AFRASIA MINERAL FIELDS INC.

ANNUAL GENERAL AND SPECIAL MEETING

TO BE HELD ON MARCH 31, 2015

MANAGEMENT INFORMATION CIRCULAR

IN RESPECT OF THE TRANSACTION INVOLVING AFRASIA MINERAL FIELDS INC. AND WMODE INC. AND CERTAIN OTHER TRANSACTIONS

Information as at the record date of February 20, 2015, unless otherwise disclosed

All information contained in this management information circular with respect to W Mode Inc. ("WMode") was supplied by WMode for inclusion in this circular.

These materials require your immediate attention. If you are in doubt as to how to deal with these materials, or the matters referred to in this circular, please consult your investment dealer, stockbroker, bank manager or other professional advisor.

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Reverse Takeover described in this information circular.

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NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF AFRASIA MINERAL FIELDS INC.

TO THE SHAREHOLDERS:

An Annual General and Special Meeting (the "**Meeting**") of the shareholders of Afrasia Mineral Fields Inc. ("**Afrasia**") will be held at Suite 700, 595 Burrard Street, Vancouver, British Columbia on Tuesday, March 31, 2015 at 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements of Afrasia for the financial years ended May 31, 2014 and 2013, together with the auditor's report thereon;

2. to appoint auditors for Afrasia for the ensuing financial year and to authorize the directors to fix the remuneration to be paid to the auditors;

3. to fix the number of directors and to elect directors to hold office until the next Annual General Meeting, as more particularly described in the accompanying management information circular (the "**Circular**");

4. to consider and, if thought appropriate, to pass, with or without variation, an Ordinary Resolution (the "**Acquisition Resolution**"), authorizing, confirming and approving the three-cornered amalgamation of Afrasia, and WMode Inc. as a "Reverse Takeover" under the policies of the TSX Venture Exchange, as more particularly described in the accompanying Circular;

5. if the Acquisition Resolution is approved, to consider and, if thought appropriate, to pass, with or without variation, a Special Resolution (the "**Consolidation Resolution**") to approve the consolidation (the "**Consolidation**") of Afrasia's issued and outstanding common shares on the basis of one (1) post-Consolidation common share for each fourteen (14) pre-Consolidation common shares, as more particularly described in the accompanying Circular;

6. if the Acquisition Resolution is approved, to consider and, if thought appropriate, to pass, with or without variation, a Special Resolution (the "**Continuation Resolution**") to approve the continuance (the "**Continuance**") of Afrasia's corporate jurisdiction to the *Business Corporations Act* (Alberta) ("**ABCA**") under the new name of "WMode Corp.", as more particularly described in the accompanying Circular;

7. to consider and, if thought appropriate, to pass, with or without variation, an Ordinary Resolution to approve a new stock option plan (the "**Resulting Issuer Stock Option Plan**"), as more particularly described in the accompanying Circular; and

8. to transact such other business as may properly come before the Meeting.

The Circular and a form of Proxy accompany this Notice of Meeting. The Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice of Meeting.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy holder to attend and vote in his or her place. If you are unable to attend the Meeting or any adjournment in person, please read the notes accompanying the enclosed form of Proxy and then complete, sign, and date the Proxy and return it within the time and to the location set out in the notes. Afrasia's management is soliciting the enclosed form of Proxy but, as set out in the notes, you may amend the Proxy if you wish by striking out the names listed and inserting in the space provided the name of the person you want to represent you at the Meeting.

TAKE NOTICE that dissenting shareholders in respect of the proposed Continuance contemplated in paragraph 5 above are entitled to be paid the fair value of their shares held in Afrasia in accordance with sections 237 to 247 of the *Business Corporations Act* (British Columbia) (the "BCBCA").

Under the BCBCA, you as a registered Shareholder may, until 10:00 a.m. (Vancouver time) on February 26, 2015, give Afrasia a notice of dissent by registered mail addressed to the Chief Executive Officer of Afrasia at Suite 2050, 1055 Georgia Street, Vancouver, B.C. V6E 3P3, with respect to the proposed Continuation Resolution. As a result of giving a notice of dissent, a shareholder may, on receiving a notice of intention to proceed under section 243 of the BCBCA, require Afrasia to purchase all of the shares of Afrasia held by such shareholder in respect of which the notice of dissent was given.

These dissent rights are further described in the accompanying Circular in respect of the Meeting and the text of sections 237 to 247 of the BCBCA are included as Schedule "A", to this Circular. Failure to comply strictly with the requirements may result in the loss of any right to dissent.

A non-registered Shareholder who wishes to exercise dissent rights should immediately contact the intermediary or broker with whom the non-registered Shareholder deals in respect of its shares held in Afrasia and instruct the intermediary or broker in respect of its shares held in Afrasia.

If you are a non-registered Shareholder and have received this notice and accompanying Circular from your broker or another intermediary, please complete and return the voting instruction or other authorization form provided to you by your broker or other intermediary in accordance with the instructions provided to you.

Please advise Afrasia of any change in your address.

DATED at Vancouver, British Columbia, this 26th day of February, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

"*Praveen Varshney*"

Praveen Varshney
President, Chief Executive Officer and Chief Financial Officer

GLOSSARY OF TERMS

"ABCA" Means the *Business Corporations Act* (Alberta), as amended, including the regulations promulgated thereunder

"Acquisition Resolution" Means an Ordinary Resolution of the Shareholders approving the Amalgamation, to the extent the Amalgamation results in a Reverse Takeover of Afrasia under the Exchange policies requiring approval of the Shareholders

"Affiliate" Means a Company that is affiliated with another Company as described below:

A Company is an "Affiliate" of another Company if:

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same Person.

A Company is "controlled" by a Person if:

(a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company

A Person beneficially owns securities that are beneficially owned by:

(a) a Company controlled by that Person, or

(b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person

"Afrasia" Means Afrasia Mineral Fields Inc., a company incorporated under the BCBCA, having its common shares listed on the NEX board of the Exchange under the trading symbol "AFS.H"

"Afrasia Continuance Application" Means the application by Afrasia, as approved by the Shareholders by way of Special Resolution, to the Registrar, requesting that Afrasia be continued as if it had been incorporated under the ABCA

"Afrasia Shares" Means common shares in the capital of Afrasia

"Agent" Means Haywood Securities Inc., agent for the Second WMode Placement

"Alltel" Means Alltel Wireless

"Amalco" Means the corporation continuing from the Amalgamation which will carry on the business of WMode

"Amalco Shares" Means common shares in the capital of Amalco

"Amalgamation"	Means the amalgamation of MergerSub and WMode under the provisions of section 181 of the ABCA on the terms and conditions set forth in the Amalgamation Agreement
"Amalgamation Agreement"	Means the amalgamation agreement among Afrasia, MergerSub and WMode dated February 26, 2015, under which MergerSub and WMode will amalgamate, resulting in each WMode Class A Share being exchanged for 0.4675 Resulting Issuer Shares.
"Arm's Length Transaction"	Means a transaction which is not a Related Party Transaction
"Articles of Amalgamation"	Means the articles of amalgamation in respect of the Amalgamation required under subsection 185(1) of the ABCA to be filed with the Registrar
"Associate"	When used to indicate a relationship with a Person, means: (a) an Issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the Issuer, (b) any partner of the Person, (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity, (d) in the case of a Person, who is an individual: (i) that Person's spouse or child, or (ii) any relative of the Person or of his spouse who has the same residence as that Person; but where the Exchange determines that two Persons will, or will not, be deemed to be Associates with respect to a member firm of the Exchange, member corporation of the Exchange or holding company of a member corporation, then such determination will be determinative of their relationships in the application of Rule D with respect to that member firm, member corporation or holding company
"Auditor's Resolution"	Means an Ordinary Resolution of Shareholders, as part of Afrasia's annual general meeting, to appoint auditors for Afrasia for the ensuing financial year and to authorize the directors to fix the remuneration to be paid to the auditors
"BCBCA"	Means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder
"Board" or "Board of Directors"	Means the Board of Directors of Afrasia

"By-Law"	Means By-Law number 1, being a by-law relating generally to the transaction of the business and affairs of the Resulting Issuer (following the Continuance)
“Canaccord”	Means Canaccord Genuity Corp., agent for the First WMode Placement
"Canaccord Letter"	Means the engagement letter between WMode and Canaccord dated August 6, 2013
"CEO"	Means Chief Executive Officer
"CFO"	Means Chief Financial Officer
"Change of Control"	Includes situations where after giving effect to the contemplated transaction and as a result of such transaction: (a) any one Person holds a sufficient number of the voting shares of an Issuer or Resulting Issuer to affect materially the control of the Issuer or Resulting Issuer, or (b) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding hold in total a sufficient number of the voting shares of the Issuer or Resulting Issuer to affect materially the control of the Issuer or Resulting Issuer; where such Person or combination of Persons did not previously hold a sufficient number of voting shares to affect materially the control of the Issuer or Resulting Issuer. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, hold more than 20% of the voting shares of the Issuer or Resulting Issuer is deemed to materially affect the control of the Issuer or Resulting Issuer
"Circular"	Means this information circular of Afrasia, together with the attached schedules
"Closing"	Means the completion of the transactions contemplated by the Amalgamation Agreement
"Closing Date"	Means the date of giving effect to the Continuation Resolution, and the date the Amalgamation closes, as applicable
"Company"	Unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual
"Compensation Committee"	Means, the compensation committee of WMode, currently comprised of Iain Gillott, Stephen Pezzola and Allan Chan
"Computershare"	Means Computershare Investor Services Inc., the registrar and transfer agent and escrow agent for Afrasia

"Consolidation"	Means the consolidation of all of Afrasia's issued and outstanding common shares on the basis of 14 old shares for 1 new share, which will be completed immediately prior to the completion of the Amalgamation
"Consolidation Resolution"	Means a Special Resolution of Shareholders approving the Consolidation
"Continuance"	Means the continuance of Afrasia to the provincial jurisdiction of Alberta under the ABCA under the new name of "WMode Corp." or such other name as may be acceptable to applicable regulatory authorities
"Continuation Resolution"	Means a Special Resolution of Shareholders approving the Continuance
"Control Person"	Means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of a Company so as to affect materially the control of that Company, or that holds more than 20% of the outstanding voting securities of a Company except where there is evidence showing that the holder of those securities does not materially affect the control of the Company
"Court"	Means the Supreme Court of British Columbia
"Cricket"	Means Cricket Communications Inc.
"**Debt Conversion Placement**"	Means the prospectus exempt private placement through the conversion of current debt in WMode ($492,975 (including interest)) into 1,760,625 WMode Units at $0.28 per WMode Unit which was completed August 15, 2014
"Directors' Resolution"	Means an Ordinary Resolution of Shareholders, as part of Afrasia's annual general meeting, to fix the number of directors of Afrasia at four and to elect to the Board the current directors of Afrasia, being: Praveen Varshney, Peeyush Varshney, Mervyn Pinto and Debbie Lew, with the expectation that when the Amalgamation closes, all of the directors except Praveen Varshney will resign, and such vacancies will be filled by Emanuel Bertolin, Robert Woodward, Stephen Pezzola and Iain Gillott who will be appointed as directors
"Escrow Agreement"	Means the Form 5D Surplus Escrow Agreement as required by the Exchange, which provides for escrow releases on the date of the Final Exchange Bulletin and the 6, 12, 18, 24, 30 and 36 month anniversaries of the date of the Final Exchange Bulletin
"Effective Date"	Means the date of the Amalgamation, as set out in the certificate of amalgamation issued by the Registrar pursuant to the ABCA
"EIP"	Means WMode's current executive incentive plan
"Engagement Letter"	Means collectively, the private placement financing engagement letter and financial advisory mandate engagement letter between WMode and the Agent dated February 26, 2015

"Exchange"	Means the TSX Venture Exchange
"Final Exchange Bulletin"	Means the bulletin which is issued by the Exchange following the Closing of the Amalgamation and the submission of all required documents which evidences the final acceptance by the Exchange of the RTO
"First WMode Placement"	Means the prospectus exempt private placement completed by WMode for gross proceeds of $1,306,640.88 through the issuance of 4,666,570 WMode Units at $0.28 per WMode Unit which closed in two tranches on June 17, 2014 and October 21, 2014
"First WMode Placement Broker Warrants"	Means the warrants issued by WMode to Canaccord in connection with the First WMode Placement, comprised of up to 10% of that number of WMode Units sold under the First WMode Placement exercisable at a price of $0.28 per Class A WMode Share
"Going Public Deadline"	Means March 17, 2015
"Going Public Event"	Means (i) an initial public offering and concurrent listing of the WMode Class A Shares on a recognized stock exchange in Canada or the United States acceptable to Canaccord; (ii) a reverse take-over in which WMode Class A Shares or securities issued in exchange for the WMode Class A Shares are listed on a recognized stock exchange in Canada or the United States acceptable to Canaccord; or (iii) a transaction that provides the holder of the WMode Class A Shares with comparable liquidity (including securities free of statutory hold periods) that such holders would have received if a public offering occurred, whether by means of a merger, amalgamation, arrangement, take-over bid, insider bid, reorganization, joint venture, sale of all or substantially all assets of WMode, exchange of assets or similar transaction or other combination with a public corporation listed on a recognized stock exchange in Canada or the United States acceptable to Canaccord
"Governmental Authority"	Means any federal, provincial, municipal or other political subdivision, government department, commission, board, bureau, agency, court or instrumentality, whether domestic or foreign
"IoT"	Means 'Internet of Things', meaning the connection of various devices and 'things' to the Internet and to each other
"IFRS"	Means International Financial Reporting Standards

