DISTINCT INFRASTRUCTURE GROUP INC.

Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in Canadian Dollars)

August 31, 2015

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 condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The management of Distinct Infrastructure Group Inc.is responsible for the preparation of the accompanying unaudited condensed consolidated interim financial statements. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards and are considered by management to present fairly the consolidated financial position, operating results and cash flows of the Company.

The Company's independent auditor has not performed a review of these condensed consolidated interim 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. These unaudited condensed consolidated interim financial statements include all adjustments, consisting of normal and recurring items, that management considers necessary for a fair presentation of the interim consolidated financial position, results of operations and cash flows.

"Joe Lanni"
……………………………………
Joe Lanni
Chief Executive Officer
Toronto, Ontario
October 27, 2015

"Alex Agius"
……………………………………
Alex Agius
Chief Executive Officer
Toronto, Ontario
October 27, 2015

"Manny Bettencourt"
……………………………………
Manny Bettencourt
Chief Financial Officer
Toronto, Ontario
October 27, 2015

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	Notes	August 31, 2015	November 30, 2014
ASSETS			
Current Assets			
Cash		$ 110,834	$ 13,939
Accounts receivable	5	14,822,647	9,435,153
Inventory		238,127	147,791
Prepaid expenses and deposits	6	1,163,305	108,442
Work in progress		5,974,077	4,956,581
Due from shareholders	19	215,684	192,067
Due from related party	19	1,563,341	1,538,372
TOTAL CURRENT ASSETS		$ 24,088,014	$ 16,392,345
Non-current Assets			
Property, plant and equipment	7	$ 2,236,279	$ 691,997
Intangibles	8	1,580,288	-
Assets under capital lease	7	5,487,934	4,529,241
		$ 9,304,500	$ 5,221,238
TOTAL ASSETS		$ 33,392,514	$ 21,613,583
LIABILITIES AND SHAREHOLDERS' DEFICIT			
Current liabilities			
Bank Indebtedness	9	$ 340,699	-
Accounts payable and accrued liabilities	10	5,827,916	$ 5,339,699
Revolving loan	9	6,758,779	7,088,274
Current portion of long-term debt	11	1,049,189	53,133
Income taxes payable		1,455,589	540,119
Current obligation under capital lease	13	1,127,878	1,120,227
		$ 16,560,049	$ 14,141,452
Non-current Liabilities			
Long term-debt	11	$ 1,035,205	$ 44,278
Notes payable	12	921,125	-
Obligation under capital lease	13	3,599,670	3,045,342
TOTAL LIABILITIES		$ 5,556,000	$ 3,089,620
		$ 22,116,049	$ 17,231,072
Shareholders' Equity			
Common Shares	14	$ 3,650,663	$ 3
Warrants and Options	15	1,905,902	-
Retained earnings		5,719,900	4,382,508
		$ 11,276,465	$ 4,382,511
TOTAL LIABILITIES AND EQUITY		$ 33,392,514	$ 21,613,583
Working Capital		$ 7,527,964	$ 2,250,893

These Financial Statements are authorized for issue by the Board of Directors on October 27, 2015.

"Michael Newman"
Director

"David O'Brien"
Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

	Notes	For the three months ended		For the nine months ended	
		August 31		August 31	
		2015	2014	2015	2014
Revenue	**18**	$8,727,311	$6,667,846	$23,399,392	$18,202,284
Expenses					
Direct costs	**18**	5,781,330	4,687,033	15,904,299	13,000,748
Selling, general and administrative		1,479,942	908,874	3,851,836	2,491,910
Depreciation and amortization	**7**	303,888	167,958	906,520	419,075
Total expenses		**$7,565,160**	**$5,763,865**	**$20,662,655**	**$15,911,733**
Earnings from operations		**$1,162,150**	**$903,981**	**$2,736,736**	**$2,290,551**
Interest expense		$195,460	$21,503	$449,830	$330,455
Interest on capital leases		$99,188	$47,017	$184,932	$47,017
Income before taxes		**$867,503**	**$835,461**	**$2,101,975**	**$1,913,079**
Income tax		$339,916	$155,135	$764,583	$478,282
Total comprehensive income/(loss), net of tax		**$527,587**	**$680,326**	**$1,337,392**	**$1,434,797**
Basic earnings per share		**$ 0.0025**	**$0.0045**	**$0.0076**	**$0.0095**
Weighted average shares outstanding		**214,009,174**	**151,000,000**	**176,927,358**	**151,000,000**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

