsequent periods, will provide the Company with sufficient working capital to satisfy its liabilities and commitments as they become due for the foreseeable future. There can be no assurances that sufficient equity can be raised on acceptable terms on a timely basis.

These interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

3. Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for annual periods beginning after January 1, 2018 or later periods.

The following new IFRSs that have not been early adopted in these interim consolidated financial statements will not have a material effect on the Company's future results and financial position:

- i) IFRS 9, *Financial Instruments* (New; to replace IAS 39 and IFRIC 9)
- ii) IFRS 16, "*Leases*"

In addition, IFRS 15, *Revenue from Contracts with Customers* is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company intends to adopt IFRS 15 and the clarifications in its consolidated financial statements for the annual period beginning on January 1, 2018. The Company has commenced a preliminary assessment of the transition method and alternatives and the potential impact of IFRS 15 on its consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

RESAAS SERVICES INC.

Notes to the Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian dollars except shares and options)

(Unaudited)

4. Property and Equipment

	Furniture \$	Leasehold Improvement \$	Computer Equipment Under Finance Lease \$	Computer Equipment \$	Total \$
Cost:					
Balance, December 31, 2016	23,057	7,130	17,701	73,894	121,782
Additions	2,441	—	—	5,450	7,891
Balance, June 30, 2017	25,498	7,130	17,701	79,344	129,673
Accumulated amortization:					
Balance, December 31, 2016	1,132	594	8,629	50,933	61,288
Additions	2,347	1,188	2,475	7,010	13,020
Balance, June 30, 2017	3,479	1,782	11,104	57,943	74,308
Carrying amounts:					
Balance, December 31, 2016	21,925	6,536	9,072	22,961	60,494
Balance, June 30, 2017	22,019	5,348	6,597	21,401	55,365

5. Website Development Costs

	Cost \$	Accumulated Amortization \$	Carrying Amounts \$
Balance, December 31, 2016	5,788,885	4,251,611	1,537,274
Additions	665,641	672,461	
Balance, June 30, 2017	6,454,526	4,924,072	1,530,454

6. Intangible Assets

	Cost \$	Accumulated Amortization \$	Carrying Amounts \$
Balance, December 31, 2016	52,133	4,728	47,405
Additions	12,453	662	
Balance, June 30, 2017	64,586	5,390	59,196

RESAAS SERVICES INC.

Notes to the Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian dollars except shares and options)

(Unaudited)

7. Obligations Under Finance Lease

The Company entered into 5 agreements to lease computer equipment for two or three years. The computer equipment leases are classified as finance leases. The interest rates underlying the obligations in the finance leases are 18%, 25%, 1%, 56%, and 4% per annum. The following is a schedule by years of future minimum lease payments under finance leases together with the present value of the net minimum lease payments as of June 30, 2017:

Fiscal year ending December 31:	\$
2017	3,471
2018	3,924
2019	1,720
Net minimum lease payments	9,115
Less: amount representing interest payments	(665)
Present value of net minimum lease payments	8,450
Less: current portion	(3,351)
Long-term portion	5,099

8. Related Party Transactions

During the three months ended June 30, 2017, salary of \$182,967 (2016 - \$237,697) to the Company's key management is included in management fees.

The following table summarizes the compensation of the Company's key management:

	Six Months Ended June 30,	
	2017	2016
	\$	\$
Management fees	182,967	237,697
Employee salary and benefits (included in general and administrative)	-	15,346
Share based payments to officers and directors	805,652	275,711

9. Share Capital

Preferred Shares

The Company is authorized to issue an unlimited number of non-voting, non-transferable Class A preferred shares with a par value of \$0.01 per share. The Class A preferred shares cannot be issued at a price less than \$2.00 per share. Holders of Class A preferred shares are not entitled to receive any dividends. Each issued and outstanding Class A preferred share shall be converted into one fully paid common share immediately prior to the consummation of any "Change of Control Event".

The Company is authorized to issue an unlimited amount of Class B preferred shares without par value. The Class B preferred shares allow the Board to fix the number of shares in the series and to fix the preferences, special rights and restrictions, privileges, conditions and limitations attached to the shares of that series, before the issuance of shares of any particular series. The Board has the authority to fix, amongst other things, the number of shares constituting any such series, the voting powers, designation, preferences and relative participation, optional or other special rights and qualifications, limitations or restrictions thereof, including the dividend rights and dividend rate, terms of redemption (including sinking fund provisions), redemption price or prices, conversion rights and liquidation preferences of the shares constituting any series, without any further vote or action by the shareholders of the Company.

As at June 30, 2017, there are no Class A or Class B preferred shares issued and outstanding.

RESAAS SERVICES INC.

Notes to the Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian dollars except shares and options)

(Unaudited)

9. Share Capital (continued)

Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

Share transactions during the six months ended June 30, 2017:

On February 28, 2017, the Company paid performance bonuses by issuing 91,814 common shares to certain directors, officers and employees. As the bonuses were earned during the year ended December 31, 2016, the Company recorded the fair value of the shares of \$182,733 in accounts payable and accrued liabilities at December 31, 2016. The Company capitalized \$50,104 as website development costs and expensed \$132,629 of the performance bonus during the year ended December 31, 2016.

Share transactions during the six months ended June 30, 2016:

In June 2016, the Company issued 23,989 units at a price of \$1.80 per unit for proceeds of \$43,180 upon the exercise of Agents' warrants. Each unit consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of \$3.00 per share until December 10, 2017. The fair value of the Agents' warrants of \$26,902 was transferred from share-based payment reserve to common shares upon exercise.

10. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, December 31, 2016	4,971,562	2.83
Issued	—	—
Exercised	—	—
Expired	—	—
Balance, June 30, 2017	4,971,562	2.83

The following table summarizes information about warrants outstanding and exercisable at June 30, 2017:

Warrants Outstanding	Exercise Price \$	Expiry Date
3,630,589	3.00	December 10, 2017
228,473	1.80	December 10, 2017
967,500	2.50	August 31, 2018
145,000	2.50	September 7, 2018
4,971,562		

RESAAS SERVICES INC.

Notes to the Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian dollars except shares and options)

(Unaudited)

11. Stock Options

The following table summarizes information about the stock options.

	Six Months Ended June 30, 2017		Year Ended December 31, 2016	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding – beginning of period	4,985,950	2.14	1,545,000	2.57
Granted	1,138,250	1.50	5,059,950	2.13
Cancelled	–	–	(1,080,000)	2.35
Expired	(225,000)	2.50	(539,000)	2.88
Exercised	–	–	–	–
Outstanding – end of period	5,899,200	2.00	4,985,950	2.14
Exercisable – end of period	4,854,200	1.96	3,960,950	2.05

The following table summarizes information about stock options outstanding and exercisable as at June 30, 2017.

Exercise Price \$	Expiry Date	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Contracted Life (Years)
2.35	December 23, 2019	205,000	205,000	2.48
2.00	May 5, 2021	2,659,950	2,659,950	3.84
2.50	May 5, 2021	797,000	292,000	3.84
2.00	December 20, 2021	849,000	849,000	4.48
2.50	December 20, 2021	250,000	15,000	4.48
1.50	May 19, 2022	1,138,250	833,250	4.89
		5,899,200	4,854,200	4.08

The fair value of stock options granted was determined using the Black-Scholes option pricing model.

During the six months ended June 30, 2017, the Company granted stock options with a fair value of \$817,352, of which \$6,207 was capitalized as website development costs and \$811,145 was expensed. During the six months ended June, 2017, the Company capitalized \$41,314 as website development costs and expensed \$59,130 for the vesting of previously granted stock options.

During the six months ended June 30, 2016, the Company granted stock options with a fair value of \$3,366,729, of which \$631,333 was capitalized as website development costs and \$2,735,396 was expensed. During the six months ended June 30, 2016, the Company capitalized \$2,414 as website development costs and expensed \$5,224 for the vesting of previously granted stock options.

The weighted average fair value of the options granted during the six months ended June 30, 2017 was \$0.96 (2016 - \$1.04). No options were exercised during the six months ended June 30, 2017 or June 30, 2016.

RESAAS SERVICES INC.

Notes to the Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian dollars except shares and options)

(Unaudited)

11. Stock Options (continued)

Weighted average assumptions used in calculating the fair value of stock-based compensation expense are as follows:

	2017	2016
Risk-free rate	1.84%	1.32%
Dividend yield	0%	0%
Volatility	95%	100%
Expected forfeitures	—	—
Weighted average expected life of the options (years)	5.00	5.00

12. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital, share-based payment reserve and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its board of directors, will balance its overall capital structure through new equity issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2016.

13. Commitments and Contingencies

The Company had no significant commitments or contractual obligations with any parties respecting executive compensation, consulting arrangements, or other matters. Management services provided are on a month-to-month basis.

- a) On August 22, 2016, the Company entered into a lease for the provision of facility space from November 1, 2016 to October 31, 2019 for \$10,633 per month. The Company's future minimum lease payments for the premise lease is as follows:

Fiscal year ending December 31, 2017	\$	63,800
Fiscal year ending December 31, 2018		127,600
Fiscal year ending December 31, 2019		106,333
Total:	\$	297,733

- b) The Company has entered into two leases for Company vehicles until October 28, 2018 and September 21, 2019. The Company's future minimum lease payments for the vehicle leases are as follows:

Fiscal year ending December 31, 2017		10,107
Fiscal year ending December 31, 2018		17,393
Fiscal year ending December 31, 2019		5,954
Total:	\$	33,454

RESAAS SERVICES INC.

Notes to the Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian dollars except shares and options)

(Unaudited)

14. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

The fair values of financial instruments, which include cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, and obligations under finance lease approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and receivables. Cash is held with major banks in Canada and the United States, which are high credit quality financial institutions as determined by rating agencies. The carrying amount of financial assets represents the maximum credit exposure.

Amounts Receivable

Amounts receivable consists of GST refunds which are due from the Government of Canada and at June 30, 2017, \$39,642 of trade receivables is owed from eleven customers.

The following table represents the customers that represented 10% or more of total revenue for the six months ended June 30:

	2017	2016
Customer A	22%	30%
Customer B	32%	51%
Customer C	11%	11%

(c) Currency Risk

The Company's functional currency is the Canadian dollar. Currency risk is the risk that the fair value of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company's head office and operating expenses are mainly denominated in Canadian dollars. A large portion of the Company's revenue is denominated in US dollars. If the US dollar depreciates compared to the Canadian dollar revenue would decrease in Canadian dollars. There is an immaterial foreign exchange risk to the Company as the Company still has a minimal amount of revenue.

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and its short-term term deposits at prescribed market rates. The fair value of the Company's cash is not significantly affected by changes in short-term interest rates. The income earned from the bank accounts and short-term term deposits is subject to movements in interest rates.

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

RESAAS SERVICES INC.

Notes to the Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian dollars except shares and options)

(Unaudited)

14. Financial Instruments and Risk Management (continued)

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. A summary of the Company's obligations is as follows;

As at June 30, 2017	Carrying amount \$	Contractual cash flows \$	1 year or less \$	1 -5 Years \$
Trade and other payables	349,756	349,756	349,756	—
Obligations under finance lease	8,450	9,115	5,782	3,333
	358,206	358,871	355,538	3,333

Schedule “B”

Supplementary Information

[included in Schedule “A”]

Schedule “C”

Management’s Discussion & Analysis

[inserted as following pages]

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis ("MD&A") of RESAAS Services Inc. (the "Company", "we", "our", "us" or "RESAAS") is dated August 29, 2017. You should read this MD&A in conjunction with our unaudited consolidated financial statements and the related notes thereto for the fiscal quarter ended June 30, 2017. We present our unaudited consolidated financial statements in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All references to dollar amounts are in Canadian dollars unless otherwise noted.