"Insider"	Means: (a) a director or senior officer of an Issuer; (b) a director or senior officer of a Company that is an Insider or subsidiary of an Issuer; and (c) a Person that beneficially owns or controls, directly or indirectly, securities carrying more than 10% of the voting rights attached to all outstanding securities of the Issuer
"Issuer"	Means a Company and its subsidiaries which have any of its securities listed for trading on the Exchange and, as the context requires, any applicant Company seeking a listing of its securities on the Exchange
"IVI"	Means in-vehicle infotainment which is an integrated hardware and software device installed into automobiles, or other forms of transportation, to provide audio/visual entertainment, as well as navigation systems, vehicle diagnostic, and other services
"Letter of Intent"	Means the letter of intent between Afrasia and WMode dated April 2, 2014 which agreement was superseded by the Amalgamation Agreement
"Management Services Agreement"	Means the management and administrative services dated November 1, 2003 (amended on June 1, 2008 and January 1, 2009) between Afrasia and VCC. Such Agreement was terminated effective May 31, 2014
"MD&A"	Means management's discussion and analysis
"Meeting"	Means the annual general and special meeting of the Shareholders to be held on March 31, 2015, and any adjournment thereof, called to consider, among other things, the Acquisition Resolution, the Continuation Resolution and the Directors' Resolution
"MergerSub"	Means a wholly-owned subsidiary of Afrasia and a corporation incorporated under the laws of the Province of Alberta
"MergerSub Shares"	Means common shares in the capital of MergerSub

"NEO"	Means, for a Company: (a) the individual who served as its CEO or acted in a similar capacity during the most recently completed financial year; (b) the individual who served as its CFO or acted in a similar capacity during the most recently completed financial year; (c) each of its three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined by 1.3(6) of Form 51-102F6 - Statement of Executive Compensation (pursuant to Securities Laws); and (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year For the purposes of Exchange Form #D1 - Information Required in an Information Circular for a Reverse Takeover of Change of Business, (c) and (d) above are to include a Company's most highly compensated officers, regardless of the amount of compensation.
"NI 52-110"	Means National Instrument 52-110 *Audit Committees*
"NI 58-101"	Means National Instrument 58-101 *Disclosure of Corporate Governance Practices*
"NP 58-201"	Means National Policy 58-201 *Corporate Governance Guidelines*
"Optionees"	Means directors, officers, employees, consultants and eligible persons, eligible to participate in an stock option plan, as defined by Exchange policies
"Ordinary Resolution"	Has the meaning ascribed to it in subsection 1(1) of the BCBCA
"OTT"	Means Over-the-Top and refers to the delivery of audio, video, and other media over the Internet without a mobile phone operator being involved in the control or distribution of the content
"Parties"	Means Afrasia, WMode, MergerSub, or such other parties as the context may require
"Person"	Means an individual, partnership, association, unincorporated organization, trust and corporation and a natural person acting in such person's individual capacity or in such person's capacity as trustee, executor, administrator, agent or other legal representative
"Promoter"	Has the definition prescribed by applicable Securities Laws

"QHSE"	Means, quality, health, safety and environment
"RegCo"	Means the Registrar of Companies under the BCBCA
"Registrar"	Means the Registrar of Corporations appointed pursuant to Section 263 of the ABCA
"Related Party Transaction"	Has the meaning ascribed to that term in Exchange Policy 5.9, and includes a related party transaction that is determined by the Exchange, to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non Arms' Length Parties, or other circumstances exist which may compromise the independence of the Issuer with respect to the transaction
"Resulting Issuer"	Means Afrasia as re-named "WMode Corp.", following completion of the Consolidation, Continuation and the Amalgamation, whose wholly-owned subsidiary will be Amalco
"Resulting Issuer Brokers Warrants"	Means the warrants to be issued by the Resulting Issuer in connection with the Amalgamation in exchange for warrants previously issued to Canaccord, the Agent and to certain brokers and finders in connection with the First WMode Placement and Second WMode Placement
"**Resulting Issuer Options**"	Means the options to be issued by the Resulting Issuer on closing of the Consolidation, Continuation and Amalgamation, including conversion of WMode Options, exercisable to acquire Resulting Issuer Shares;
"Resulting Issuer Shares"	Means common shares in the capital stock of the Resulting Issuer
"Resulting Issuer Stock Option Plan"	Means the proposed stock option plan which will conform with the requirements of the Exchange and will be presented to Shareholders for approval at the Meeting
"Resulting Issuer Stock Option Plan Resolution"	Means an Ordinary Resolution of the Shareholders approving the Resulting Issuer Stock Option Plan
"Resulting Issuer Warrants"	Means the warrants to be issued by the Resulting Issuer on closing of the Consolidation, Continuation and Amalgamation, including conversion of WMode Warrants, exercisable to acquire Resulting Issuer Shares
"Reverse Takeover" or "RTO"	Means a series of transactions, involving an acquisition by the Issuer or of the Issuer, and a securities issuance by an Issuer that results in: (a) new shareholders holding more than 50% of the outstanding voting securities of the Issuer, and (b) a Change of Control of the Issuer. The Exchange may deem a transaction to have resulted in a Change of Control by aggregating the shares of a vendor group and/or incoming management group

and in this Circular, refers to the Amalgamation

"RTO Policy"	Means Policy 5.2 *Changes of Business and Reverse Takeovers* of the Exchange
"Second Minimum WMode Placement"	Means the prospectus exempt private placement for gross proceeds of a minimum of $3,300,000 through the issuance of 8,823,529 WMode Class A Shares at a minimum offering price of $0.374 per WMode Class A Share
"Second Maximum WMode Placement"	Means the prospectus exempt private placement for gross proceeds of a maximum of $5,000,000 through the issuance of 13,368,984 WMode Class A Shares at a minimum offering price of $0.374 per WMode Class A Share
"Second WMode Placement"	Means either the Second Minimum WMode Placement or the Second Maximum WMode Placement, as applicable, which is expected to close immediately in advance of the Amalgamation
"Second WMode Placement Broker Warrants"	Means the warrants to be issued by WMode to the Agent in connection with the Second WMode Placement, equal to 10% of that number of WMode Class A Shares sold under the Second WMode Placement each exercisable at a price of $0.374 per Class A WMode Share for a period of 24 months
"Securities Laws"	Means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to a Person
"Shareholder"	Means a holder of Afrasia Shares, from time to time, and "Shareholders" means all such holders
"SaaS"	Means 'Software as a Service', being a software licensing and delivery model in which centrally hosted software is licensed to users on a subscription basis and which is typically accessed by users via a web browser
"Special Resolution"	Has the meaning ascribed to such term in subsection 1(1) of the BCBCA
"Sponsor"	Has the meaning ascribed thereto in Exchange Policy 5.2
"Stock Option Plan"	Means Afrasia's current stock option plan dated August 15, 2013
"VCC"	Means Varshney Capital Corp., a private British Columbia venture capital company of which Praveen Varshney is a director, and of which Peeyush Varshney is director, secretary and partial owner
"WMode"	Means W Mode Inc., a corporation incorporated under the laws of the Province of Alberta
"WMode Class A Shares"	Means the Class A common shares in the capital of WMode
"WMode Options"	Means all stock options exercisable to acquire WMode Class A Shares outstanding immediately prior to the Effective Date

"WMode Shareholder"	Means a holder of WMode Class A Shares, and "WMode Shareholders" means all such holders
"WMode Special Warrants"	Means a special warrant of WMode that will automatically convert, for no additional consideration and no further action by the holder, into 0.2 of a WMode Class A Share if WMode does not complete a Going Public Event before the Going Public Deadline. If the Going Public Event is completed before the Going Public Deadline, then the WMode Special Warrants will be automatically cancelled and have no further force or effect
"WMode Stock Option Plan"	Means WMode's current stock option plan
"WMode Subsidiaries"	Means WMode GmbH, WMode Limited, Neosystems Inc. and AppCarousel Inc. (USA) and AppCarousel Inc. (Canada), all of which WMode holds 100% of the outstanding securities, and Redwood Technologies Inc., of which it holds 98.1% of the outstanding securities
"WMode Unit"	Means the units of WMode sold pursuant to the First WMode Placement and the Debt Conversion Placement, each unit comprised of one WMode Class A Share and one WMode Special Warrant
"WMode Warrants"	Means all warrants exercisable to acquire WMode Class A Shares outstanding immediately prior to the Effective Date
"Work Fee Units"	Means units of WMode payable to the Agent, each unit consisting of one WMode Class A Share and one Work Fee Warrant
"Work Fee Warrants"	Means WMode Warrants payable to the Agent, entitling the Agent, on exercise, to purchase one WMode Class A Share at $0.374 until the date that is 24 months from the date of issue

Currency

All references to "dollar" or the use of the symbol "$" are to Canadian dollars and use of the symbol "US$" refers to United States dollars, unless otherwise indicated.

SUMMARY

The following is a summary of information related to the Amalgamation, Afrasia, WMode and the Resulting Issuer (assuming completion of the Amalgamation) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular, including the Schedules, which are incorporated into and form part of this Circular. Certain capitalized words and terms used in this Summary are defined in the Glossary of Terms.

General

This Circular is prepared in accordance with applicable corporate and Securities Law, the RTO Policy of the Exchange and Form 3D1 *Information Required in an Information Circular for a Reverse Takeover* prescribed under the RTO Policy in connection with the Meeting being held to approve, among other things, the Amalgamation. The Amalgamation will also be considered a NEX reactivation for Afrasia. The information contained in this Circular is as at December 31, 2014 unless otherwise indicated.

The Meeting

The Meeting will be held on March 31, 2015 at 10:00 a.m. (Vancouver time) for the purposes set forth in the Notice of Meeting for Afrasia to consider and, if deemed advisable, to approve the items of business identified in its Notice of Meeting.

Principal Terms of the Proposed Amalgamation

At the Meeting, Shareholders will be asked to consider and, if thought fit, pass with or without variation, the Acquisition Resolution authorizing, confirming and approving the Amalgamation between MergerSub and WMode, to form Amalco, pursuant to the terms and conditions of the Amalgamation Agreement. The Resulting Issuer will be Afrasia with Amalco as its wholly-owned subsidiary, and the business of the Resulting Issuer will primarily be WMode's business.

WMode is a private company incorporated under the laws of Alberta. WMode provides a suite of configurable and combinable hosted platforms, modules and services. The principal software platforms are AppCarousel, ACE and Ingage. For more information about the business of WMode see "*Information Regarding WMode – Narrative Description of the Business*".

On February 26, 2015 Afrasia and MergerSub entered into the Amalgamation Agreement with WMode. The Amalgamation Agreement provides that, among other things, each WMode Class A Share will be exchanged for 0.4675 Resulting Issuer Shares, and that the MergerSub Shares will be cancelled and replaced by Amalco Shares on the basis of one Amalco Share for each one MergerSub Share. Each of the WMode Warrants and WMode Options will be exchanged for Resulting Issuer Warrants and Resulting Issuer Options, respectively, according to the same ratio.

The current Shareholders are expected to own approximately 3.46% of the outstanding shares of the Resulting Issuer and the current WMode Shareholders will own 80.26% of the Resulting Issuer. The Amalgamation is based on a deemed valuation of the Resulting Issuer of approximately $30,000,000 at an estimated price of $0.80 per Resulting Issuer Share post-Amalgamation.

Completion of the Amalgamation is conditional upon, among other things, receipt of all required regulatory and Shareholder approval of the Acquisition Resolution, the Consolidation Resolution and the Continuation Resolution and the completion of the Second WMode Placement.

At the Meeting, Shareholders will be asked to:

(a) consider and, if thought fit, pass with or without variation, the Acquisition Resolution, authorizing, confirming and approving the Amalgamation and Amalgamation Agreement;

(b) consider and, if thought fit, pass with or without variation, the Auditor's Resolution, the Consolidation Resolution, the Continuation Resolution, the Directors' Resolution and the Resulting Issuer Stock Option Plan Resolution; and

(c) to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

If the Acquisition Resolution is not approved, the Consolidation Resolution and the Continuation Resolution will not be brought forward for consideration at the Meeting.

Under Exchange policies, completion of the transactions under the Amalgamation Agreement will constitute a NEX reactivation and a Reverse Takeover of Afrasia as the former WMode Shareholders (including WMode Shareholders who subscribed for WMode Units under the Debt Conversion Placement and the First WMode Placement) will own approximately 80.26% of the Resulting Issuer Shares on a non-diluted basis on the Closing Date. Under Exchange policies, the Acquisition Resolution requires approval by an Ordinary Resolution.