	August 31, 2015	August 31, 2014
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Net Income	$ 1,337,392	1,434,797
Items not affecting cash		
Amortization of property and equipment	906,520	419,075
	2,243,912	1,853,872
Changes in non-cash working capital items		
Accounts receivable	(5,387,495)	(5,649,740)
Inventory	(90,336)	(19,901)
Work in progress	(1,017,496)	(1,194,301)
Prepaid expenses and deposits	(1,054,863)	(90,953)
Accounts payable and accrued liabilities	488,217	1,510,414
Income taxes payable	915,470	262,334
	(3,902,590)	(3,328,275)
INVESTING ACTIVITIES		
Advances (to) from shareholder	(23,617)	(130,103)
Purchase of property, plant and equipment (includes capital assets under lease)	(3,409,494)	(1,982,357)
Goodwill	(1,580,288)	-
	(5,013,399)	(2,112,460)
FINANCING ACTIVITIES		
Bank loan	11,204	4,483,978
Advances to related party	(24,969)	(473,038)
(Decrease) increase in note payable	2,908,108	(39,850)
Increase in obligations under capital lease	561,979	1,499,310
Issuance (redemption) of shares & Warrants	5,556,561	-
	9,012,884	5,470,400
NET CASH INFLOW	96,895	29,665
CASH, BEGINNING OF PERIOD	13,939	1,257
CASH, END OF PERIOD	$ 110,834	30,922

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Particulars	Issued share capital		Share warrants and conversion options	Retained Earnings	Total equity
	No. of shares	Amount			
Balance, November 30, 2013	**150**	**$3**		**$2,089,182**	**$2,089,185**
Net and comprehensive income	-	-	-	2,293,326	**$2,293,326**
Balance, November 30, 2014	**150**	**$3**	**$-**	**$4,382,508**	**$4,382,511**

Particulars	No. of shares	Amount	Share warrants and conversion options	Retained Earnings	Total equity
Balance, November 30, 2014	**150**	**$3**	**-**	**$4,382,508**	**$4,382,511**
Corporate Re-organization	(150)	-	**-**	**-**	**-**
Issuance upon re-organization (Note 14)	151,000,000	-	**-**	**-**	**-**
Issuance of common shares (Note 14)	93,610,344	3,650,660	**-**	**-**	**3,650,660**
Warrants and Options on Issuance of shares (Note 15)	-	-	**1,905,902**	**-**	**1,905,902**
Net and comprehensive income	-	-	**-**	**1,337,392**	**1,337,392**
Balance, August 31, 2015	**244,610,344**	**$3,650,663**	**1,905,902**	**$5,719,900**	**$11,276,465**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS

Distinct Infrastructure Group Inc. ("DIG", the "Company" and or the "Group") is a Canadian publicly traded design, engineering, construction, services and maintenance company. It predominantly services the telecommunications sector in southern Ontario, but has begun to service other utilities in Ontario and Alberta. The Company was incorporated under the laws of the province of Ontario on April 25, 2007, and its name was subsequently changed by way of Articles of Amendment from Distinct Technical Services Inc. to DistinctTech Inc. and after amalgamation and Reverse Take Over to Distinct Infrastructure Group Inc. on August 23, 2015. The Company's shares are traded on the Toronto Venture Exchange.

The head office, principal address and registered records office of the Company is located at 77 Belfield Road, Toronto, Ontario, M9W 1G6.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended November 30, 2014.

Basis of preparation

The condensed consolidated interim financial statements of the Company are presented in Canadian dollars which is the Company's functional currency and have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value.

Use of judgments and estimates

Management is required to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Management reviews these judgments, estimates and assumptions on an ongoing basis, including those related to depreciation, fair values of financial instruments, recoverability of assets and income taxes. Actual results may differ from these estimates and these differences could be material.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended November 30, 2014.

3. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

These condensed consolidated interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 2 and Note 3 to the financial statements for the year ended November 30, 2014. Additional information required to supplement certain accounting as disclosed in the consolidated financial statements for the year ended November 30, 2014 is provided below:

Accounting standards issued but not yet effective:

The Company is current assessing the impact of the following future accounting pronouncements:

IFRS 9: 'Financial Instruments' was issued in November 2009 as the first step in its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets. The IASB has expanded IFRS 9 to add new requirements for classifying and measuring financial liabilities, de-recognition of financial instruments, impairment and hedge accounting. These expanded requirements must be applied to periods starting on or after January 1, 2018. In November 2013, the IASB issued the third phase of IFRS 9 which details the new general hedge accounting model. Hedge accounting remains optional and the new model is intended to allow reporters to better reflect risk management activities in the financial statements and provide more opportunities to apply hedge accounting. The Company does not employ hedge accounting for its risk management contracts currently in place. In July 2013, the IASB deferred the mandatory effective date of IFRS 9 and has left this date open pending the finalization of the impairment and classification and measurement requirements. IFRS 9 is still available for early adoption. The full impact of the standard on the Company's consolidated financial statements will not be known until the project is complete.