This MD&A contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in any forward-looking statements. Additional information on the Company, including our voluntarily-filed AIF, is available on SEDAR at www.sedar.com.

RESAAS has developed a cloud-based social business software platform for the real estate services industry.

We have created a suite of tools which integrate with the platform, including an enterprise social network, a global referral network, lead generation engine, listing management, client engagement modules, customer relationship management (CRM) tools, analytics, file sharing and an advertising engine. These tools and functionality are made available exclusively to owners of real estate brokerage firms and brokers, licensed real estate agents, and Realtors and are designed to increase user productivity through better communication and collaboration between users.

Our mission is to enable agents, Realtors and brokers to communicate effectively, connect instantly and engage meaningfully with one another through a platform built for their benefit. Our platform allows for instant discussion and debate, both on local and global scale, for facilitating easier and richer communication within the real estate industry. We commenced operations of our website in February 2013 and began full-scale revenue generating activities for the RESAAS platform in January 2015.

Our platform is designed with a focus on search engine optimization (SEO), ensuring that changes to our users' profile pages are indexed by major search engines in real-time. Users are also able to synchronize their accounts with Facebook personal pages, Facebook Business pages, Twitter and LinkedIn. This allows each post on RESAAS to be automatically sent out to those networks as well, should the user choose to do so.

We also offer real estate agents, Realtors and brokers who have registered on our website, and have received a public-facing profile page, the ability to actively market themselves to home buyers and sellers, plus the ability to create, manage and track the performance of their own highly-targeted social advertisements using our internally-built advertising engine. Professional users on RESAAS are able to upload their listings, announce open houses and successful sales, create referrals and buyer needs to generate leads by interacting with professionals in other markets. We have also developed tools that allow non-professionals to interact with our professional user base, such as RESAAS Q&A, which allows prospective clients to ask real estate questions to our professional users.

Revenue Generating Services

In January 2015, we began offering premium subscription services to our professional user base. Prior to 2015, we generated nominal revenue from the sale of advertising. While we continue to look for additional streams of revenue and advertising partners, we expect that our revenue generation will primarily come from enterprise partnerships and conversion of our user base to paid premium service subscriptions.

Key Business Metrics

To analyze our business performance, determine financial forecasts, and help develop long-term strategic plans, we use the following key business metrics:

- Professional user — means an individual who has registered on the RESAAS website and has been verified by our team as a professional real estate agent, Realtor or broker.
- Premium user — means a professional user who has upgraded their account to receive access to our premium service package through a monthly or annual subscription payment.
- Premium conversion rate — means the rate at which we convert our current professional user base to premium users.
- Unique real estate content — means unique content that is posted to the RESAAS platform in the form of postings and real estate listings. We do not include comments to original postings or rebcasts of the content in this metric.

Factors Affecting Our Performance

Growth in Registered Professional Users in North America. As of June 30, 2017, our professional user base in North America was 346,679. Our user growth rates are affected by digital marketing campaigns and general market penetration. We expect that our user base in North America will continue to increase as we achieve higher market penetration rates but may do so at a slower pace depending on our digital marketing activity.

Growth in Users in Other Regions. As of June 30, 2017, our professional user base outside of North America was 78,409. We anticipate increased user growth in the regions of South America and Europe. In particular, we anticipate activity to significantly increase in Brazil and central Europe where there exists a growing middle class. We intend to establish a local presence in such regions and hire additional staff to further develop brand awareness. In general, new users in regions outside North America do not require material incremental infrastructure investments because we are able to utilize existing infrastructure such as our data centers in the United States and Canada to make our platform available to users.

Conversion to Premium Services. In January 2015, we began efforts to convert our professional user base to paid premium users. Conversion can occur on an individual basis or as a result of agreements with brokerages which provide premium services to multiple users. We expect conversion rates of our existing professional user base to continue to display steady growth as our premium services gain recognition.

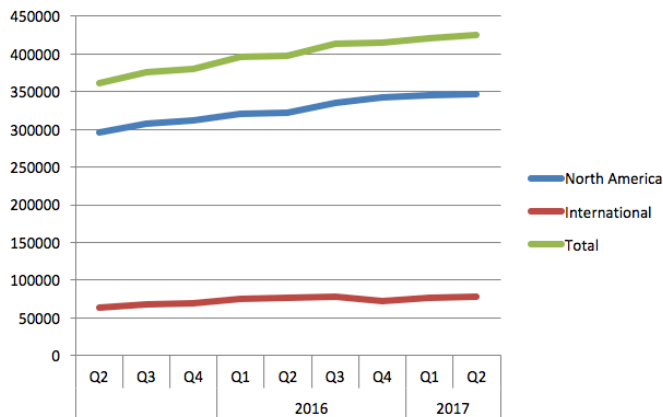
User Engagement. Changes in user engagement, such as postings and real estate listings, affect our revenue and financial performance. Growth in user engagement and posting of unique real estate content may increase the opportunities for us to display advertising and our ability to deliver relevant commercial content to users. Growth in user engagement also generally results in increases in our expenses and capital expenditures required to support user activity.