Placements

On June 17, 2014, WMode closed the first tranche of the First WMode Placement and issued First WMode Placement Broker Warrants to Canaccord in connection therewith. On August 15, 2014, WMode closed the Debt Conversion Placement. On October 21, 2014, WMode closed the second tranche of the First WMode Placement and issued First WMode Placement Broker Warrants to Canaccord in connection therewith. WMode will complete the Second WMode Placement concurrently with the Closing, and will issue Second WMode Placement Broker Warrants in connection therewith along with Work Fee Units in payment of the success fee and work fee described below. See "*Information Regarding the Resulting Issuer – Available Funds and Principal Purposes*" for a description of the proposed use of the proceeds of the Second WMode Placement by the Resulting Issuer.

Pursuant to the Engagement Letter, WMode will pay the Agent a cash fee equal to 7% of the gross proceeds raised under the Second WMode Placement and issue the Agent that number of Second WMode Placement Broker Warrants as is equal to 10% of the WMode Class A Shares sold under the Second WMode Placement. WMode has also agreed to pay the Agent the following advisory fees: (i) success fee of $250,000, payable in Work Fee Units; and (ii) a monthly work fee of $10,000 a month, for a maximum of 120 days (equal to a maximum of $40,000), payable in Work Fee Units.

Interests of Insiders, Promoters or Control Persons of the Resulting Issuer

The following chart sets out Insiders, Promoters and Control Persons of the Resulting Issuer and their respective shareholdings (on a non-diluted basis):

	Afrasia Shares Owned Before the Amalgamation(1)		**Resulting Issuer Shares Owned after Closing of the Amalgamation assuming Completion of the Second Minimum WMode Placement(2)**		**Resulting Issuer Shares Owned after Closing of the Amalgamation assuming Completion of Second Maximum WMode Placement(2)**	
Insider, Promoter or Control Person of Resulting Issuer	**Number**	**Percentage**	**Number**	**Percentage (3)**	**Number**	**Percentage (4)**
Stephen Pezzola	Nil	Nil	631,997	1.53%	631,997	1.45%
Emanuel Bertolin	Nil	Nil	2,009,364	4.86%	2,009,364	4.63%
Robert Woodward	Nil	Nil	2,637,175	6.38%	2,637,175	6.07%

Insider, Promoter or Control Person of Resulting Issuer	Afrasia Shares Owned Before the Amalgamation(1)		Resulting Issuer Shares Owned after Closing of the Amalgamation assuming Completion of the Second Minimum WMode Placement(2)		Resulting Issuer Shares Owned after Closing of the Amalgamation assuming Completion of Second Maximum WMode Placement(2)	
	Number	Percentage	Number	Percentage (3)	Number	Percentage (4)
Iain Gillott	Nil	Nil	339,320	0.82%	339,320	0.78%
Praveen Varshney	164,650	0.82%	11,760	0.03%	11,760	0.03%
Tom Mullen	Nil	Nil	1,472,458	3.56%	1,472,458	3.39%
Rita Bereski	Nil	Nil	123,837	0. 30%	123,837	0.29%
Total	164,650	0.82%	7,225,911	17.18%	7,225,911	16.64%

Notes:

(1) Based on 20,026,663 pre-Consolidation Afrasia Shares currently issued and outstanding.

(2) Post-Consolidation.

(3) These figures assume the Second Minimum WMode Placement is completed and that the Resulting Issuer will have an aggregate of 41,319,122 Resulting Issuer Shares issued and outstanding. These figures assume that the WMode Special Warrants have been automatically converted.

(4) These figures assume the Second Maximum WMode Placement is completed and that the Resulting Issuer will have an aggregate of 43,444,122 Resulting Issuer Shares issued and outstanding. These figures assume that the WMode Special Warrants have been automatically converted.

For further information on shareholdings of the Resulting Issuer, see "*Information Regarding the Resulting Issuer – Pro Forma Consolidated Capital - Fully Diluted Share Capital*", "*Information Regarding the Resulting Issuer – Principal Securityholders*" and "*Information Regarding the Resulting Issuer – Directors, Officers and Promoters*".

Arm's Length Transaction

The Amalgamation is an Arm's Length Transaction.

Available Funds and Principal Purposes

Available Funds

As at January 31, 2015, the pro forma consolidated working capital of Afrasia and WMode was $1,817,628 assuming gross proceeds of the Second Minimum WMode Placement of $3,300,000 and $3,398,628 assuming gross proceeds of the Second Maximum WMode Placement of $5,000,000. It is anticipated that the available funds will be sufficient to meet the Resulting Issuer's administrative costs for the following 12 months and to achieve the Resulting Issuer’s principal purposes as described in this Circular. The following table sets forth the estimated working capital of Afrasia and WMode before and after giving effect to the Amalgamation, as at January 31, 2015.

		Amount assuming completion of the Second Minimum WMode Placement		Amount assuming completion of the Second Maximum WMode Placement	
	Afrasia	WMode	Combined	WMode	Combined
Working capital (deficiency)	$(148,779)	$(1,102,593)	$(1,251,372)	$(1,102,593)	$(1,251,372)
Proposed Second WMode Placement	N/A	$3,069,000(1)	$3,069,000(1)	$4,650,000(2)	$4,650,000(2)
Working capital after Amalgamation	N/A	$1,966,407	$1,817,628	$3,547,407	$3,398,628

Notes:

(1) These figures assume Agent's fees of 7% ($231,000) have been paid to the Agent.

(2) These figures assume Agent's fees of 7% ($350,000) have been paid to the Agent.

Principal Purposes

The Resulting Issuer will use the funds available to it upon the completion of the Amalgamation for the following purposes during the 12 months from Closing:

Use of Available Funds	Amount assuming completion of the Second Minimum WMode Placement ($)	Amount assuming completion of the Second Maximum WMode Placement ($)
Unallocated working capital	$1,017,628	$1,868,628
Increase marketing and business development capability of NeoSystems Inc. to attract larger customers	$150,000	$400,000
Increase the marketing and business development capability of App Carousel in the United States and Western Europe	$150,000	$600,000
File additional intellectual property patents	$50,000	$80,000
Professional fees related to the RTO	$450,000	$450,000
Total	$1,817,628	$3,398,628

There may be circumstances where, for sound business reasons, the reallocation of funds may be necessary in order for the Resulting Issuer to achieve its stated business objectives. See "*Information Regarding the Resulting Issuer – Available Funds and Principal Purposes*".

Selected Pro Forma Financial Information

The following table sets out certain financial information for each of Afrasia as at November 30, 2014, and WMode as at September 30, 2014, as well as pro forma consolidated financial information for the Resulting Issuer, after giving effect to the Amalgamation as at January 1, 2013, and assuming the net proceeds of the Second Maximum WMode Placement have been received, and assuming the conversion of 3,500,000 special warrants into Class A WMode Shares. The following information should be read in conjunction with the pro forma balance sheet of the Resulting Issuer. See "Schedule "H" - Pro Forma Financial Statements of the Resulting Issuer".

	Afrasia ($)	WMode[(1)] ($)	Pro Forma Consolidated ($)
Cash	$599	$192,336	$3,520,776
Total assets	$7,536	$6,356,488	$9,691,865
Total liabilities	$150,130	$8,183,697	$6,019,469
(Shareholders' equity) capital deficit	$(142,594)	$(1,827,209)	$3,672,396

Note:

(1) The financial information presented in this column is a consolidated figure based on the financial condition of both WMode and the WMode Subsidiaries.

Exchange Listing

Afrasia's Shares are listed on the NEX board of the Exchange under the symbol "AFS.H". The Afrasia Shares are currently halted from trading in accordance with Exchange policies related to an RTO. It is expected that on completion of the Amalgamation, the Resulting Issuer will be listed on the Exchange as a Tier 1 Technology Issuer.

The WMode Class A Shares are not listed on any stock exchange and there is currently no public market for the WMode Class A Shares, nor is one expected to develop.

Market Price of Afrasia's Shares

The closing price of the Afrasia Shares on the Exchange on April 1, 2014, the last trading day before the announcement of the Amalgamation, was $0.06. See "*Information Regarding Afrasia – Stock Exchange Price*". As of the date of this Circular, the Afrasia Shares are currently halted.

Sponsorship

Afrasia has received a waiver of the requirement to obtain a Sponsor in connection with the Amalgamation pursuant to an exemption from sponsorship under Exchange policies.

See "*General Matters - Sponsorship*" for more information.

Conflicts of Interest

Conflicts of interest may arise as a result of the proposed directors, officers and Promoters of the Resulting Issuer also holding positions as directors or officers of other Companies. Some of these individuals have been and will continue to be engaged in the identification and evaluation of assets, businesses and Companies on their own behalf and on behalf of other Companies, and situations may arise where the directors and officers of the Resulting Issuer will be in direct competition with the Resulting Issuer. See "*Information Regarding the Resulting Issuer – Directors, Officers and Promoters – Conflicts of Interest*".

Interest of Experts

Except as disclosed in this Circular, no Insider, Promoter or Control Person of Afrasia and no Associate or Affiliate of the same, has any interest in the proposed Amalgamation other than that which arises from their holding of Afrasia Shares.

Summary of Risk Factors

Due to the nature of the proposed operations, the legal and economic climate in which the Resulting Issuer will operate and the present stage of development of the proposed operations, Amalco and the Resulting Issuer may be subject to significant risks. The Resulting Issuer's future development and actual operating results may be different from those expected as at the date of this Circular. Accordingly, readers should carefully consider all such risks, which include but are not limited to:

- risks related to limited customer base
- risks related to additional capital requirements
- operating results and financial condition fluctuations on a quarterly and annual basis;
- risks related to new technology and a business that operates in the technology and intellectual property industry;
- competition risks;
- risks related to market acceptance;
- international operations risks;
- risks related to expanding into different industries;
- risks related to long sales cycles;
- dependence on key personnel and consultants;
- risks related to a history of operating losses;
- risks related to consumer privacy, data use and security;
- confidentiality and propriety information risks;
- risks related to future acquisitions;
- risks related to share price volatility;
- risks related to the Amalco's stage of development;
- legal risks;
- conflicts of interest; and
- absence of cash dividends.

See "*Risk Factors*" for a more detailed description of the risk factors.

Exchange Listing

Afrasia and WMode have applied to the Exchange for the listing of the Resulting Issuer on the Exchange.

Accompanying Documents

This Circular is accompanied by several Schedules which are incorporated by reference into, form an integral part of, and should be read in conjunction with this Circular. It is recommended that Shareholders read this Circular and the attached Schedules in their entirety.

GENERAL PROXY INFORMATION

MANAGEMENT SOLICITATION OF PROXIES

This Circular is furnished to you in connection with the solicitation of proxies by management of Afrasia for use at the Meeting, and at any adjournment of the Meeting. Afrasia will conduct its solicitation by mail and our officers, directors and employees may, without receiving special compensation, contact shareholders by telephone, electronic means or other personal contact. We will not specifically engage employees or soliciting agents to solicit proxies. We do not reimburse shareholders, nominees or agents (including brokers holding shares on behalf of clients) for their costs of obtaining authorization from their principals to sign forms of proxy. We will pay the expenses of this solicitation.

APPOINTMENT OF PROXY HOLDER

The persons named as proxy holders in the enclosed form of proxy are Afrasia's directors or officers. As a shareholder, you have the right to appoint a person (who need not be a shareholder) in place of the persons named in the form of proxy to attend and act on your behalf at the Meeting. To exercise this right, you must either insert the name of your representative in the blank space provided in the form of proxy and strike out the other names or complete and deliver another appropriate form of proxy.

A proxy will not be valid unless it is dated and signed by you or your attorney duly authorized in writing or, if you are a corporation, by an authorized director, officer, or attorney of the corporation.

VOTING BY PROXY

The persons named in the accompanying form of proxy will vote or withhold from voting the shares represented by the proxy in accordance with your instructions, provided your instructions are clear. If you have specified a choice on any matter to be acted on at the Meeting, your shares will be voted or withheld from voting accordingly. If you do not specify a choice or where you specify both choices for any matter to be acted on, your shares will be voted in favour of all matters.

The enclosed form of proxy gives the persons named as proxy holders discretionary authority regarding amendments or variations to matters identified in the Notice of Meeting and any other matter that may properly come before the Meeting. As of the date of this Circular, our management is not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. However, if any amendment, variation or other matter properly comes before the Meeting, the persons named in the form of proxy intend to vote on such other business in accordance with their judgement.

You may indicate the manner in which the persons named in the enclosed proxy are to vote on any matter by marking an "X" in the appropriate space. If you wish to give the persons named in the proxy a discretionary authority on any matter described in the proxy, then you should leave the space blank. **In**

that case, the proxy holders nominated by management will vote the shares represented by your proxy in favour of all matters.

RETURN OF PROXY

You must deliver the completed form of proxy to the office of Afrasia's registrar and transfer agent, Computershare, 3rd floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, or to Afrasia's head office at the address listed on the cover page of this Circular, not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the scheduled time of the Meeting or any adjournment.

ADVICE TO NON-REGISTERED SHAREHOLDERS

Only shareholders whose names appear on our records or validly appointed proxy holders are permitted to vote at the Meeting. Most of our shareholders are "non-registered" shareholders because their shares are registered in the name of a nominee, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (a "**Nominee**"). If you purchased your shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as "NOBOs". Those non-registered shareholders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as "OBOs".