IFRS 15: In May 2014, the International Accounting Standard Board (IASB) issued a new International Financial Reporting Standard (IFRS) on the recognition of revenue from contracts with customers. IFRS 15 specifies how and when entities recognize revenue, as well as requires more detailed and relevant disclosures. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue – Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted. The full impact of the standard on the Company's consolidated financial statements is not able to be reasonably estimated at this time.

4. ACQUISITIONS

(a) Acquisition of DC Connections

On May 1, 2015, the Company acquired all the issued and outstanding shares of DC Connections Inc. ("DC"), a small telecom construction company similar in nature to Distincttech, located in St. Albert, Alberta. The net amount due to the former owners of DC have been recorded as a note payable, and will be paid as per the installment schedule agreed to as part of the purchase agreement. The final price is subject to customary holdbacks and adjustments, which shall be adjusted on the final payment due November 2, 2015. The net purchase price for DC was $221,567.

DC is an operating company in Alberta and as such met the definition of a business under IFRS 3 and the assets and liabilities of DC are included in the consolidated statement of financial position at their book values which approximate their fair market value on closing of the transaction. Share capital and retained earnings of the acquired company are eliminated on consolidation.

At May 31, 2015, the entire purchase price was $221,567 owing to the shareholders of DC, and accounted for in Accounts payable.

The payments are to be made as follows:

(1) September 1, 2015	69,875
(2) November 2, 2015	69,875
(3) Final holdback (subject to final closing adjustments)	21,925
Total	$161,675

The DC acquisition was an arm's length transaction. There were no related parties to the Company involved in the transaction.

The total purchase price has been allocated as follows:

Purchase Price Net	$221,567
Allocated as:	
Cash	12,208
Accounts Receivable (Net)	30,923
Capital Assets	184,347
Accounts payable and accrued liabilities	(21,207)
	206,272
Goodwill on acquisition	$ 15,295

Goodwill arose in the acquisition of DC Connections because the cost of the combination included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of DC Connections. Subsequent to acquisition DC Connections changed name to DistinctTech Inc. (Alberta).

(b) **Acquisition of QE2 Acquisition Corp.**

On August 13, 2015, QE2 completed the acquisition of DistinctTech Inc. ("DistinctTech") by way of a three corner amalgamation (the "Amalgamation"). The Amalgamation agreement was entered into among QE2, DistinctTech and Subco on June 29, 2015 (the "Agreement"). Upon the closing of the Amalgamation all of the securities of DistinctTech were acquired in exchange for the issuance of 217,218,927 QE2 common shares at a deemed value of $0.10 per common share and 27,782,823 common share purchase warrants in the capital of QE2 for each DistinctTech common share and common share purchase warrant for aggregate consideration of $21,721,893. The result of this transaction is a reverse take-over of QE2 by DistinctTech. Concurrent with this transaction, the Company changed its name to Distinct Infrastructure Group Inc. ("DIG"). On August 21, 2015, its listing symbol on the TSXV was changed to "DUG".

The transaction has been treated as a reverse takeover for accounting purpose as per IFRS.

5. RECEIVABLES

	August 31, 2015	**November 30, 2014**
Trade receivables	14,822,647	9,435,153
	14,822,647	9,435,153

The company has analyzed its historical collections history from its prior periods as well as customers` data and determined that due to historical trends, current market and economic conditions no provision is required at this time. The Company will continue to analyze collections monthly and will determine appropriate provisions for bad debts if necessary.

6. PREPAIDS AND DEPOSITS

	August 31, 2015	November 30, 2014
Prepaid expenses	1,035,917	108,442
Deposits	127,388	-
	1,163,305	108,442