Our key business metrics are as follows:

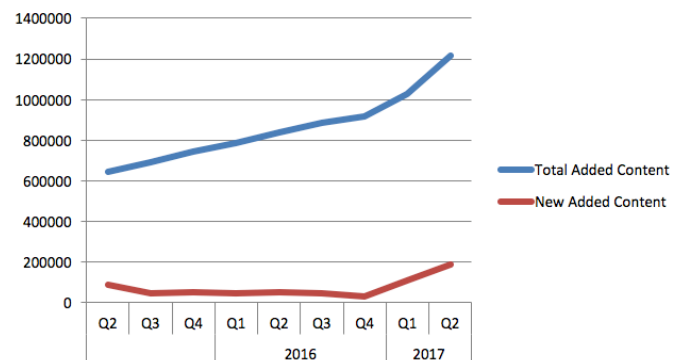
	2013			
	Q1	Q2	Q3	Q4
Professional Users				
North America	7,502	8,955	14,683	64,825
International	524	619	804	1,075
Total	8,026	9,574	15,487	65,900
Unique Real Estate Content				
New Added Content	4,022	9,324	17,480	52,838
Total Added Content	4,022	13,346	30,826	83,664

		2014			
		Q1	Q2	Q3	Q4
Professional Users					
North America		176,641	228,783	265,122	280,707
International		24,237	27,116	42,818	49,243
Total		200,878	255,899	307,940	329,950
Unique Real Estate Content					
New Added Content		103,102	96,177	131,103	80,082
Total Added Content		186,766	282,943	414,046	494,128
		2015			
		Q1	Q2	Q3	Q4
Professional Users					
North America		285,254	296,474	307,854	311,378
International		51,826	64,181	67,489	68,866
Total		337,080	360,655	375,343	380,244
Unique Real Estate Content					
New Added Content		65,911	86,949	46,393	49,785
Total Added Content		560,039	646,988	693,381	743,166
		2016			
		Q1	Q2	Q3	Q4
Professional Users					
North America		320,865	321,653	335,585	342,713
International		75,486	76,582	77,448	72,087
Total		396,351	398,235	413,033	414,800
Unique Real Estate Content					
New Added Content		44,291	53,106	46,461	30,612
Total Added Content		787,457	840,563	887,024	917,636
		2017			
		Q1	Q2	Q3	Q4
Professional Users					
North America		344,928	346,679		
International		76,122	78,409		
Total		421,050	425,088		
Unique Real Estate Content					
New Added Content		109,173	190,305		
Total Added Content		1,026,809	1,217,114		

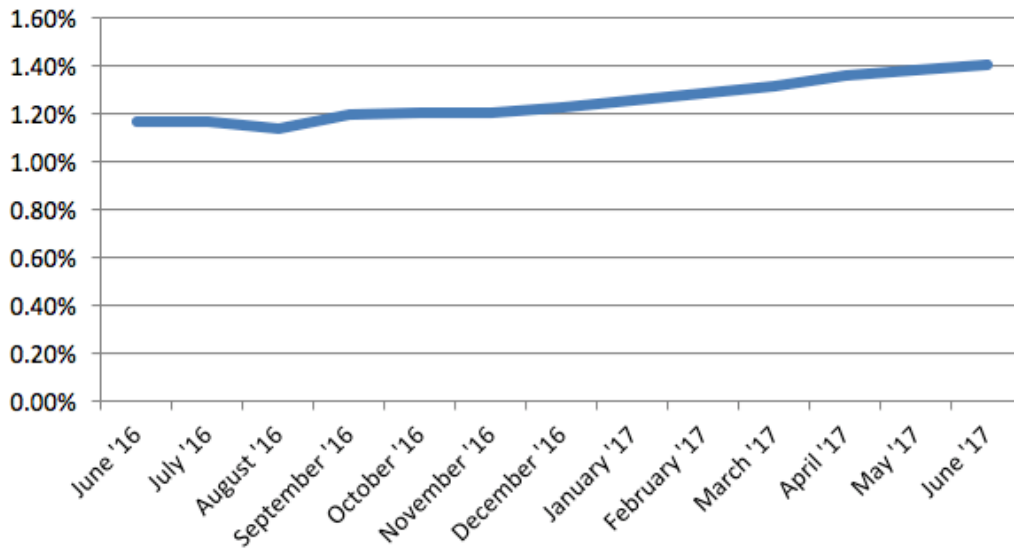
Total User Growth by Region



Total Added Content



% of users Premium (2016 & 2017)



Total Users	January 2015	February 2015	March 2015
	331,544	334,420	337,080
Premium Users	262	685	3,230
Total Users	April 2015	May 2015	June 2015
	343,901	345,160	360,655
Premium Users	3,268	3,351	3,523
Total Users	July 2015	August 2015	September 2015
	365,383	369,358	375,797
Premium Users	3,992	4,067	4,110
Total Users	October 2015	November 2015	December 2015
	377,363	379,521	380,244
Premium Users	4,181	4,222	4,225

	January 2016	February 2016	March 2016
Total Users	381,093	382,089	396,351
Premium Users	4,263	4,297	4,382
	April 2016	May 2016	June 2016
Total Users	396,941	397,608	398,2235
Premium Users	4,372	4,629	4,663
	July 2016	August 2016	September 2016
Total Users	398,816	412,411	413,033
Premium Users	4,679	4,711	4,953
	October 2016	November 2016	December 2016
Total Users	413,614	414,048	414,800
Premium Users	5,001	5,010	5,097
	January 2017	February 2017	March 2017
Total Users	416,080	417,465	421,050
Premium Users	5,230	5,370	5,548
	April 2017	May 2017	June 2017
Total Users	422,407	423,407	425,088
Premium Users	5,741	5,859	5,977

Results of Operations

Comparison of the six months ended June 30, 2017 and 2016

The following table summarizes the results of our operations for the six months ended June 30, 2017 and 2016 together with the changes to those items:

	Six Months Ended June 30,	
	2017	2016
Revenue	\$ 249,840	\$ 155,110
Interest income	13,435	14,904
Operating expenses		
Amortization	686,530	530,151
Consulting fees	275,423	188,966
Filing fees	69,708	60,244
Foreign exchange loss	4,823	20,529
General and administrative	1,092,622	818,348
Management fees	182,967	237,697
Promotion and advertising	155,639	204,510
Professional fees	148,061	206,010
Stock-based compensation	876,482	2,740,620
Travel	130,736	73,258
Net loss	(3,373,151)	(4,910,319)
Basic and diluted loss per share	(0.09)	(0.13)
Total current assets	3,965,604	4,605,136
Total assets	5,610,616	6,202,359
Total current liabilities	443,164	234,021
Total liabilities	448,263	235,129
Working capital	3,522,437	4,371,115
Cash dividends	—	—

Revenue

Revenue consists of payments received from premium service subscriptions, custom projects and limited advertising revenue generated from our platform. We had \$249,840 of revenue for the six months ended June 30, 2017, and \$155,110 during the six months ended June 30, 2016. We anticipate that revenue will continue to increase with the further commercialization of our platform through conversions of professional users to paid premium services, advertising and enterprise contracts with brokerages.

Operating Expenses

Amortization

Amortization expense consists of the amortization of capitalized costs to develop the Company's platform. The Company expects amortization to be consistent as the Company continues to capitalize the costs incurred to develop its platform.

Amortization expense increased by \$156,379 or 29% to \$686,530 for the six months ended June 30, 2017 from \$530,151 for the six months ended June 30, 2016. This increase was due to the Company having a greater amount of website development costs subject to amortization during the six months ended June 30, 2017 as compared to the prior period.

Consulting

Consulting fees consist of expenses incurred for consultants hired to perform marketing and business development services. We anticipate that consulting fee expenses will continue to increase in the future as the number of consultants we engage increases along with the commercialization of our platform and an increase in our operations.

Consulting fees expense increased by \$86,457 or 46% to \$275,423 for the six months ended June 30, 2017 from \$188,966 for the six months ended June 30, 2016. This increase was a result of additional consultants providing market development services during the six months ended June 30, 2017.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and benefits related to our executive, finance, business development, human resources and support functions. Other general and administrative expenses include facility-related costs and expenses associated with the requirements of being a listed public company in Canada and insurance.

We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support our continued development and further commercialization of our platform.

General and administrative expenses increased by \$274,274, or 34%, to \$1,092,622 for the six months ended June 30, 2017, from \$818,348 for the six months ended June 30, 2016. This increase was primarily a result of increases in salaries and rent and office expenses as a result of an increase in operations.

Management Fee Expenses

Management fee expenses consist primarily of salaries and benefits incurred to directors and officers. We expect management fees to increase moderately in the future.

Management fees decreased by \$54,730 or 23% to \$182,967 for the six months ended June 30, 2017 from \$237,697 for six months ended June 30, 2016. The decrease was the result of decreased salaries to management.

Promotion and Advertising

Promotion and advertising expenses consist primarily of costs incurred to market the platform. We anticipate that promotion and advertising expenses will increase with the commercialization of our platform and with an increase in our operations.

Promotion and advertising expense decreased by \$48,871 or 24% to \$155,639 for the six months ended June 30, 2017 from \$204,510 for the six months ended June 30, 2016. These decreases were largely due to changing our focus to more enterprise selling during 2017 which requires less external advertising.

Professional Fees

Professional fee expenses consist primarily of costs incurred for legal, accounting and auditing services. We anticipate that professional fees will increase as our operations and activity continue to increase.

Professional fee expenses decreased by \$57,949, or 28%, to \$148,061 for the six months ended June 30, 2017 from \$206,010 for the six months ended June 30, 2016. Professional fees decreased during 2017 as a result of legal fees incurred to explore financing options during the six months ended June 30, 2016.

Stock-Based Compensation

Stock-based compensation consists of the grant date fair value of share-based payment awards granted to employees recognized over the period that the employees unconditionally become entitled to the awards. We anticipate that stock-based compensation expenses will continue to increase in the future as the number of employees and consultants engaged by the Company increases.

Stock-based compensation expense decreased by \$1,864,138 or 68% to \$876,482 for the six months ended June 30, 2017 from \$2,740,620 for the six months ended June 30, 2016. This increase was due to granting 2,863,950 options during the six months ended June 30, 2016 compared to granting 1,138,250 during the six months ended June 30, 2017.

Results of Operations

Comparison of the three months ended June 30, 2017 and 2016

The following table summarizes the results of our operations for the three months ended June 30, 2017 and 2016 together with the changes to those items:

	Three Months Ended June 30,	
	2017	2016
Revenue	\$ 133,747	\$ 56,729
Interest income	5,761	7,055
Operating expenses		
Amortization	\$ 352,864	\$ 287,593
Consulting fees	105,848	143,035
Filing fees	49,380	36,645
Foreign exchange loss	5,193	5,624
General and administrative	578,630	436,788
Management fees	95,351	166,228
Promotion and advertising	86,290	81,188
Professional fees	96,846	98,852
Stock-based compensation	807,317	2,735,396
Travel	49,140	29,702
Net loss	(2,087,351)	(3,957,267)
Basic and diluted loss per share	(0.05)	(0.11)

Revenue

Revenue consists of payments received from premium service subscriptions, custom projects and limited advertising revenue generated from our platform. We had \$133,747 of revenue for the three months ended June 30, 2017, and \$56,729 during the three months ended June 30, 2016. We anticipate that revenue will continue to increase with the further commercialization of our platform through conversions of professional users to paid premium services, advertising and enterprise contracts with brokerages.

Operating Expenses

Amortization

Amortization expense consists of the amortization of capitalized costs to develop the Company's platform. The Company expects amortization to be consistent as the Company continues to capitalize the costs incurred to develop its platform.