In accordance with the securities regulatory policy, we will have distributed copies of the Meeting materials, being the Notice of Meeting, this Circular, and the form of proxy directly to NOBOs and to the Nominees for onward distribution to OBOs. **Afrasia does not intend to pay for a Nominee to deliver to OBOs, therefore an OBO will not receive the materials unless the OBO's Nominee assumes the costs of delivery.**

Nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting materials sent to non-registered holders who have not waived the right to receive Meeting materials are accompanied by a request for voting instructions (a "**VIF**"). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered holder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIF's, whether provided by Afrasia or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the shares which they beneficially own. **Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered holder may request a legal proxy as set forth in the VIF, which will grant the non-registered holder or his/her nominee the right to attend and vote at the Meeting.** Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

REVOCATION OF PROXY

If you are a registered shareholder who has returned a proxy, you may revoke your proxy at any time before it is exercised. In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by either:

(a) signing a proxy bearing a later date; or

(b) signing a written notice of revocation in the same manner as the form of proxy is required to be signed as set out in the notes to the proxy.

The later proxy or the notice of revocation must be delivered to the office of Afrasia's registrar and transfer agent or to Afrasia's head office at any time up to and including the last business day before the scheduled time of the Meeting or any adjournment, or to the Chairman of the Meeting at the Meeting or any adjournment.

If you are a non-registered shareholder who wishes to revoke a VIF or to revoke a waiver of your right to receive Meeting materials and to give voting instructions, you must give written instructions to your Nominee at least seven days before the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of Afrasia, nor any person who has held such a position since the beginning of the last completed financial year of Afrasia, nor any proposed nominee for election as a director of Afrasia, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the adoption of the Resulting Issuer Stock Option Plan, approval of which will be sought at the Meeting. Directors and executive officers of Afrasia may participate in the Resulting Issuer Stock Option Plan, and accordingly have an interest in its approval. See "*Particulars of Matters to be Acted Upon*".

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

Afrasia is authorized to issue an unlimited number of common shares without par value, of which 20,026,663 common shares issued and outstanding as of the date hereof. There is one class of shares only.

Registered shareholders at the close of business on February 20, 2015 will be entitled to receive notice of, attend, and vote at the Meeting. On a show of hands, every shareholder and proxy holder will have one vote and, on a poll, every shareholder present in person or represented by proxy will have one vote for each share. In order to approve a motion proposed at the Meeting, a majority of at least 50% plus one vote of the votes cast will be required to pass an Ordinary Resolution, and a majority of at least 66⅔% of the votes cast will be required to pass a Special Resolution.

To the knowledge of our directors and executive officers, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of all voting rights.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An "informed person" means:

(a) a director or executive officer of Afrasia;

(b) a director or executive officer of a Person or Company that is itself an informed person or subsidiary of Afrasia;

(c) any Person or Company who beneficially owns, directly or indirectly, voting securities of Afrasia or who exercises control or direction over voting securities of Afrasia carrying more than 10% of the voting rights attached to all outstanding voting securities of Afrasia other than voting securities held by the Person or Company as underwriter in the course of a distribution; and

(d) Afrasia if it has purchased, redeemed or otherwise acquired any of its securities, so long as it holds any of its securities.

No informed person of Afrasia, no proposed nominee for election as a director of Afrasia, and no Associate or Affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since the commencement of the last financial year or in any proposed transaction, which in either case has materially affected or will materially affect Afrasia.

CORPORATE GOVERNANCE

National Policy 58-201 *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers. NI 58-101 prescribes certain disclosure by a reporting issuer of its corporate governance practices. The following sets out Afrasia's approach to corporate governance and includes the disclosure required in Form 58-101F2 of NI 58-101.

Board of Directors

The Board of Directors facilitates its exercise of independent supervision over management through frequent communication with the Board.

As of the date of this Circular, the following persons are directors of Afrasia:

Praveen Varshney	Not Independent (1)
Peeyush Varshney	Independent
Mervyn Pinto	Independent

Note:
(1) Afrasia considers a member of the Board as "Not Independent" if he has a direct or indirect "material relationship" with the issuer as set out in NI 52-110. Praveen Varshney is the President, CEO and CFO of Afrasia.

Directorships

Certain directors of Afrasia, or persons who are expected to become directors on closing of the Amalgamation, are also directors of other reporting issuers (or equivalent in a foreign jurisdiction) as follows:

Name of Director or Nominee	Name of Reporting Issuer
Praveen Varshney	Bayswater Uranium Corporation
	Bluerock Ventures Corp.
	Canada Zinc Metals Corp.
	Genview Capital Corp.
	Mexigold Corp.
	LED Medical Diagnostics Inc.
	Trigen Resources Inc.

Name of Director or Nominee	Name of Reporting Issuer
Peeyush Varshney	Broome Capital Corp.
	Canada Zinc Metals Corp.
	Margaret Lake Diamonds Inc.
	Mexigold Corp.
	Minaean International Corp.
	Mountain Province Diamonds Inc.
	Open Gold Corp.
	Trigen Resources Inc.
Mervyn Pinto	Genview Capital Corp.
	Mexigold Corp.
	Minaean International Corp.
	Trigen Resources Inc.

Orientation and Continuous Education

Afrasia does not currently have a formal orientation program for new board members nor does it provide continuing education for its directors. The Board is currently composed of three directors, one of whom is an officer of Afrasia, all whom are experienced business persons. All directors have previous experience with public companies. As a result, Afrasia does not intend to provide orientation or continuing education programs at this time.

Ethical Business Conduct

The Board has not, to date, adopted a formal written Code of Ethical Business Conduct. To date, the Board has found that the fiduciary duties placed on individual directors by Afrasia's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of Afrasia. Additionally, the Board expects that such persons will treat each other, security holders and all other persons with goodwill, fairness and respect. The Board strives to create a culture in the company that values honesty, high ethical standards and compliance with laws rules and regulations. The Board is aware of the recommendation in National Policy 58-201 *Corporate Governance Guidelines* to adopt a written code of business conduct and ethics and is reviewing different standards that may be appropriate for Afrasia to adopt.

Nomination of Directors

Afrasia does not have a nominating committee and does not currently have any formalized processes for identifying new candidates for Board nomination. New candidates are proposed by the Board as a whole.

Compensation

The Board periodically reviews the compensation paid to directors, management and other employees based on such factors as time commitment and level of responsibility, comparative fees paid by other companies in the industry in North America and Afrasia's current position as a company with no operating revenue.

The Board does not have a compensation committee, and these functions are currently performed by the Board as a whole. However, this policy may be reviewed in the future depending on the circumstances of Afrasia.

Other Board Committees

The Board has no other committees other than the Audit Committee. The Board as a whole addresses executive compensation, corporate governance and Board nominations.

Assessments

The Board collectively conducts informal annual assessments of the Board's effectiveness, its individual directors and its Audit Committee.

AUDIT COMMITTEE REQUIREMENTS

Afrasia is including the disclosure required by Form 52-110F2 of National Instrument 52-110 *Audit Committees* under this heading. As at its most recently completed financial year end of May 31, 2014, Afrasia was a "venture issuer" under NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110.

Audit Committee Charter

The Audit Committee Charter of Afrasia is attached to this Circular as Schedule "I".

Composition of the Audit Committee

Name of Member	**Independent under NI 52-110**	**Financially Literate under NI 52-110**	**Relevant Education and Experience**
Praveen Varshney	No	Yes	Mr. Praveen Varshney is a Chartered Accountant and was in public practice from 1987 to 1991 with KPMG and from 1991 to 1995 with Varshney Chowdhry & Co. He has held executive level positions with various public companies since 1992 and is currently the CFO of Canada Zinc Metals Corp.
Peeyush Varshney	Yes	Yes	Mr. Peeyush Varshney obtained a Bachelor of Commerce degree (1989) and a Bachelor of Laws degree (1993) from the University of British Columbia. He is a Barrister and Solicitor in good standing with the Law Society of British Columbia. Mr. Varshney serves as a director and officer for both private and public companies.
Mervyn Pinto	Yes	Yes	Captain Mervyn Pinto has experience with publicly traded companies and has an understanding of accounting principles used by Afrasia to prepare its financial statements.

Audit Committee Oversight

At no time since the commencement of Afrasia's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Afrasia's Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of Afrasia's most recently completed financial year has Afrasia relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-Audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "Relationship with External Auditor" of the Audit Committee Charter.

External Auditor Service Fees (By Category)

Financial Year Ended	Audit Fees(1)	Audit Related Fees(2)	Tax Fees(3)	All Other Fees(4)
May 31, 2014	$9,435	Nil	$900	Nil
May 31, 2013	$8,670	Nil	$900	Nil

Notes:

(1) The aggregate fees billed by Afrasia's auditor for audit fees.

(2) The aggregate fees billed for assurance and related services by Afrasia's auditor that are reasonably related to the performance of the audit or review of financial statements and are not disclosed in the Audit Fees column.

(3) The aggregate fees billed for profession services rendered by Afrasia's auditor for tax compliance, tax advice, tax planning. These services include Afrasia's annual tax returns.

(4) The aggregate fees billed for professional services other than those listed in the other three columns.

Exemption

Afrasia is relying on the exemption provided in Section 6.1 of NI 52-110.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of the date of this Circular regarding the number of common shares to be issued pursuant to Afrasia's stock option plan. Afrasia does not have any equity compensation plans that have not been approved by its shareholders.

Plan Category	Number of securities to be issued upon exercise of outstanding options under the Stock Option Plan (a)	Weighted average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under the Stock Option Plan (excluding securities reflected in column (a))
Equity compensation plans approved by Shareholders	Nil	N/A	2,002,666
Equity compensation plans not approved by Shareholders	-	-	-

Total	Nil		2,002,666

PARTICULARS OF MATTERS TO BE ACTED ON

APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to pass the Auditor's Resolution appointing KPMG LLP, Chartered Accountants, as Afrasia's auditor for the next ensuing year, to hold office until the close of the next annual general meeting of Shareholders or until the firm of KPMG LLP, Chartered Accountants is removed from office or resigns as provided by Afrasia's constating documents, and authorizing Afrasia's Board of Directors to fix the compensation of the auditor.

The complete text of the Auditor's Resolution which Afrasia intends to place before the Meeting for approval, with or without modification, is as follows:

"IT IS RESOLVED, AS AN ORDINARY RESOLUTION THAT:

1. KPMG LLP, Chartered Accountants, be appointed as Afrasia Mineral Fields Inc.'s ("**Afrasia**") auditor for the ensuing year, to hold office until the close of the next annual general meeting of shareholders or until the firm of KPMG LLP is removed from office or resigns as provided by Afrasia's constating documents, and authorizing Afrasia's board of directors to fix the compensation of the auditor; and

2. Any one or more directors and officers of Afrasia be authorized to perform all such acts, deeds and things and execute, under seal of Afrasia or otherwise, all such documents and other writings, as may be required to give effect to the true intent of these resolutions."

Recommendation of Directors

Afrasia's Board of Directors unanimously recommends that Shareholders vote in favour of the Auditor's Resolution.

In order to pass the Auditor's Resolution, a simple majority of the votes cast by Shareholders, present in person or by proxy at the Meeting, is required.

Unless the Shareholder has specified in the enclosed form of proxy that the Afrasia Shares represented by such proxy are to be withheld from voting on the Auditor's Resolution, the persons named in the enclosed form of proxy will vote FOR the Auditor's Resolution.

ELECTION OF DIRECTORS

Directors of Afrasia are elected at each annual general meeting and hold office until the next annual general meeting or until that person sooner ceases to be a director. At the Meeting, Shareholders will be asked to pass the Directors' Resolution, being an Ordinary Resolution setting the number of directors at four, subject to increases permitted by Afrasia's constating documents, and to elect directors for the ensuing year, as more particularly described below.

If the Amalgamation completes, Peeyush Varshney, Mervyn Pinto and Debbie Lew will resign as directors of Afrasia and the directors of the Resulting Issuer will be as set out under the heading "*Information Regarding the Resulting Issuer – Directors, Officers and Promoters*".

The information concerning the proposed nominees has been furnished by each of them.

Name, Position & Jurisdiction of Residence	Principal Occupation for Past Five Years	Director Since	Afrasia Shares Owned Before the Amalgamation (Pre-Consolidation)	Resulting Issuer Shares After Completion of the Amalgamation[(1)]
Praveen K. Varshney[(2)] President, CEO, CFO and Director British Columbia, Canada	Chartered Accountant; Director of VCC; Director and officer of various publicly traded companies	January 24, 1995	164,650	11,760
Peeyush Varshney[(2)] Director British Columbia, Canada	Barrister and Solicitor; Director of VCC; Director and officer of various publicly traded companies	November 3, 1998	903,000	64,500
Mervyn Pinto[(2)] Director British Columbia, Canada	President, CEO and Director of Minaean International Corp; Director of various publicly traded companies	December 13, 2006	Nil	Nil
Debbie Lew Director British Columbia, Canada	Finance and administration manager at VCC; officer of several companies listed on the Exchange	Nominee	9,375	670

Notes:

(1) Assuming no proposed director acquires any WMode Class A Shares under the Second WMode Placement. Post-Consolidation.