7. PROPERTY, PLANT AND EQUIPMENT

	COMPUTER SOFTWARE	COMPUTER EQUIPMENT	FURNITURE & OFFICE EQUIPMENT	VEHICLES	MACHINERY & EQUIPMENT	LEASEHOLD IMPROVEMENTS	TOTAL PROPERTY, PLANT AND EQUIPMENT	CONSTRUCTION EQUIPMENT UNDER CAPITAL LEASE	TOTAL
COST									
Balance, Nov 30, 2014	-	128,640	152,797	70,195	815,672	-	1,167,304	6,491,721	7,659,026
Additions during year	83,035	64,954	11,090	401,154	1,038,942	116,533	1,723,780	1,685,714	3,409,494
Balance, August 31, 2015	83,035	193,594	163,887	471,349	1,854,614	116,533	2,891,084	8,177,435	11,068,520
ACCUMULATED DEPRECIATION									
Balance, Nov 30, 2014	-	81,993	44,697	15,914	332,702	-	475,306	1,962,481	2,437,787
Depreciation expense	3,353	15,052	14,067	27,132	110,967	8,928	179,499	727,021	906,520
Balance, August 31, 2015	3,353	97,044	58,764	43,046	443,670	8,928	654,805	2,689,502	3,344,307
NET BOOK VALUE									
Balance, November 30, 2014	-	46,647	108,099	54,280	482,971	-	691,997	-	691,997
Balance, August 31, 2015	79,682	96,550	105,123	428,303	1,410,945	107,605	2,236,279	5,487,934	7,724,213

8. INTANGIBLES

	August 31, 2015	November 30, 2014
Goodwill DC Connections Acquisition	15,295	-
Goodwill QE2	1,564,993	-
	1,580,288	-

Impairment testing of goodwill and intangible assets with indefinite lives

The Group performs annual impairment test at year-end. The recoverable amount of the operating unit will be determined using a discounted cash flow approach, based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. Management will also use prior year's performance to determine impairment of goodwill and other intangible assets.

9. BANK LOAN AND INDEBTEDNESS

Revolving loan

The Company has negotiated a demand revolving operating loan with the Royal Bank of Canada for a maximum of $7,500,000. The bank loan is due on demand, bears interest at Royal Bank's prime lending rate plus 2% per annum and is secured by a general security agreement, an assignment of insurance, and guarantee postponement of claim in the amount of $750,000 by two directors. As of August 31, 2015, the bank loan had a balance outstanding of $6,758,779.

Bank indebtedness

Bank indebtedness is comprised of an Alberta Treasury Branch ("ATB") demand operating facility (for QE2 operations) with a borrowing base equal to the lesser of a) 75% of earned accounts receivable less amounts due over 90 days or b) $1,250,000. Interest is payable at prime plus 2%. This facility is secured by $500,000 personal guarantees and postponement of claim by two shareholders, and a general security agreement providing first charge and security interest in all present and after-acquired property and equipment. The demand operating facility is not subject to financial covenants. As at August 31, 2015 bank indebtedness was $340,699.

10. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	August 31, 2015	November 30, 2014
Accounts payable	$4,216,497	$4,581,693
Accrued liabilities	1,313,703	417,688
Payroll taxes payable	16,971	88,298
Due to government agencies	280,745	252,020
	$5,827,916	**$5,339,699**

11. LONG TERM DEBT

	August 31, 2015	November 30, 2014
(a) On September 30, 2013, the Company purchased thirty five (35) common shares from a shareholder of the Company for a purchase price of $212,533. The purchase price was paid as follows: (i) payment of $53,333 issued September 30, 2013, and (ii) $159,400 by promissory note, non-interest bearing and payable thirty-six (36) equal monthly payments of $4,428 with maturity date of October 1, 2016.	57,560	97,411
(b) On May 1, 2015, the Company acquired all the issued and outstanding shares of DC Connections Inc. ("DC"). The net amount due to the former owners of DC have been recorded as a non-interest bearing note payable, and will be paid on November 2, 2015.	161,675	-
(c) Roynat loan with an effective interest of 6.575% (stated interest of 6.497%) per annum, monthly principal payments of $18,333 plus interest, due April 15, 2019, secured by property and equipment with a carrying value of $560,009 and personal guarantees by two shareholders totaling $300,000. See Note 11 (i) below.	717,949	-
(d) Convertible debentures, net of transaction costs of $202,624, bearing interest at 8% per annum (effective rate 8.33%), semi-annual interest payments on June 30 and December 31, unsecured, and matures on October 20, 2018. Debenture holders may exercise the	881,719	-