Amortization expense increased by \$65,271 or 23% to \$352,864 for the three months ended June 30, 2017 from \$287,593 for the three months ended June 30, 2016. This increase was due to the Company having a greater amount of website development costs subject to amortization during the three months ended June 30, 2017 as compared to the prior period.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and benefits related to our executive, finance, business development, human resources and support functions. Other general and administrative expenses include facility-related costs and expenses associated with the requirements of being a listed public company in Canada and insurance.

We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support our continued development and further commercialization of our platform.

General and administrative expenses increased by \$141,842, or 32%, to \$578,630 for the three months ended June 30, 2017 from \$436,788 for the three months ended June 30, 2016. This increase was primarily a result of increases in salaries and rent and office expenses as a result of an increase in operations.

Management Fee Expenses

Management fee expenses consist primarily of salaries and benefits incurred to directors and officers. We expect management fees to increase moderately in the future.

Management fees decreased by \$70,877, or 43%, to \$95,351 for the three months ended June 30, 2017 from \$166,228 for the three months ended June 30, 2016. The decrease was the result of decreased salaries to management.

Stock-Based Compensation

Stock-based compensation consists of the grant date fair value of share-based payment awards granted to employees recognized over the period that the employees unconditionally become entitled to the awards. We anticipate that stock-based compensation expenses will continue to increase in the future as the number of employees and consultants engaged by the Company increases.

Stock-based compensation expense decreased by \$1,928,079 or 70% to \$807,317 for the three months ended June 30, 2017 from \$2,735,396 for the three months ended June 30, 2016. This decrease was due to granting 2,863,950 options during the three months ended June 30, 2016 compared to granting 1,138,250 options during the three months ended June 30, 2017.

Quarterly Information

Selected consolidated financial information for each of the last eight quarters (unaudited) as prepared in accordance with IFRS is as follows:

	June 30, 2017 \$	March 31, 2017 \$	December 31, 2016 \$	September 30, 2016 \$
Total Assets	5,610,616	6,842,770	7,853,631	8,951,582
Working Capital	3,522,437	4,798,448	5,776,520	7,029,283
Revenue	133,747	116,093	102,518	47,091
Net Loss	(2,087,351)	(1,272,365)	(1,881,255)	(1,295,163)
Loss per Share	(0.05)	(0.03)	(0.04)	(0.03)
	June 30, 2016 \$	March 31, 2016 \$	December 31, 2015 \$	September 30, 2015 \$
Total Assets	6,202,359	6,800,404	7,898,500	4,806,331
Working Capital	4,371,115	5,532,294	6,463,196	2,882,358
Revenue	56,729	98,381	3,170	15,291
Net Loss	(3,957,267)	(953,052)	(1,230,957)	(1,058,058)
Loss per Share	(0.11)	(0.03)	(0.04)	(0.03)

Three months ended June 30, 2017 and June 30, 2016

For the three months ended June 30, 2017, the Company posted a net loss of \$2,087,351 compared to a net loss of \$3,957,267 for three months ended June 30, 2016. Net loss per share was \$0.05 for the three months ended June 30, 2017, compared to \$0.11 for the three months ended June 30, 2016. The decrease in the current period net loss was primarily a result of a decrease in stock-based compensation expense of \$1,928,079 in the three months ended June 30, 2017 as compared to the three months ended June 30, 2016. This decrease was due to granting

2,863,950 options during the three months ended June 30, 2016 compared to granting 1,138,250 options during the three months ended June 30, 2017.

Three months ended June 30, 2017 and March 31, 2017

At June 30, 2017, total assets were \$5,610,616 and working capital was \$3,522,437 compared to total assets of \$6,842,770 and working capital was \$4,798,448 at March 31, 2017. The decrease in total assets and working capital was the result of a decrease in cash as the result of operating expenditures. For the three months ended June 30, 2017, the Company posted a net loss of \$2,087,351 compared to a net loss of \$1,272,365 for three months ended March 31, 2017. Net loss per share was \$0.05 for the three months ended June 30, 2017, compared to \$0.03 for the three months ended March 31, 2017. The decrease in net loss was primarily a result of an increase in stock-based compensation expense during the three months ended June 30, 2017. This decrease was due to granting 1,138,250 options during the three months ended June 30, 2017 compared to none during the three months ended March 31, 2017.

Three months ended June 30, 2016 and March 31, 2016

At June 30, 2016, total assets were \$6,202,359 and working capital was \$4,371,115 compared to total assets of \$6,800,404 and working capital was \$5,532,294 at March 31, 2016. The decrease in total assets and working capital was the result of an increase in website development costs, offset by a larger increase in amortization, along with the use of cash for operations and to repay current liabilities. For the three months ended June 30, 2016, the Company posted a net loss of \$3,957,267 compared to a net loss of \$953,052 for three months ended March 31, 2016. Net loss per share was \$0.11 for the three months ended June 30, 2016, compared to \$0.03 for the three months ended March 31, 2016. The increase in the current period net loss was primarily a result an increase in stock-based compensation expense during the three months ended June 30, 2016. This increase was due to granting 2,863,950 options during the three months ended June 30, 2016 compared to not granting any options during the three months ended June 30, 2015.

Three months ended March 31, 2017 and March 31, 2016

At March 31, 2017, total assets were \$6,842,770 and working capital was \$4,798,448 compared to total assets of \$6,800,404 and working capital of \$5,532,294 at March 31, 2016. Total assets were comparable between the two periods. The decrease in working capital was the result of the decrease in cash and an increase in current liabilities. For the three months ended March 31, 2017, the Company posted a net loss of \$1,272,365 compared to a net loss of \$953,052 for three months ended March 31, 2016. The increase in net loss was primarily a result of an increase in amortization, consulting fees, general and administrative expense and stock based compensation.