(2) Member of the Audit Committee.

Cease Trade Orders and Bankruptcy

No individual who will be a director, officer or Promoter of Afrasia is, or has been within the past ten years, a director, CEO or CFO of any Company (including Afrasia) that, while such Person was acting in that capacity:

(a) was the subject of a cease trade or similar order or an order that denied the relevant Company access to any statutory exemptions for a period of more than 30 consecutive days;

(b) was the subject to a cease trade or similar order or an order that denied the relevant Company access to any statutory exemptions for a period of more than 30 consecutive days, that was issued after the Person ceased to be a director, CEO or CFO of the relevant Company and which resulted from an event that occurred while that Person was acting in the capacity as director, CEO or chief financier officer of such relevant Company; or

(c) within a year of the Person ceasing to be a director or executive officer of the relevant Company, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets.

Cease Trade Orders and Bankruptcy

No director or proposed director of Afrasia is or has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

The complete text of the Directors' Resolution which Afrasia intends to place before the Meeting for approval, with or without modification, is as follows:

"IT IS RESOLVED, AS AN ORDINARY RESOLUTION THAT:

1. The number of directors of the Afrasia Mineral Fields Inc. ("**Afrasia**") be fixed at four; and

2. The four management nominees for directors, being Praveen Varshney, Peeyush Varshney, Mervyn Pinto and Debbie Lew be elected as directors of Afrasia to hold office until the earlier of the election of directors at the next annual general meeting or until their successors are elected or appointed."

Afrasia's Board of Directors unanimously recommends that Shareholders vote in favour of the Directors' Resolution.

In order to pass the Directors' Resolution, a simple majority of the votes cast by Shareholders, present in person or by proxy at the Meeting, is required.

Unless the Shareholder has specified in the enclosed form of proxy that the Afrasia Shares represented by such proxy are to be withheld from voting on the Directors' Resolution, the persons named in the enclosed form of proxy will vote FOR the Directors' Resolution.

APPROVAL OF THE AMALGAMATION

At the Meeting, in accordance with the requirements of the RTO Policy of the Exchange, Shareholders will be asked to consider, and if thought fit, to pass with or without variation, as an Ordinary Resolution, the Acquisition Resolution, authorizing, confirming and approving the Amalgamation.

Background to the Amalgamation

On April 2, 2014, Afrasia entered into a letter of intent with WMode, a private company incorporated under the ABCA, pursuant to which Afrasia would acquire all of the issued and outstanding WMode Class A Shares. WMode is a technology company that provides a suite of configurable and combinable hosted software platforms, modules and services to manage apps. The principal platforms are AppCarousel, ACE and Ingage. For more information about the business of WMode see "*Information Regarding WMode – Narrative Description of the Business*".

Reasons for the Amalgamation

Afrasia is a shell company listed on the NEX board of the Exchange and assuming completion of the Amalgamation, the Resulting Issuer is expected to be listed as a Tier 1 Technology issuer on the Exchange. Afrasia believes that the business of WMode would be well suited to being furthered as a subsidiary of a reporting issuer, and that the acquisition of WMode's business and portfolio of products will maximize returns for Shareholders.

The Amalgamation Agreement

On February 26, 2015, Afrasia and MergerSub entered into the Amalgamation Agreement with WMode under which MergerSub and WMode will amalgamate to form Amalco, which will become a wholly owned subsidiary of the Resulting Issuer. The Amalgamation Agreement provides that, among other things, each WMode Class A Share will be exchanged for 0.4675 Resulting Issuer Shares. Each of the WMode Warrants and WMode Options will be exchanged for Resulting Issuer Warrants and Resulting Issuer Options, respectively, according to the same ratio.

The current Shareholders are expected to own approximately 3.46% of the outstanding shares of the Resulting Issuer and current WMode Shareholders will own 80.26% of the Resulting Issuer. The Amalgamation is based on a deemed valuation of the Resulting Issuer of approximately $30,000,000 at an estimated price of $0.80 per Resulting Issuer Share post-Amalgamation.

WMode is expected to complete the Second WMode Placement immediately before the Closing of the Amalgamation. As a result of the Second WMode Placement, in addition to the issuance of WMode Class A Shares, WMode will issue Second WMode Placement Broker Warrants. See "*Information Regarding WMode – General Development of the Business - Financing*" for more information about the Second WMode Placement.

The Resulting Issuer Shares issued to the WMode Shareholders will be issued in reliance on exemptions from the prospectus requirement of applicable Securities Laws.

Conditions to the Amalgamation

The respective obligations of Afrasia and WMode to complete the Amalgamation are subject to a number of conditions which must be satisfied or waived in order for the Amalgamation to become effective. These conditions are described in the Amalgamation Agreement and include:

(a) approval of the Amalgamation by the boards of directors of Afrasia, MergerSub and WMode;

(b) approval of the Amalgamation by the Shareholders;

(c) approval of the Amalgamation by the WMode Shareholders;

(d) the approval of the Amalgamation by Afrasia as the sole shareholder of MergerSub;

(e) the Articles of Amalgamation to be filed with the Registrar in accordance with the Amalgamation shall be in form and substance satisfactory to each of the Parties, acting reasonably;

(f) the Exchange shall have approved the Amalgamation and shall have approved the listing of the Afrasia Shares to be issued to WMode Shareholders, subject only to compliance with the usual requirements of the Exchange;

(g) there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any Governmental Authority or similar agency, that:

   a. makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Amalgamation or any other transactions contemplated herein; or

   b. results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein;

(h) the WMode Shareholders who duly exercise their rights of dissent pursuant to the ABCA with respect to their WMode Class A Shares shall not constitute more than 10% of the WMode Class A Shares issued and outstanding as at the date of the Amalgamation; and

(i) all consents, orders and approvals, including, without limitation, regulatory approvals, required or necessary or desirable for the completion of the transactions provided for in the Amalgamation Agreement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the parties hereto, acting reasonably.

Consequences if the Amalgamation does not Complete

If the conditions to the Amalgamation are not satisfied, Afrasia will not complete the Amalgamation with WMode and will continue to be a company listed on the Exchange with its current assets and liabilities as more particularly set out in its continuous disclosure documents filed on SEDAR at www.sedar.com.

The Resulting Issuer

The Amalgamation will constitute a Reverse Takeover as WMode Shareholders (assuming the Second Maximum WMode Placement is completed) will hold approximately 95.9% of the Resulting Issuer Shares. The WMode Subsidiaries will become subsidiaries of the Resulting Issuer and Amalco.

Subject to the approval of the Continuation Resolution, Afrasia will continue its existence as the Resulting Issuer under the ABCA under the name "WMode Corp." or such other name as may be accepted by the relevant regulatory authorities. See "*Particulars of Matters to be Acted Upon - Approval of the Continuance*" below. The Resulting Issuer's primary business will be substantially the same as WMode's current business. For a complete description of the Amalgamation, WMode's business and the Resulting Issuer, please refer to the heading "*Information Regarding WMode" and "Information Regarding the Resulting Issuer*".

The complete text of the Acquisition Resolution which Afrasia intends to place before the Meeting for approval, with or without modification, is as follows:

"IT IS RESOLVED, AS AN ORDINARY RESOLUTION THAT:

1. The amalgamation (the "**Amalgamation**") between WMode Inc. ("**WMode**") and 1878943 Alberta Ltd. ("**MergerSub**"), pursuant to the terms of an amalgamation agreement dated February 26, 2015 among Afrasia Mineral Fields Inc. ("**Afrasia**"), MergerSub and WMode (the "**Amalgamation Agreement**"), as more particularly described in Afrasia's information circular dated February 26, 2015, be made effective and all matters relating to the Amalgamation, all as contemplated in the Amalgamation Agreement, be authorized and approved, and the Board of Directors of Afrasia is authorized to amend or revise the terms and conditions of the

Amalgamation in its discretion to the extent permitted by the Amalgamation Agreement without further notice to or approval of the shareholders of Afrasia;

2. The Amalgamation Agreement, and the execution and delivery of the Amalgamation Agreement is ratified, confirmed and approved and the Board of Directors of Afrasia are authorized and empowered to amend or revise the Amalgamation Agreement in its discretion to the extent permitted therein without further notice or approval of the shareholders of Afrasia;

3. Notwithstanding that the Amalgamation has received the approval of the shareholders of Afrasia, the Board may, subject to the terms of the Amalgamation, decide not to proceed with the Amalgamation or revoke this resolution at any time before the Closing Date (as defined in the Amalgamation Agreement) without further notice to or approval of the shareholders of Afrasia; and

4. Any one director or officer of Afrasia is authorized and empowered, acting for, in the name of and on behalf of Afrasia, to do all such acts and things and execute, deliver and file, as the case may be, or cause to be delivered and filed all other documents and instruments necessary or desirable to carry out and give effect to the provisions of this resolution."

Recommendation of Directors

Afrasia's Board of Directors believes that the Amalgamation is in Afrasia's best interests and unanimously recommends that Shareholders vote in favour of the Acquisition Resolution.

In order to pass the above Acquisition Resolution, a simple majority of the votes cast by Shareholders, present in person or by proxy at the Meeting, is required.

Unless the Shareholder has specified in the enclosed form of proxy that Afrasia Shares represented by such proxy are to be voted against the Acquisition Resolution, the persons named in the enclosed form of proxy will vote FOR the Acquisition Resolution.

APPROVAL OF THE CONSOLIDATION

General

At the Meeting, conditional upon approval of the Acquisition Resolution, Shareholders will be asked to consider and, if thought appropriate, to pass a Special Resolution authorizing the Board of Directors of Afrasia, in their sole discretion, subject to receipt of all necessary regulatory approval, to effect the Consolidation of Afrasia's issued and outstanding common shares on the basis of one (1) post-Consolidation common share for each fourteen (14) pre-Consolidation common shares.

As Afrasia currently has an unlimited number of common shares authorized for issuance, the Consolidation will not have any effect on the number of common shares that remain available for future issuances. The common shares reserved for issuance pursuant to its current stock option plan and any other securities of Afrasia exercisable into common shares will be adjusted proportionately.

Pursuant to the BCBCA, shareholder approval for a share consolidation is not required as one can be given effect by a resolution of the directors; however, Exchange policies require that a share consolidation that would result in a cumulative consolidation ratio of greater than 10 to 1 be approved by: (a) the applicable regulatory authorities; and (b) a special resolution of the shareholders.

Upon completion of the Consolidation Afrasia is required to obtain a new CUSIP number and a new stock trading symbol. In connection with the Amalgamation, Afrasia is also planning to complete the

Continuation pursuant to which Afrasia will be continued to the ABCA under the name "WMode Corp.", or such other name as may be approved by the Board of Directors of Afrasia and applicable regulatory authorities.

Upon completion of the Consolidation a letter of transmittal, as and if required, may be mailed to the Afrasia's registered shareholders.

The Consolidation is subject to acceptance by the Exchange. In particular, Afrasia will be required to meet the Exchange's Continued Listing Requirements upon completion of the Consolidation.

Afrasia's Board may, despite receiving Shareholder approval, abandon effecting the Consolidation without further approval of the Shareholders. In making such determination, Afrasia's Board, at its sole discretion, will determine whether it is in Afrasia's best interests to proceed with the Consolidation, including, among other things, the consummation of the Amalgamation Agreement and after considering all relevant factors at the particular time, whether or not foreseen at this date. As mentioned elsewhere in this Circular, the Consolidation is a condition to the proposed Amalgamation, so if, for any reason the proposed Amalgamation is not completed, Afrasia does not intend to implement the Consolidation.

Consolidation Resolution

The complete text of the Consolidation Resolution which Afrasia intends to place before the Meeting for approval, with or without modification, is as follows:

"IT IS RESOLVED, AS A SPECIAL RESOLUTION THAT:

1. the board of directors of Afrasia be and is hereby authorized, subject to approval of the applicable regulatory authorities, to take such actions as are necessary to consolidate, at any time following the date of this resolution, all of the issued and outstanding common shares of Afrasia on the basis of one (1) new post-consolidation common share for every fourteen (14) pre-consolidation common shares, or such lesser whole number of pre-consolidation common shares that the directors in their discretion may determine, subject to the approval of the applicable regulatory authorities;

2. any one or more directors and officers of Afrasia be authorized to perform all such acts, deeds and things and execute, under seal of Afrasia or otherwise, all such documents and other writings, including the Notice of Alteration, as may be required to give effect to the true intent of these resolutions; and

3. despite the foregoing authorization, the board of directors of Afrasia may, at its discretion, determine when such consolidation will take place and may further, at its discretion, determine not to effect a consolidation of all of the issued and outstanding common shares of Afrasia, in each case without requirement for further approval, ratification or confirmation by the shareholders of Afrasia; and

6. any one or more directors or officers are authorized to take all necessary steps and proceedings, and to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such other acts and thing as may be necessary or desirable to give effect to the provisions of this resolution."

Recommendation of Directors

Afrasia's Board of Directors unanimously recommends that Shareholders vote for the Consolidation Resolution.