right to convert at an exercise price of $0.50 per common share. At initial recognition, the Company allocated the proceeds between liability and equity. The allocation was performed by first estimating the fair value of the debenture liability using the market rate of 14%. The Company then used the residual method to determine the value of the equity component represented by the conversion feature which is approximately $35,659. Allocated transaction costs were $5,588. Subsequent to initial recognition, the liability component is amortized using the effective interest rate method. The equity component is not re-measured after initial recognition. As at July 31, 2015, none of the debentures were converted into common shares. The debenture may be redeemed at the option of the Company on the earliest date of 12 months from the closing date or in the event certain conditions are met after a change in control has occurred. See Note 11 (ii) below.		
(e) Bank of Nova Scotia loans bearing fixed interest at rates ranging from 0% - 5.98% per annum, monthly payments ranging from $487 - $906, due dates ranging from August 2018 to February 2019, secured by automotives with a carrying value of $84,044 (January 31, 2015 - $149,348).	119,981	-
(f) WS Leasing Ltd. finance leases bearing interest at rates ranging from 9.95% - 13.04% per annum, monthly payments ranging from $850 - $1,000 including interest, due dates ranging from December 2016 to January 2017, secured by automobiles with a carrying value of $52,296 (January 31, 2015 – $90,475).	65,709	-
(g) Ally Credit Canada Ltd. loans bearing fixed interest at rates ranging from 3.99% - 5.99% per annum, monthly payments ranging from $483 - $1,086 including interest, due dates in November 2016, secured by automobiles with a carrying value of $22,870 (January 31, 2015 - $50,964).	14,875	-
(h) Element Fleet Management Inc. finance leases bearing interest at rates ranging from 7.08% - 8.10% per annum, monthly payments ranging from $325 - $1,719 including interest, due dates ranging from July 2017 to	64,926	-

August 2017, secured by equipment with a carrying value of $67,695 (January 31, 2015 - $Nil)		
	2,084,394	97,411
Less current portion	(1,049,189)	(53,133)
	1,035,205	44,278

(i) The Roynat Loan

In addition to certain non-financial covenants, is subject to the following financial covenants:

- Maintain working capital ratio equal to or greater than 1.30:1;
- Maintain a Debt Service Coverage Rate equal to or greater than 1.25:1; and
- Maintain a Funded Debt to EBITDA rate equal to or less than 3.00:1.

As at August 31, 2015, the Company was in violation of the three financial covenants and, as a result, the debt with Roynat is due on demand. Roynat has not called the loan nor are they expected to do so. The full amount of this Roynat Debt has been recorded in current portion of long-term debt as consideration for the interest. The new management is in discussions with Roynat on the loan.

(ii) Future Payments

Estimated future principal payments, assuming the Roynat Debt is not called, are as follows:

2016	300,477
2017	1,504,373
2018	248,738
2019	195,274
	2,248,859

(iii) Convertible Debentures

The bondholders agreed to convert the semi-annual interest due ($77,880) into common shares at a fair value of $0.15 per share which occurred on July 22, 2015. A total of 519,200 common shares were issued.

On August 11, 2015, pursuant to a Supplemental Indenture, the debenture holders agreed to reduce the interest rate from on the original convertible debentures from 12% to 8% per annum and extend the maturity date from October 20, 2016 to October 20, 2018. Concurrently, debentures totaling $319,000, were converted into 2,126,667 common shares at an exercise price of $0.15.

12. NOTES PAYABLE

As part of the consideration paid for the Candesto Asset Acquisition, QE2 entered into a Loan Agreement wherein the vendor received a Vendor Take Back Promissory Note (“VTBP Note”) in the amount of $850,000. The VTBP Note was originally payable in two equal installments of on April 24, 2015 and 2016. On February 25, 2015, the Vendor and QE2 entered into an Amending Agreement, deferring the installments due April 24, 2015 and 2016 to August 13, 2017 and 2018. The Amending Agreement was subject to certain conditions relating to the successful completion of the RTO with Distinct (Note 15). These conditions have been satisfied as at August 31, 2015 and the entire amount of the VTBP Note has been recorded as long term liability. The VTBP Note is interest bearing at ATB’s Prime lending rate plus 2%. The VTB Note was initially recognized at a fair value of $752,923 using a market interest rate of 14%. Subsequent to initial recognition, the VTBP Note is amortized using the effective interest rate method. The VTBP Note is secured by a general security agreement covering property and equipment that was acquired in the Asset Acquisition having a net book value of $921,125. Under the terms of the Loan Agreement, the Company is entitled to defer the annual principal payments if a certain normalized net profit threshold (the “Profit Threshold”) is not attained by the subsidiary Candesto. If the Profit threshold is not attained by the first anniversary date, 50% of that required payment is deferred to the second anniversary date. If the Profit Threshold is not attained on the second anniversary date, 50% of that required payment is deferred for an additional twenty-four months. Accrued interest at August 31, 2015 is $42,500 which is recorded in notes payable.

13. OBLIGATIONS UNDER CAPITAL LEASE

	August 31, 2015	November 30, 2014
Present value of minimum net lease payments	4,727,548	4,165,569
Less: current portion	1,127,878	1,120,227
	$ 3,599,670	$ 3,045,342

Interest charges to the accounts of the Company on the above during the period amounts to $184,932 (2014 - $47,017).