Three months ended March 31, 2017 and December 31, 2016

At March 31, 2017, total assets were \$6,842,770 and working capital was \$4,798,448 compared to total assets of \$7,853,631 and working capital was \$5,776,520 at December 31, 2016. The decrease in total assets and working capital was the result of a decrease in cash as the result of operating expenditures. For the three months ended March 31, 2017, the Company posted a net loss of \$1,272,365 compared to a net loss of \$1,881,255 for three months ended December 31, 2016. Net loss per share was \$0.03 for the three months ended March 31, 2017, compared to \$0.04 for the three months ended December 31, 2016. The decrease in net loss was primarily a result of a decrease in stock-based compensation expense during the three months ended March 31, 2017. This decrease was due to granting 1,274,000 options during the three months ended December 31, 2016 compared to none during the three months ended March 31, 2017.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have incurred significant operating losses. We anticipate that we will continue to incur losses into the near future. As a result, we will need additional capital to fund our operations, which we may

obtain from additional financings, debt and operations revenue or other sources. To date, we have financed our operations primarily through the issuance of our common shares.

As at June 30, 2017, we had total assets of \$5,610,616 compared with \$7,853,631 as at December 31, 2016. The decrease in assets is attributed to a decrease in cash. The Company had a cash balance of \$3,850,715 and working capital of \$3,522,437 at June 30, 2017, compared with a cash balance of \$6,056,127 and working capital of \$5,776,520 at December 31, 2016. The decrease in cash and working capital was a result of as the result of operating expenditures.

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As of June 30, 2017, the Company had not yet generated significant revenue or positive cash flow from operations and had an accumulated deficit of \$34,900,150. These factors, among others, create substantial doubt as to the ability of the Company to continue as a going concern. Management believes that the proceeds from additional equity financing activities that it is currently pursuing, combined with revenue that the Company expects to generate in subsequent periods, will provide the Company with sufficient working capital to satisfy its liabilities and commitments as they become due for the foreseeable future. There can be no assurances that sufficient equity can be raised on acceptable terms on a timely basis. The Company's strategy is to mitigate risks and uncertainties and to execute a business plan aimed at revenue growth and managing operating expenses and working capital requirements. Failure to implement this plan could have a material adverse effect on the Company's financial condition and results of operations.

Cash Flows

The following table summarizes the results of our cash flows for the six months ended June 30, 2017 and 2016:

	2017	2016
Opening balance	\$6,056,127	\$6,820,022
Net cash (outflow) from operating activities	(1,563,371)	(1,858,777)
Net cash inflow / (outflow) from investing activities	(638,850)	(494,321)
Net cash inflow from financing activities	(3,191)	42,033
Closing balance	<u>\$3,850,715</u>	<u>\$4,508,957</u>

Operating Activities

Net cash outflow from operating activities decreased by \$295,406, or 16%, to \$1,563,371 for the six months ended June 30, 2017 compared to \$1,858,777 for the six months ended June 30, 2016. This decrease was primarily due to an increase in accounts payable and accrued liabilities and deferred revenue during the six months ended June 30, 2017 compared to 2017. This was offset by a decrease in net loss.

Investing Activities

Net cash outflow for the six months ended June 30, 2017 and 2016 includes amounts paid to acquire property and equipment. Cash outflows increased during the six months ended June 30, 2017 from 2016 as a result of increased website development expenditures.

Financing Activities

Net cash outflows from financing activities during the six months ended June 30, 2017 relates to the repayment of finance lease obligations of \$3,191 as compared to \$1,147 during the six months ended June 30, 2016.

During the six months ended June 30, 2016 the Company also received proceeds from the exercise of options and warrants of \$43,180 as compared to \$0 during the six months ended June 30, 2017.

Related Party Transactions

During the six months ended June 30, 2017, we incurred management fees of \$182,967 (2016 - \$237,697), and salaries of \$0 (2016 - \$15,346) to our various officers.

During the six months ended June 30, 2017, we recognized \$805,652 (2016- \$275,711) of stock-based compensation expense to our officers and directors.

The amounts incurred are in the normal course of operations and have been recorded at their exchange amounts, which are the amounts agreed upon by the transacting parties.

Contractual Obligations and Commitments

The following table summarizes our contractual commitments and obligations as of June 30, 2017.

	Payments Due By Period				
	Total	Less Than 1 Year	Between 1 and 3 Years	Between 3 and 5 Years	More Than 5 Years
Operating lease obligations	\$331,188	\$147,814	\$183,374	\$ --	\$ --
Finance lease obligations	9,115	5,782	3,333	--	--
Total contractual obligations	\$340,303	\$153,596	\$186,707	\$ --	\$ --

Off-Balance Sheet Arrangements

We do not have any, and during the periods presented we did not have any, off-balance sheet arrangements, other than the contractual obligations and commitments described above.

Funding Requirements

We anticipate that our expenses will increase in connection with the expansion of our sales and marketing efforts plus further maintenance & development of the RESAAS platform.

In addition, our expenses will increase if and as we:

- continue the development of internally designed and built tools, features and applications;
- increase our sales / marketing efforts to identify and develop additional business relationships and opportunities along with the increase in our sales force;
- maintain, expand and protect our intellectual property portfolio;
- hire additional technical and development personnel;
- expand our physical presence in the United States and abroad; and
- add operational, financial and management information systems and personnel, including personnel to support our platform development and planned future commercialization efforts.

We believe that our existing cash and cash equivalents will be sufficient to enable us to fund our operating expenses and capital expenditure requirements through July 2018. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect. Our future capital requirements will depend on many factors, including:

- maintaining, enforcing and protecting our intellectual property rights and defending against any intellectual property-related claims;
- our ability to establish and maintain collaborations, licensing or other arrangements and the financial terms of such arrangements;
- the extent to which we acquire or invest in other businesses, products and technologies;
- the rate of the expansion of our physical presence in the United States and abroad; and
- the costs of operating as a public company.