In order to be effective, the Consolidation Resolution must be approved by not less than two-thirds of the votes cast by Shareholders who vote in respect of such Special Resolution.

Unless the Shareholder has specified in the enclosed form of proxy that the Afrasia Shares represented by such proxy are to be voted against the Consolidation Resolution, the persons named in the enclosed form of proxy will vote FOR the Consolidation Resolution.

APPROVAL OF THE CONTINUANCE

General

At the Meeting, conditional upon approval of the Acquisition Resolution, Shareholders will be asked to consider and, if thought appropriate, to pass a Special Resolution authorizing the Board of Directors of Afrasia, in their sole discretion, to apply for the Continuance of Afrasia under the ABCA under the new name of "WMode Corp." or such other name as may be approved by the Board of Directors of Afrasia and applicable regulatory authorities, and to approve, with or without amendment, the form of Articles of Continuance of Afrasia to be filed under the ABCA as required in connection with the Continuance.

As part of the Continuance Resolution, Afrasia will seek Shareholder approval for a form of By-Laws for Afrasia which will comply with the provisions of the ABCA. The full text of the proposed Articles of Continuance and the By-Law for Afrasia will be available for review at the office of the solicitors of Afrasia, 700-595 Burrard St., Vancouver B.C. V7X 1S8, during normal business hours and at the Meeting. The proposed By-Law of the Resulting Issuer, attached as Schedule "J" to this Circular, contain the form of By-Law for Afrasia under the ABCA.

The Continuance will affect certain of the rights of Shareholders as they currently exist under the BCBCA. Shareholders should consult their legal advisors regarding implications of the Continuance which may be of particular importance to them.

Afrasia's Board may, despite receiving Shareholder approval, abandon the application for the Afrasia Continuance without further approval of the Shareholders. In making such determination, Afrasia's Board, at its sole discretion, will determine whether it is in Afrasia's best interests to proceed with the Continuance, including, among other things, the consummation of the Amalgamation Agreement and after considering all relevant factors at the particular time, whether or not foreseen at this date. As mentioned elsewhere in this Circular, the Continuance is a condition to the proposed Amalgamation, so if, for any reason the proposed Amalgamation is not completed, Afrasia does not intend to implement the Continuance.

Procedure in British Columbia for the Continuance

In order for the Continuance to become effective:

(a) Shareholders must authorize by Special Resolution the Afrasia Continuance Application;

(b) RegCo under the BCBCA must authorize the proposed Continuance under the ABCA, upon being satisfied that Afrasia has filed with RegCo all of the records that Afrasia is required to file with RegCo under the BCBCA;

(c) Afrasia must file the Afrasia Continuance Application with the Registrar; and

(d) on the date shown on its Certificate of Continuance, Afrasia becomes a corporation governed by the ABCA, as if it had been incorporated under the ABCA and Afrasia will cease to be a corporation within the meaning of the BCBCA.

Effect of Continuance

Assuming the Continuation Resolution is approved by Shareholders at the Meeting, it is expected that **only if** Afrasia's Board determines that the Amalgamation is proceeding, will Afrasia file the Afrasia Continuance Application with the Registrar and commence the procedures outlined above.

On the effective date of the Continuance, the holder of one Afrasia Share will continue to hold one Afrasia Share domiciled in the new jurisdiction for each Afrasia Share held. The existing share certificates representing Afrasia Shares will not be cancelled. Holders of convertible securities of Afrasia, if any, on the effective date of the Continuance will continue to hold convertible securities to purchase an identical number of Afrasia Shares on substantially the same terms.

The principal attributes of the Afrasia Shares under the ABCA will be substantially similar to those of the corresponding Afrasia Shares under the BCBCA. See "*Particulars of Matters to be Acted On - Approval of the Continuance - Summary of the Differences Between the BCBCA and the ABCA*" below.

The Continuance, if approved, will effect a change in the legal domicile of Afrasia on the effective date thereof under the ABCA, but Afrasia's business and operations will not change as a result of the Continuance.

As of the effective date of the Continuance, the election, duties, resignations and removal of Afrasia's directors and officers will be governed by the ABCA and Afrasia will no longer be subject to the BCBCA.

By operation of the ABCA, as of the effective date of the Continuance, all of the assets, property, rights, liabilities and obligations of Afrasia immediately before the Continuance will continue to be the assets, property, rights, liabilities and obligations of Afrasia continued under the ABCA. On the effective date of the Continuance, Afrasia's property will continue to be the property of Afrasia continued under the ABCA; Afrasia continued under the ABCA will continue to be liable for the obligations of Afrasia; an existing cause of action, claim or liability to prosecution of Afrasia will be unaffected; a civil, criminal or administrative action or proceeding pending by or against Afrasia may be continued to be prosecuted by or against Afrasia; and a conviction against Afrasia may be continued against Afrasia continued under the ABCA, or a ruling, order or judgment in favour of or against Afrasia may be enforced by or against Afrasia continued under the ABCA.

Reason for Continuance

Afrasia's Board believes that it is in Afrasia's best interest to proceed with the Continuance in order to facilitate the Amalgamation and to complete the proposed transactions related thereto.

Summary of the Differences Between the BCBCA and the ABCA

The BCBCA and the ABCA are similar in many respects, although there are a number of notable differences in respect of corporate law matters. Shareholders should consult their legal advisors with respect to the detailed provisions of the ABCA and their rights thereunder. The following is a summary of certain differences between the ABCA and the BCBCA which management of Afrasia considers to be of significance. This summary is not an exhaustive review of the two statues nor does it constitute a legal interpretation thereof. Shareholders are invited to consult their legal advisors for particulars of the differences.

Constating Documents

Under the BCBCA, a company's governing documents are known as its notice of articles and articles. When a corporation continues under the ABCA, its governing documents are known as its articles of continuance and by-laws.

Alterations of Capital

Under the BCBCA, if a Company's articles permit, the Company may consolidate or subdivide its outstanding securities by directors' resolutions. Under the ABCA, a Special Resolution is required to consolidate or subdivide a Company's securities.

Directors

At least 1/4 of directors of a Company incorporated under the ABCA must be resident Canadians. By contrast, there are no residency requirements for directors of a Company organized under the BCBCA.

Under the ABCA, directors may be removed by Ordinary Resolution whereas under the BCBCA, directors may be removed by a Special Resolution or, if the articles of a Company otherwise provide that a director may be removed by a resolution of the shareholders entitled to vote at general meetings passed by less than a special majority or may be removed by some other method, by the resolution or method specified.

Place of Meetings

The ABCA provides that meetings of shareholders must be held in Alberta, unless the by-laws provide otherwise. Under the BCBCA, meetings may be held outside British Columbia if the location is provided for in the articles, or the articles do not restrict the corporation from approving a location outside British Columbia and the location is approved by the resolution required by the articles for that purpose, if any, or otherwise by Ordinary Resolution, or the location of the meeting is approved in writing by the RegCo before the meeting is held.

Ability to Set Necessary Levels of Shareholder Consent

Under the BCBCA, a Company, in its articles, can establish levels for various shareholder approvals (other than those prescribed by the BCBCA). The percentage of votes required for a Special Resolution can be specified in the articles and may be no less than 2/3 and no more than 3/4 of the votes cast. The ABCA does not provide for flexibility on shareholder approvals, which are either Ordinary Resolutions passed by a majority of the votes cast or, where specified in the ABCA, Special Resolutions which must be passed by 2/3 of the votes cast.

Shareholders' Proposals

A shareholder of a Company incorporated under the ABCA who is entitled to vote may submit notice of a shareholder proposal. The BCBCA includes a more detailed regime for shareholder proposals than the ABCA. For example, a person submitting a proposal under the BCBCA must have been a registered owner or beneficial owner of one or more shares carrying the right to vote at general meetings and must have owned such shares for an uninterrupted period of at least two years before the date of signing the proposal. In addition, the proposal must be signed by shareholders who, together with the submitter, are registered or beneficial owners of: (a) at least 1% of the issued shares of the Company that carry the right to vote at general meetings; or (b) shares with a fair market value exceeding an amount prescribed by regulation (currently $2,000).

Sale of Undertaking

Under the ABCA, the sale by a Company of all or substantially all of its assets, outside the ordinary course of business is permitted only if authorized by Special Resolution. Under the BCBCA, the sale, lease or disposition by a Company of all or substantially all of its undertaking, outside the ordinary course of business, is permitted only if authorized by a Special Resolution. Unlike the ABCA, however, the BCBCA exempts disposition by way of security interest, certain limited leases and certain transactions involving affiliates.

Dissent Rights

The ABCA provides that shareholders who dissent to certain actions being taken by a Company may exercise a right of dissent and require the Company to purchase the shares held by such shareholders at the fair value of such shares. This dissent right is available where a Company proposes to: (a) amend its articles to add, change or remove any provision restricting or constraining the issue or transfer of any class of shares; (b) amend its articles to add, change or remove any restrictions on business or businesses that the Company may carry on; (c) amend its articles to add or remove an express statement establishing unlimited liability of shareholders; (d) enter into certain amalgamations; (e) continue out of the jurisdiction; and (f) sell, lease or exchange all or substantially all of its property. The BCBCA provides a similar dissent remedy, although the procedure for exercising this remedy differs from that set forth in the ABCA and some of the circumstances in which the right to dissent arises are different.

Oppression Remedy

Under the ABCA, a shareholder, former shareholder, director, former director, officer or former officer and certain creditors of a Company or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, may apply to a court for an order the court thinks fit where, in respect of a Company or any of its affiliates, any act or omission effects a result, or the business or affairs are or have been carried on or conducted in a manner, or the powers of the directors are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interest of, any security holder, creditor, director or officer.

Pursuant to Section 227 of the BCBCA, a shareholder (which term includes any person whom the court considers to be an appropriate person to make an application under Section 227) of a Company has the right to apply to the court for an order under Section 227 on the grounds that the affairs of the Company are being or have been conducted, or that the powers of the directors are being exercised, in a manner oppressive to one or more of the shareholders, including the applicant, or that some act of the Company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more shareholders, including the applicant. In response to such an application, the court may make such order as it considers appropriate, including an order to direct or prohibit any act proposed by the Company.

Derivative Actions

Pursuant to Section 232 of the BCBCA, a shareholder (which term includes any person whom the court considers to be an appropriate person to make an application under Section 232 of the BCBCA) or director of a Company may, with leave of the court, and after having made reasonable efforts to cause the directors of the Company to prosecute a legal proceeding, prosecute such proceeding in the name of and on behalf of the Company to enforce a right, duty or obligation owed to the Company that could be enforced by the Company itself or to obtain damages for any breach of such right, duty or obligation. There is a similar right of a shareholder or director, with leave of the court, and in the name and on behalf of the Company, to defend a legal proceeding brought against the Company.

The ABCA contains similar provisions for derivative actions but the right to bring a derivative action is available to a broader group. In addition to shareholders and directors, the right under the ABCA is available to former shareholders, former directors, officers, former officers, any affiliate of the foregoing, and any person who, in the discretion of the court, is a proper person to make an application to the court to bring a derivative action.

Status as an Alberta Company

As a British Columbia Company, Afrasia's charter documents consist of notice of articles and articles and any amendments thereto to date. Upon the completion of the Continuance, Afrasia will cease to be governed by the BCBCA and will thereafter be deemed to have been formed under the ABCA. As part of the Continuation Resolution, the Shareholders will be asked to approve the adoption of articles of continuance and by-laws which comply with the requirements of the ABCA, copies of which are available for review by the shareholders at the office of the solicitors of Afrasia, 700-595 Burrard St., Vancouver B.C. V7X 1S8, during normal business hours and at the Meeting. In addition, a copy of the articles of continuance and by-laws will be mailed, free of charge, to any Shareholder who requests a copy, in writing, from the CEO of Afrasia.

Continuation Resolution

The complete text of the Continuation Resolution which Afrasia intends to place before the Meeting for approval, with or without modification, is as follows:

"IT IS RESOLVED, AS A SPECIAL RESOLUTION THAT:

1. The continuance of Afrasia under the *Business Corporations Act* (Alberta) ("**ABCA**") with the new name of "WMode Corp." or such other name as may be approved by the Board of Directors of Afrasia and applicable regulatory authorities is authorized and approved;

2. The Board of Directors of Afrasia is authorized to

    (a) apply to the Director under the ABCA (the "**Registrar**") for the continuance of Afrasia and to the registrar under the *Business Corporations Act* (British Columbia)("**RegCo**") for the appropriate consents and documentation;

    (b) continue Afrasia under the ABCA; and

    (c) file Articles of Continuance with the new name of "WMode Corp." or such other name as may be approved by the board of directors of Afrasia and applicable regulatory authorities, and all such other certificates and writings with the Registrar as required in connection with such continuance resulting in Afrasia being subject to, the ABCA;

3. Subject to the authorization of RegCo and without affecting the validity of Afrasia and the existence of Afrasia by or under its constating documents, and of any act completed as permitted by its constating documents, Afrasia approves and adopts:

    (a) in substitution for its existing Certificate of Incorporation and Notice of Articles, the Certificate of Continuance and Articles of Continuance under the ABCA, in the form to be approved by any director or officer of Afrasia, and as may be accepted by the Registrar; and

    (b) in substitution of the existing Articles of Afrasia, the By-Law, being a By-Law complying with the ABCA and relating generally to the affairs of Afrasia, such By-Law to be substantially in the form approved by the directors of Afrasia and made available to Shareholders for review at Afrasia's head office before the Meeting and at the Meeting;

4. Any director or officer of Afrasia is individually authorized and directed for and on behalf of Afrasia to do all acts and things and to deliver all such documents, instruments and writings as may be necessary or desirable in connection with the continuance of Afrasia under the ABCA, without further resolution;

5. Despite the approval of Shareholders as provided for in this Special Resolution, the Board of Directors of Afrasia may, in its sole discretion, revoke this Special Resolution before it is acted upon, without further approval of the shareholders; and

6. Any one or more directors or officers are authorized to take all necessary steps and proceedings, and to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such other acts and thing as may be necessary or desirable to give effect to the provisions of this resolution."