The capital leases have interest rates that range from 0-7% interest and have an average interest rate of 5% (4.75% for 2014).

14. SHARE CAPITAL

During the prior fiscal year (2014) the Company had two shareholders and 150 shares outstanding with a common share value of $3.

On April 2, 2015, DistinctTech Inc. amalgamated with two Ontario numbered holding companies (2210291 Ontario Ltd & 2210296 Ontario Ltd) owned by at that time the sole shareholders of DistinctTech for tax planning purposes. The 150 common shares of DistinctTech along with all the shares of the numbered companies were returned to treasury for cancellation and 151,000,000 common shares were issued as replacement to the existing shareholders.

On April 27, 2015, the Company closed its first round brokered private placement, issuing 30,682,705 units at $0.10 per unit for gross proceeds of $3,068,270.50. Each Unit consists of one common share and one-half common share warrant.

On May 4, 2015, the Company closed its second round of its brokered private placement, issuing 10,590,000 units at $0.10 per unit for gross proceeds of $1,059,000. Each Unit consists of one common shares and one-half common share warrant.

On June 1, 20015, the Company closed its third round of its brokered private placement, issuing 14,292,940 units at $0.10 per unit for gross proceeds of $1,429,294. Each Unit consists of one common shares and one-half common share warrant.

The brokered private placement was led by Mackie Research Capital Corporation, and the agreement provided for a 6% cash commission and an 8% commission in the form of broker options.

The Company Share Capital consists of the below common shares:

DistinctTech Inc. ("DIG") Shares Outstanding	151,000,000
DistinctTech Shares Issued Pursuant to pre-RTO Financing	55,565,645
DIG Shares Outstanding Prior to RTO	206,565,645
QE2 Acquisition Corp. ("QE2") Shares Outstanding	28,812,766
Debt Conversion	4,006,933
QE2 Shares Issued Pursuant to pre-RTO Financing	5,225,000
QE2 Shares Outstanding Prior to RTO	38,044,699
Distinct Infrastructure Group (Resulting Issuer) Basic Shares Outstanding	244,610,344

15. WARRANTS AND OPTIONS

In 2015, as part of the Units issued through private placement (in both DistinctTech and QE2), a total of 30,395,322 warrants were issued. Each Warrant shall entitle the holder thereof to purchase one additional common share of the Company at an exercise price of $0.20 at any time up to 36 months from Closing (as defined herein). The warrants are subject to a forced conversion ("Forced Conversion"), at the option of the Company, if the common shares trade at or above $0.30 per share for a period of 20 non-consecutive trading days. The warrants will expire on the 20th business day following the date that notice of the Forced Conversion is sent to the warrant holders.

Balance, November 30, 2014		-
Issuance of warrants through private placement	$	1,905,902
Balance as of August 31, 2015	**$**	**1,905,902**

Number of Warrants and options outstanding as at August 31, 2015:

	August 31, 2015	**November 30, 2014**
Warrants	38,573,740	-
Options	6,363,252	-
	44,936,992	-

The weighted average exercise price for broker warrants during the period ended August 31, 2015 was $0.20 (2014- $NIL) per warrant.

The Black-Scholes option-pricing model, with the following assumptions, was used to estimate the fair value of warrants on the grant dates. No warrants were issued during the three month period ended August 31, 2015:

	August 31, 2015
Risk-free interest rate	0.68%
Expected lives (years)	3
Expected volatility	192%
Dividend per share	$nil
Share price fair value - warrant	$0.0686

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect fair values, and therefore, the existing models do not necessarily provide a reliable measure of the fair values of the Corporation's warrants.

The expected share price volatility is based on the historical volatilities of comparable companies.

The Corporation's share price fair value used in the warrants valuation, was based on the share price of the Corporation's shares issued to non-related parties in private placements for cash.

16. BASIC EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Three months ending August 31, 2015	Three months ending August 31, 2014	Nine months ending August 31, 2015	Nine months ending August 31, 2014
Earnings used in the calculation of basic earnings per share	$527,587	$680,326	$1,337,392	$1,434,797
Weighted average number of ordinary shares for the purposes of basic earnings per share	214,009,174	151,000,000	176,927,358	151,000,000
Earnings per share	$0.0025	$0.0045	$0.0076	$0.0095

17. MAJOR CUSTOMERS

Approximately 98% (August 31, 2014 - 98%) of the Company's sales are made to three customers in the communication industry sector. As at August 31, 2015, accounts receivable balance from these customers is $12,266,147 (August 31, 2014: $8,358,082).