Until such time, if ever, as we can generate substantial revenues, we expect to finance our cash needs through a combination of equity offerings, collaborations, strategic alliances, debt financings, and marketing, distribution or licensing arrangements. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our existing shareholders may be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of holders of our common shares. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends or other distributions.

If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings or other arrangements when needed, we may be required to delay, limit, reduce or terminate our platform development or future commercialization efforts or grant rights to develop and market platform that we would otherwise prefer to develop and market ourselves.

Critical Accounting Policies and Significant Judgments and Estimates

We make estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in our consolidated financial statements within the next financial year are discussed below.

(a) Website Development Costs

Website development costs consist of costs incurred to develop Internet websites to earn revenue with respect to our business operations. Costs are capitalized in accordance with SIC Interpretation 32, *Intangible Assets – Web Site Cost*, and are amortized under IAS 38, *Intangible Assets*, over its estimated useful life commencing when the Internet website has been completed. We amortize the capitalized costs over their useful life of two years.

(b) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as a stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, we measure the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(c) Impairment of Non-financial Assets

The carrying amounts of our non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If indicators exist, then the asset's recoverable amount is estimated.

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

Our corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of assets other than goodwill and intangible assets that have indefinite useful lives, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(d) Revenue

The Company recognizes revenue in accordance with IAS 18, *Revenue*. Revenue consists of subscription fees, online advertising sales and projects. Revenue from subscription fees and online advertising is recognized only when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity, the stage of completion of the transaction at the end of the reporting period can be measured reliably, and the cost incurred for the transaction and the cost to complete the transaction can be measured reliably. Revenues for subscriptions are recognized over the term of the subscription agreement.

Projects consist of customer agreements to provide professional software services, including setup, integration and customization performed on the technology platform. The Company recognizes revenue related to such projects on a percentage of completion basis when the service is delivered to the customer, the fee is fixed and determinable, and collection of the fee is reasonably assured. Deposits received from customers in advance of the delivery of services are recorded as deferred revenue.

Multiple deliverable arrangements:

The Company enters into arrangements with multiple deliverables that generally include subscriptions and services. Multiple-element arrangements are recognized as the revenue for each unit of accounting is earned based on the relative fair value of each unit of accounting as determined by an internal analysis of prices or by using the residual method.

New Accounting Pronouncements

Management has considered that the following amendments, revisions and new IFRSs that are mandatory for annual periods beginning after January 1, 2018 or later periods might not have a material effect on our future disclosure, results and financial position:

- IFRS 9, *Financial Instruments* (New; to replace IAS 39 and IFRIC 9) is effective for annual periods beginning on or after January 1, 2018.
- IFRS 16, *Leases* is effective for annual periods beginning on or after January 1, 2019.

In addition, IFRS 15, *Revenue from Contracts with Customers* is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company intends to adopt IFRS 15 and the clarifications in its consolidated financial statements for the annual period beginning on January 1, 2018. The Company has commenced a preliminary assessment of the transition method and alternatives and the potential impact of IFRS 15 on its consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Quantitative and Qualitative Disclosures about Financial Risks

Our activities expose us to a variety of financial risks: market risk (including foreign currency risk), cash flow and fair value interest rate risk, credit risk, and liquidity risk. Our principal financial instrument comprises cash and cash equivalents, and this is used to finance our operations. We have various other financial instruments such as trade receivables and payables that arise directly from our operations. The category of loans and receivables contains only trade and other receivables, shown on the face of the balance sheet, all of which mature within one year. We have compared fair value to book value for each class of financial asset and liability and no difference was identified. We have a policy, which has been consistently followed, of not trading in financial instruments.

Interest Rate Risk

We do not hold any derivative instruments to manage interest rate risk.

Foreign Currency Risk

Foreign currency risk refers to the risk that the value of a financial commitment or recognized asset or liability will fluctuate due to changes in foreign currency rates. Our net income and financial position, as expressed in Canadian dollars, are exposed to movements in foreign exchange rates against the U.S. dollar. We are exposed to foreign currency risk as a result of operating transactions and the translation for foreign bank accounts. We monitor

our exposure to foreign exchange risk. Exposures are generally managed through natural hedging via the currency denomination of cash balances and any impact currently is not material to us.

Credit Risk

Our credit risk with respect to customers is limited and we did not have any trade receivables outstanding as of June 30, 2017. Financial instruments that potentially expose us to concentrations of credit risk consist primarily of short-term cash investments and trade accounts receivable.

Liquidity Risk

We have funded our operations since inception primarily through the issuance of equity securities. Until such time as we can generate significant revenue from platform, if ever, we expect to finance our operations through a combination of public or private equity or debt financings or other sources. Adequate additional financing may not be available to us on acceptable terms, or at all. Our inability to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy.

Outstanding Share Data

As at August 29, 2017, we had no Class A preferred shares issued and outstanding.

As at August 29, 2017, we had no Class B preferred shares issued and outstanding.

As at August 29, 2017, we had 36,947,469 common shares issued and outstanding.

As at August 29, 2017, we had 4,971,562 stock options and 5,899,000 warrants exercisable and outstanding.

Additional Disclosure for Venture Issuers Without Significant Revenues

During the six months ended June 30, 2017, the material components of general & administrative expenses included rent of \$111,663 (2016 - \$49,200), employee wages of \$623,772 (2016 - \$480,477), office expenses of \$87,859 (2016 - \$89,951), telephone expenses of \$28,368 (2016 - \$20,525), computer and information technology expenses of \$108,491 (2016 - \$97,568), automotive expenses of \$27,793 (2016 - \$27,258), and insurance of \$104,676 (2016 - \$53,370).