Recommendation of Directors

Afrasia's Board of Directors unanimously recommends that Shareholders vote for the Continuation Resolution.

In order to be effective, the Continuation Resolution must be approved by not less than two-thirds of the votes cast by Shareholders who vote in respect of such Special Resolution.

Unless the Shareholder has specified in the enclosed form of proxy that the Afrasia Shares represented by such proxy are to be voted against the Continuation Resolution, the persons named in the enclosed form of proxy will vote FOR the Continuation Resolution.

Shareholders who wish to dissent should take note that the procedures for dissenting to the Continuance require strict compliance with the applicable dissent procedures. Please refer to the heading "*Dissent Rights*" following "*Particulars of Matters to be Acted Upon*" for additional information.

APPROVAL OF THE RESULTING ISSUER STOCK OPTION PLAN

Afrasia's current Stock Option Plan is the stock option plan dated August 15, 2013. At the Meeting, Shareholders will be asked to consider and, if thought appropriate, to pass an Ordinary Resolution authorizing the Board to replace the Stock Option Plan with the Resulting Issuer Stock Option Plan which is similar to Afrasia's current Stock Option Plan and conforms to the rules and requirements of the Exchange. The Resulting Issuer Stock Option Plan will be a "10% rolling" stock option plan within the meaning of Exchange policies. The total number of common shares that may be reserved for issuance will be 10% of the issued and outstanding common shares of the Resulting Issuer at the time of grant, less any common shares reserved for issuance pursuant to the grant of stock options under any other share compensation arrangements.

A full copy of the Resulting Issuer Stock Option Plan will be available at the Meeting for review by Shareholders. Shareholders may also obtain copies of the Resulting Issuer Stock Option Plan from Afrasia before the Meeting on written request. The following is a summary of the material terms of the Resulting Issuer Stock Option Plan:

Summary of the Resulting Issuer Stock Option Plan

The purpose of the Resulting Issuer Stock Option Plan is to provide an incentive to Optionees and thereby advance the Resulting Issuer's interests by providing them an opportunity to acquire an equity interest in the Resulting Issuer through the exercise of stock options granted to them under the Resulting Issuer Stock Option Plan.

Under the Resulting Issuer Stock Option Plan, the Board of Directors of the Resulting Issuer (or a board committee, if any, appointed in accordance with the Resulting Issuer Stock Option Plan) may grant stock options to Optionees in consideration of them providing their services to the Resulting Issuer or a subsidiary. The number of Resulting Issuer Shares subject to each option is determined by the Board within the guidelines established by the Resulting Issuer Stock Option Plan. The options enable such persons to purchase Resulting Issuer Shares at a price fixed under such guidelines. The options are exercisable by the Optionee giving the Resulting Issuer notice and payment of the exercise price for the number of the Resulting Issuer Shares to be acquired.

The Resulting Issuer Stock Option Plan has the following features:

1. The options are non-assignable and non-transferable (except that the Optionee's heirs or administrators can exercise any portion of the outstanding option, up to one year from the Optionee's death).

2. The number of shares subject to each option is determined by the board of directors provided that the Resulting Issuer Stock Option Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12 month period, result in:

   (a) the number of options granted to any one Person exceeding 5% of the issued shares of the Resulting Issuer; or

   (b) the number of options granted to any one Consultant exceeding 2% of the issued shares of the Resulting Issuer or

   (c) the number of options granted to all Persons retained to provide Investor Relations Activities of a number shares exceeding 2% of the issued shares of the Resulting Issuer.

3. The exercise price of an option may not be set at less than Discounted Market Price.

4. The options may be exercisable for a period of up to 10 years, (subject to extension where the expiry date falls within a "blackout period").

5. Disinterested shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an Insider of the Resulting Issuer at the time of the proposed amendment.

6. For stock options granted to Employees, Consultants or Management Company Employees, the Resulting Issuer and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

7. Any options granted to any Optionee who is a Director, Employee, Consultant or Management Company Employee must expire within a reasonable period following the date the Optionee ceases to be in that role (in general, the Exchange considers anything not exceeding 12 months to be a reasonable period for these purposes).

Capitalized terms referenced in summary above which are not otherwise defined in this Circular are defined in the Resulting Issuer Stock Option Plan.

The Resulting Issuer Stock Option Plan Resolution

In accordance with the requirements of the Exchange, the Resulting Issuer Stock Option Plan must be approved by Ordinary Resolution in order to become effective.

The complete text of the Resulting Issuer Stock Option Plan Resolution which Afrasia intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

"IT IS RESOLVED, AS AN ORDINARY RESOLUTION THAT:

1. The current stock option plan of Afrasia Mineral Fields Inc. ("**Afrasia**") be replaced by a new stock option plan (the "**Resulting Issuer Stock Option Plan**") which conforms with the rules of the Exchange, as applicable;

2. The number of common shares of the Resulting Issuer issuable pursuant to the Resulting Issuer Stock Option Plan be set at 10% of the outstanding Resulting Issuer Shares, subject to any limitations imposed by applicable regulations, laws, rules and policies;

3. The Board of Directors of Afrasia is authorized on behalf of Afrasia to make any further amendments to the Resulting Issuer Stock Option Plan as may be required by applicable regulatory authorities, without requiring further approval of shareholders, in order to ensure adoption of the Resulting Issuer Stock Option Plan;

4. Afrasia is authorized to file the Resulting Issuer Stock Option Plan with the Exchange for acceptance and the implementation of the Resulting Issuer Stock Option Plan is subject to Exchange approval; and

5. Any one or more directors or officers of Afrasia, for and on behalf of Afrasia, is authorized and directed, to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments and do all such other acts or things that may be necessary or desirable to give effect to the provisions of this resolution."

Recommendation of Directors

Afrasia's Board of Directors believe that approval of the Resulting Issuer Stock Option Plan is in the best interests of the Resulting Issuer and unanimously recommends that Shareholders vote in favour of the Resulting Issuer Stock Option Plan Resolution.

In order to pass the above Stock Option Plan Resolution, a simple majority of the votes cast by Shareholders, present in person or by proxy at the Meeting, is required.

Unless the Shareholder has specified in the enclosed form of proxy that the Afrasia Shares represented by such proxy are to be voted against the Resulting Issuer Stock Option Plan Resolution, the persons named in the enclosed form of proxy will vote FOR the Resulting Issuer Stock Option Plan Resolution.

DISSENT RIGHTS

Registered Afrasia Shareholders may dissent to the Continuance. Shareholders who dissent to the Continuance must do so in accordance with sections 237-247 of the BCBCA.

Non-registered Shareholders

Only registered Shareholders may dissent. Beneficial owners of Afrasia Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that they may only do so through the registered owner of such Afrasia Shares. A registered Shareholder such as a broker who holds Afrasia Shares as nominee for beneficial owners, some of whom may desire to demand appraisal, must exercise dissent rights on behalf of such beneficial owners with respect to the Afrasia Shares held for such beneficial owners. In such case, the demand for appraisal should set forth the number of Afrasia Shares covered by it.

Rights of Shareholders who dissent to the Continuance

As indicated in the Notice of the Meeting, any Shareholder is entitled to be paid the fair value of such Shareholder's Afrasia Shares in accordance with section 245 of the BCBCA if such Shareholder dissents to the Continuance and the Continuance becomes effective.

A Shareholder is not entitled to dissent with respect to such Shareholder's Afrasia Shares if such Shareholder votes any of those Afrasia Shares in favour of the Special Resolution authorizing the Continuance.

Notice of Dissent

Under the provisions of sections 237 to 247 of the BCBCA, a Shareholder is entitled to send to Afrasia a written objection to the Continuation Resolution. In addition to any other right a Shareholder may have, when the Continuance becomes effective, a Shareholder who complies with the dissent procedure under sections 237 to 247 of the BCBCA is entitled to be paid the fair value of the Afrasia Shares held by that Shareholder in respect of which that Shareholder dissents, determined as at the close of business on the day before the Continuation Resolution is adopted.

In the event that a Shareholder fails to perfect or effectively withdraws that Shareholder's claim forfeits that Shareholder's right to make a claim under the dissent procedure set out in the BCBCA or such Shareholder's rights as a Shareholder are otherwise reinstated, each Afrasia Share will then be deemed to be an Afrasia Share under the ABCA.

The dissent procedure provided in the BCBCA and the text of sections 237 to 247 of the BCBCA are set out in Schedule "A" to this Circular. Shareholders who may wish to dissent should seek legal advice, as failure to comply with the strict requirements set out in sections 237 to 247 of the BCBCA may result in the loss or unavailability of any right to dissent. A Shareholder may only exercise the right to dissent under sections 237 to 247 of the BCBCA in respect of Afrasia Shares which are registered in that Shareholder's name.

Procedure for Shareholders Who Dissent to the Continuance

A dissenting Shareholder has until 10:00 a.m. (Vancouver time) on February 26, 2015 to send to Afrasia, at the address indicated on the Notice of Meeting of Afrasia, with respect to the Special Resolution authorizing the Continuance, a written notice of dissent under section 242 of the BCBCA by registered mail. After the Special Resolution is approved by the Shareholders and if Afrasia notifies the dissenting Shareholder of its intention to act upon the Special Resolution under section 243 of the BCBCA, the dissenting Shareholder is then required within one month after such notice is given, to send to Afrasia a written notice under section 244 of the BCBCA that such Shareholder requires it to purchase all of the Afrasia Shares in respect of which such Shareholder has given notice of dissent, together with the share certificate or certificates representing those Afrasia Shares, whereupon the dissenting Shareholder is bound to sell and Afrasia is bound to purchase those Afrasia Shares. Afrasia and a dissenting Shareholder who has complied with the above noted provisions of section 244 may agree on the fair value to be paid in respect of the dissenting Shareholder's Afrasia Shares, or Afrasia or the dissenting Shareholder may apply to the Court for an order determining the fair value of such Afrasia Shares, or ordering that the fair value be established by arbitration, and the Court may make such order and such consequential orders or directions as the Court considers appropriate. There is no obligation on Afrasia to make application to the Court. The dissenting Shareholder will be entitled to receive the fair value of the Afrasia Shares held by such Shareholder as of the day before the Meeting or such later date on which the Special Resolution to authorize the Continuance is passed, provided that Afrasia is not permitted to make any payment to a dissenter if there are reasonable grounds for believing Afrasia is insolvent or the payment would render Afrasia insolvent.

Strict Compliance with Dissent Provisions Required

The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a dissenting Shareholder who seeks payment of the fair value of such Shareholder's shares. **Sections 237 to 247 of the BCBCA require strict adherence to the procedures established under the BCBCA and failure to do so may result in the loss of all dissenters' rights. Accordingly, each Shareholder who might desire to exercise the dissenter's rights should carefully consider and comply with the applicable provisions of sections 237 to 247 of the BCBCA the full text of which is set out in Schedule "A" this Circular, and consult such Shareholder's legal advisor**.

RISK FACTORS

Upon completion of the Amalgamation, Amalco, which will be a wholly owned subsidiary of the Resulting Issuer, will carry on the business of WMode. Due to the nature of that business, the legal and economic climate in which the Amalco will be operating and the present stage of development of the proposed operations, Amalco is subject to risks. Amalco's future development and actual operating results may be different from those expected as at the date of this Circular. There can be no certainty that Amalco will be able to implement successfully the strategy set out in this Circular. No representation is or can be made as to the future performance of Amalco and there can be no assurance that Amalco will achieve its objectives. Accordingly, readers should carefully consider the following discussion of risks that pertain to Amalco (the text below summarizes some of these risks and is not intended to be complete or exhaustive).

Transition to new markets

The changes in technology that have empowered the consumer to directly access Internet services independent of the network operator have opened up new markets for WMode's services. Recognizing the limited growth prospects in the mobile network operator market in 2011, WMode started investing in significant product developments to take advantage of these opportunities of going direct to the consumer. WMode has successfully bid and secured long term multi-year customer relationships with global brands for app management services and continues to sell to mobile operators; however it is expected that both the consolidation in the mobile operator market and reduction of mobile operator value added services will continue to reduce Amalco's mobile operator revenues. Amalco's near term financial success is dependent on the speed with which Amalco can sell into the new markets compared to a reduction in operator services. The primary use of proceeds of Amalco and the Resulting Issuer is to expand business development and sales capacity for app management services.