18. REVENUE AND DIRECT COSTS

REVENUE	**Three months ended 31-Aug-15**	**Three months ended 31-Aug-14**	**Nine months ended 31-Aug-15**	**Nine months ended 31-Aug-14**
Revenue	**8,727,311**	**6,667,846**	**23,399,392**	**18,202,284**

DIRECT COSTS	**Three months ended August 31, 2015**	**Three months ended August 31, 2014**	**Nine months ended August 31, 2015**	**Nine months ended August 31, 2014**
Direct labour	3,009,897	1,795,937	7,470,979	5,788,913
Sub-contracts	563,842	1,306,246	2,494,396	2,926,702
Construction costs	1,147,987	614,591	3,015,964	1,442,857
Vehicles	527,197	317,765	1,322,559	1,042,834
Equipment rentals	256,112	301,741	866,277	1,017,664
Overhead	129,529	139,494	329,230	405,646
Repairs and maintenance	81,117	150,164	268,014	257,304
Supplies	65,649	61,095	136,880	118,828
TOTAL DIRECT COSTS	5,781,330	4,687,033	15,904,299	13,000,748

19. RELATED PARTY TRANSACTIONS

Due from related party

ABL Professional Management Services Inc. (“ABL”) is a separate legal entity that provides engineering services and managed by the common shareholders that control the Company. Transactions between the parties are incurred in the normal course of business and are measured at the exchange amount, which is the consideration established and agreed to by the respective parties. During the period, the Company has recorded services on a pass through basis of $326,157 to their related party (2014: $101,721). As at August 31, 2015, $1,563,341 (2014: - $1,538,372) remains receivable. The common shareholders have provided a personal guarantee for the collection of this receivable. The shareholders have provided personal guarantees up to $2M and ABL will repay amounts outstanding within 24 months.

Due from shareholders

The Company has a receivable outstanding from Shareholders (Senior Management and majority shareholders) of $215,684 (2014: $192,067), this receivable will be repaid over the next twenty four months, is personally guaranteed by the shareholders and does not bears interest. There will be no additional advances to shareholders.

Other related party transactions

The Company pays its Senior Management and majority shareholders by way of a management services agreement(s) with companies controlled by these individuals. Payments totalling $462,322 was paid for the period ending August 31, 2015 (2014-$nil). In prior periods management had been compensated through other methods.

The Company pays its Other Senior Management (outside the control group) by way of management services agreement(s) with companies controlled by these individuals. Payments totalling $210,428 was paid for the period ending August 31, 2015 (2014-nil).

20. OTHER COMMITMENTS

The Company leases its premises, vehicles and other related equipment under operating lease(s) that expire on various dates. The Company's total commitments, under a property lease agreement exclusive of occupancy cost and other equipment leases, are as follows:

2015 (remainder of the year)	$ 697,049
2016	1,012,065
2017	914,740
2018	625,302
2019	202,597
Total	$3,451,753

The company signed an offer to lease on a new property effective June 1, 2015. The existing lease on the company's former office and warehouse facilities were subleased to a third party though the remaining lease period. The net impact to the company for the prior lease will be zero over the remaining three and a half years, after cost of subletting. The new lease will be for ten years, and have a basic rent of $37,542 per month, an increase of $16,960 per month.

21. CAPITAL MANAGEMENT

The company's primary objectives when managing capital are to (a) safeguard the Company's ability to develop and market services, and (b) provide a sound capital structure for raising capital at a reasonable cost for the funding of ongoing development of its services and new growth initiatives. The Board of Directors does not establish quantitative capital criteria for management, but rather relies on the expertise of the company's management to sustain future development of the business.

The Company includes equity, comprised of issued share capital, and Retained earnings, in the definition of capital. The company is dependent on cash flow from services and external financing to fund its continued growth. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There has been no change to the Company's capital management in 2015 or 2014.

22. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the Company is a going concern and thus expects to fully repay the outstanding amounts.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no foreign currency transactions and therefore is not exposed to currency risk

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company is minimally exposed to interest rate risk.

(d) Credit risk

Credit risk is the risk of financial loss if a client fails to meet its contractual obligations, and arises primarily from the Company's trade accounts receivable and work in progress. The carrying amount of accounts receivables and work in progress totaling $20,796,724 (November 30, 2014 - $14,391,734) represents the maximum credit exposure. A significant portion of the trade accounts receivable are from the tele-communications industry and as such, the Company is exposed to all the risks associated with that industry. However, the majority of these receivables are from well-established, Canadian clients, whose creditworthiness is of the highest level, thereby reducing the risk of material payment default.

The Company has an established credit policy under which each new client is analyzed individually for creditworthiness. The review includes external ratings where available, credit reference checks and, in some cases, bank references. Creditworthiness of existing clients is monitored on an ongoing basis, along with monitoring the amount and age of balances outstanding.

(e) Concentration risk

The Company does have concentration risk. Concentration risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. At August 31, 2015, receivables from 3 customers comprised approximately 98% of the total outstanding receivables. One particular customer's account represents 39% of the total outstanding receivables at August 31, 2015. The Company reduces this risk by regularly assessing the credit risk associated with these accounts and closely monitoring any overdue balances.

(f) Liquidity risk

The Company does have a liquidity risk in the bank loan of $6,758,779, (2014: $7,088,274), accounts payable and accrued liabilities of $5,827,916 (2014: $5,339,699) and current portion of obligations under capital leases of $1,127,878 (2014: $1,120,227). Liquidity risk is the risk that the Company cannot repay its obligations when they become due to its creditors. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due.

Undiscounted cash flows of financial liabilities based on maturity date are as follows:

	1 year	2 to 5 years	>5 years	Total
Accounts payable and accrued liabilities	5,827,916	-	-	5,827,916
Borrowings	7,807,968	1,035,205	-	8,843,173
Obligations under finance lease	1,367,787	3,384,061	-	4,751,848

(g) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount, such as a debt instrument held with a floating interest rate. In the opinion of management, the cash flow risk exposure to the Company is low and not material.

(h) Interest rate risk

The Company is exposed to interest rate risk due to the variable rate interest on their bank loan. Changes in the lending rates may cause fluctuations in cash flows and interest expense.

(i) Price risk

The Company is exposed to price risk. Price risk is the risk that the commodity prices that the Company charges are significantly influenced by its competitors and the commodity prices that the Company must charge to meet its competitors may not be sufficient to meet its expenses. The Company reduces its exposure to price risk by ensuring that it obtains information regarding the commodity prices that are set by the competitors in the region to ensure that its prices are appropriate. In addition, management closely monitors expenses and matches capital outlays to its revenue stream. In the opinion of management the price risk exposure to the Company is low and is not material.

23. CONTINGENT LIABILITIES

The Company is defending a claim from two former suppliers regarding disputed payment amounts. These proceedings are being contested and it is not possible at this time to predict their ultimate outcome. It is the opinion of management that final determination of these proceedings will not materially affect the financial position or the results of the Company. The Company will vigorously defend itself and has fully accrued for the maximum potential exposure in its financial statements.

24. SUBSIDIARIES

Name of subsidiary	Principal activity	Place of Business and operation	Proportion of ownership interest and voting rights held	
			2015	2014
DistinctTech Inc.	Civil and light construction	Toronto, ON	100%	100%
iVac Services Inc.	Hydrovac services	Toronto, ON	100%	100%
Distinct Environmental Solutions Inc.	Inactive	Toronto, ON	100%	100%
Distincttech Inc. (Alberta) (Formerly DC Connections Inc.)	Civil light Construction	Albertsville, AB	100%	-
Pillar Contracting Ltd	Civil light Construction	Calgary, AB	100%	-
Candesto Enterprises	Maintenance & Street Lights	Calgary, AB	100%	-

25. SUBSEQUENT EVENTS

The Company on October 2, 2015 announced that Mr. David O'Brien was elected the Chairman of the Board. Mr. O'Brien is retired as president and Chief Executive Officer of Toronto Hydro Corporation where he served between 2004-2009. Prior to joining Toronto Hydro Corporation, Mr. O'Brien was on a six month secondment with the Ontario's Ministry of energy from the city of Mississauga, where he initially joined as Associate Deputy Minister of Energy and was subsequently appointed Deputy Minister. Mr. O'Brien began his career 40 years ago in the city of Sudbury where he rose to the position of City Manager. Since then he has held the position of City Manager for the Region of Ottawa Carleton, City of Gloucester, the City of Ottawa, and most recently the City of Mississauga between 1995-2004. Mr. O'Brien worked with KPMG from 2012-2014 as the Global Head of the Cities Centre of Excellence. Mr. O'Brien has also served as President and Chief Executive Officer of Enersource Corporation, the parent company of the Board of Directors of Enersource Corporation and Chair of the Development Committee.

The Company also announced that it has granted an aggregate of 7,650,000 stock options to the Directors, Officers and employees. Each option is exercisable at $0.20 per common share at any time until September 28, 2020.

26. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.