Limited Customers

WMode has depended on a limited number of significant customers for a substantial portion of its revenues. Revenues from its two biggest customers, both being mobile network operators, accounted for 61% of revenues in the nine months ended September 30, 2014, compared to 77% in the year ended December 31, 2013. Future revenues will be significantly reduced from these two customers.

In 2012 and 2013, AT&T acquired Alltel and Cricket respectively, both WMode customers. According to AT&T's publicly stated plans, the Alltel brand is being retired and its subscribers are being transitioned to AT&T. AT&T is retaining the Cricket brand as AT&T expands into the highly competitive pre-paid customer segment. The services with Alltel and Cricket will terminate on March, 31 2015 and February 28, 2015 respectively. Failure to replace these revenues with other customer relationships for its services will materially reduce WMode's revenue and have a material adverse effect on its business, operating results and financial condition.

Additional Capital Requirements

Amalco intends to continue to make investments to support its business growth and will require additional funds to respond to business challenges, including the need to expand sales and marketing activities; develop new software, products or features; enhance its current operating infrastructure; and acquire complementary businesses and technologies. Amalco's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. Accordingly, the Resulting Issuer and/or Amalco may need to engage in equity or debt financings to secure additional funds. If the Resulting Issuer and/or Amalco raises additional funds through further issuances of equity or convertible debt securities, shareholders of the Resulting Issuer or Amalco could suffer significant dilution, and any new equity securities Amalco issues could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares or Amalco Shares. Any debt financing secured by the Resulting Issuer or Amalco in the future could involve restrictive covenants relating to their capital raising activities and other financial and operational matters, which might make it more difficult for the Resulting Issuer or Amalco to obtain additional capital and to pursue business opportunities. The Resulting Issuer and Amalco can provide no assurance that sufficient debt or equity financing will be available for necessary or desirable infrastructure expenditures or acquisitions or to cover losses, and accordingly, Amalco's ability to continue to support its business growth and to respond to business challenges could be significantly limited.

Operating Results and Financial Condition May Fluctuate on a Quarterly and Annual Basis

Amalco's operating results and financial condition may fluctuate from quarter to quarter and year to year, and are likely to continue to vary due to a number of factors, some of which are outside of Amalco's control. These events could, in turn, cause the market price of Resulting Issuer Shares to fluctuate. If Amalco's operating results do not meet the expectations of securities analysts or investors, who may derive their expectations by extrapolating data from recent historical operating results, the market price of Resulting Issuer Shares will likely decline. Due to all of the foregoing factors and the other risks discussed in this "Risk Factors" section, individuals should not rely on quarter-to-quarter or year-to-year comparisons of Amalco's operating results as an indicator of future performance

New Technology

The market for Amalco's services is characterized by rapid technological change, with frequent variations in user requirements and preferences, frequent new product and service introductions embodying new technologies and the emergence of new industry standards and practices. Amalco's success will depend, in part, on its ability to enhance and expand its existing service develop new technology that addresses the increasingly sophisticated and varied needs in the app management market and to respond to technological advances and emerging industry standards and practices and license leading technologies that will be useful in its business in a cost-effective and timely way. Amalco may not be able to successfully use new technologies or adapt its current and planned services to new customer requirements or emerging industry standards. The introduction of new products embodying new technologies or the emergence of new industry standards could render its existing services obsolete, unmarketable or uncompetitive from a pricing standpoint. Failure to respond quickly and cost-effectively to new developments through the development of software and new products or enhancements to existing software and products could reduce Amalco's revenue.

Competition

Amalco will operate in a competitive industry that is rapidly evolving and intensely competitive. Amalco's competitors include mobile device manufacturers, search engines, portals and directories, and wireless service integrators. Competition in the wireless industry throughout the world continues to increase at a rapid pace as consumers, businesses and governments realize the market potential of wireless communications products and services. In addition, new competitors or alliances among competitors could emerge and rapidly acquire significant market share, to Amalco's detriment. There may be additional competitive threats from companies introducing new and disruptive solutions. Some of Amalco's competitors may have advantages over Amalco, including, but not limited to, longer operating histories and market presence, greater name recognition, access to larger customer bases, single source solutions that deliver mobile devices, hardware, services and infrastructure, economies of scale and cost structure advantages, greater sales and marketing, manufacturing, distribution, technical, financial and other resources and government support. Such competition may result in reduced sales, reduced margins or increased operating expenses.

Customer Base and Market Acceptance

Amalco will depend on a limited number of significant customers for a substantial portion of its revenues. While management of Amalco believes it can grow its client base, the inability of Amalco to grow such a client base could have a material adverse effect on Amalco. Although Amalco believes that its products offer advantages over competitive companies and products, no assurance can be given that Amalco's products will attain a degree of market acceptance on a sustained basis or that it will generate revenues sufficient for sustained profitable operations.

Expansion into Different Industries

Changes in technology have enabled consumers to directly access Internet services independent of a mobile network operator. These changes are empowering the market for app management services. However, these same changes have disintermediated the operators' value in the distribution on media and content to consumers. Amalco may see a substantial reduction in revenues from mobile network operators as a result of this. Amalco has taken steps to adopt a strategy to repurpose its services for the broader connected device market, for which its long term success depends on the successful sales and operations in new markets. These new markets will also provide new risks to the business of Amalco, including but not limited to: (i) new and different sources of competition and buyer concentration and purchasing power; (ii) different and unexpected changes in regulatory requirements; (iii) longer sales cycles and accounts receivable payment cycles; (iv) compliance with different laws, legal standards, regulations and intellectual property rights; (v) industry consolidation; (vi) increased investment in technology development; and (vii) transaction or event fees related to a customer's growth metrics. These metrics may not be achieved. The occurrence of any one of these risks could negatively affect Amalco's business and, consequently, its results of operations generally.

Sales Cycle

The typical sales cycle for Amalco's services is long, averaging nine to twelve months per customer. Many of the potential customers for Amalco's services have only recently begun to evaluate the benefits of expanding their offerings of app management services and many have only recently designated personnel to evaluate, procure and implement new mobile services. Amalco's management believes that it may be required to spend a significant amount of time and resources educating potential customers on the use and benefits of its services, and in turn, Amalco can expect potential customers to spend a significant amount of time performing internal reviews and obtaining authorization to purchase its services.

Dependence on Key Personnel and Consultants

The success of Amalco will be largely dependent upon the performance of its management and key employees. Failure by Amalco to retain or to attract and retain additional key employees with necessary skills could have a materially adverse impact upon Amalco's growth and profitability. Amalco intends to have no key person insurance for their management or for other key employees. These individuals, and the contributions they will make, are important to the future operations and success of Amalco. The unexpected loss or departure of any of the key officers, employees or consultants of Amalco could be detrimental to Amalco's future operations. Amalco's success will depend in part on its ability to attract and retain qualified personnel, as they are needed. The competition for highly skilled technical, management, sales and other employees is high in Amalco's industry and the cost of hiring and retaining such personnel has been increasing. There can be no assurance that Amalco will be able to engage the services of such personnel or retain Amalco's current personnel.

History of Operating Losses

WMode has a history of net operating losses and Amalco may continue to suffer losses in the future. If Amalco cannot become profitable, its financial condition will deteriorate and it may be unable to achieve its business objectives.

Consumer Privacy, Data Use and Security Regulations

Amalco is subject to regulations related to privacy and data protection and information security in the jurisdictions in which it does business, and could be negatively impacted by these regulations. Recently, these topics have received heightened legislative and regulatory focus in jurisdictions around the world. Regulation of privacy and data protection and information security may raise concerns and scrutiny of Amalco's practices in regard to the collection, use, disclosure or security of personal and sensitive information. Failure to comply with the privacy and data protection and security laws and regulations to which it is subject could result in fines, sanctions or other penalties, which could materially and adversely affect Amalco's results of operations and overall business, as well as have an impact on its reputation. Any additional, or changes to, regulations in these areas (as well as the manner in which such laws could be interpreted or applied) may also increase Amalco's costs to comply with such regulations. Changes to these laws could also impact Amalco's business operations by requiring changes to Amalco's data practices and could impact aspects of Amalco's business such as fraud monitoring. Any of these changes could materially and adversely affect Amalco's overall business and results of operations.

Confidentiality and Proprietary Information

Amalco's business relies upon certain unpatented or unregistered intellectual property rights and proprietary information. Consequently, although measures are taken to keep key intellectual property rights and proprietary information confidential, they may not be able to protect Amalco's technology from independent invention by third parties. Amalco currently attempts to protect most of its key intellectual property through a combination of trade secret, copyright and other intellectual property laws and by entering into employee, contractor and business partner confidentiality agreements. Such measures, however, provide only limited protection and under certain circumstances Amalco may not be able to prevent the disclosure of its intellectual property, or the unauthorized use or reverse engineering or independent development of its technology. This may allow Amalco's existing and potential competitors to develop products and services that are competitive with, or superior to, its services.

Further, Amalco intends to expand its international presence. Effective patent, copyright, trademark and trade secret protections may be unavailable or limited in some foreign countries. As a result, Amalco may not be able to effectively prevent competitors in these countries from using or infringing its intellectual property rights, which would reduce its competitive advantage and ability to compete in these regions or otherwise harm its business.

Future Acquisitions

Amalco may seek to expand its business and capabilities through the acquisition of compatible technology, products or businesses. There can be no assurance that suitable acquisition candidates can be identified and acquired on favourable terms, or that the acquired operations can be profitably operated or integrated in Amalco's operations. To the extent management of Amalco is successful in identifying suitable companies or products for acquisition, Amalco may deem it necessary or advisable to finance such acquisitions through the issuance of Amalco Shares, securities convertible into Amalco Shares, debt financing, or a combination thereof. In such cases, the issuance of Amalco Shares or convertible securities could result in dilution to the shareholders of Amalco at the time of such issuance or conversion. The issuance of debt to finance acquisitions may result in, among other things, the encumbrance of certain of Amalco's assets, impeding Amalco's ability to obtain bank financing, decreasing Amalco's liquidity, and adversely affecting its ability to declare and pay dividends to shareholders of Amalco.

WMode does not currently have any agreements or commitments to acquire any businesses. Amalco may make selective domestic and international acquisitions of, and investments in, businesses that offer complementary products, services and technologies, augment its market coverage, and/or enhance its technological capabilities. Amalco may not be able to identify suitable acquisition, investment, alliance, or joint venture opportunities or consummate any such transactions or relationships on terms and conditions acceptable to it. Such transactions or relationships that Amalco enters into may not be successful. In addition, acquisitions and investments outside of the North America involve unique risks related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries.

These transactions or any other acquisitions involve risks and uncertainties, which may have a material adverse effect on Amalco's business. The integration of acquired businesses may not be successful and could result in disruption to other parts of its business. Pre-acquisition due diligence may not have identified all possible issues that might arise with respect to such acquired assets. Any acquisition may also cause Amalco to assume liabilities, record goodwill and non-amortizable intangible assets that will be subject to impairment testing and potential impairment charges, incur amortization expense related to certain intangible assets, increase its expenses and working capital requirements, and subject it to litigation, which would reduce its return on invested capital. Failure to manage and successfully integrate the acquisitions we make could materially harm Amalco's business and operating results.

Share Price Volatility

The market price of Resulting Issuer Shares could be subject to wide fluctuations in response to Amalco's results of operations, changes in earnings estimates by analysts, changing conditions in the payment processing industry or changes in general market, economic or political conditions. Amalco's revenue is subject to fluctuations due to the timing of sales of high-dollar professional services projects. Because these projects occur at irregular intervals and the dollar values vary based on customer needs, Amalco may experience quarter-to-quarter fluctuations in revenue. In addition, any significant delays in the deployment of its services, unfavorable sales trends in its existing service categories, or changes in the spending behavior of wireless carriers could adversely affect revenue growth. If Amalco's revenue fluctuates or does not meet the expectations of securities analysts and investors, the market price of Resulting Issuer Shares would likely decline.

Service Level Commitments

WMode's customer agreements provide service level commitments on a monthly basis, which varies by customer. If Amalco is unable to meet the stated service level commitments or suffer extended periods of unavailability and/or degraded performance of its service, it may incur financial penalties. Amalco's revenues could be significantly impacted if it suffers unscheduled downtime that exceeds the allowed downtimes under its customer agreements. The failure to meet its contractual level of service availability may require it to credit affected customers for a significant portion of their monthly fees, not just the value for the period of the downtime. As a result, failure to deliver services for a relatively short duration could result in Amalco incurring significant financial penalties. Any system failure, extended service outages, errors, defects or other performance problems with Amalco's managed and professional services could harm its reputation and may damage its customers' businesses.

Disruption of Data Center Services

WMode hosts its services and serves all of its customers in third party facilities. It does not control the operations at the third party facilities. All of these facilities are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, terrorist attacks, power losses, telecommunications failures and similar events. They also could be subject to break-ins, computer viruses, denial of service attacks, sabotage, intentional acts of vandalism and other misconduct. The occurrence of a natural disaster or an act of terrorism, a decision to close the third-party facilities without adequate notice or other unanticipated problems could result in lengthy interruptions in Amalco's services. Although off-site tape backups of customers' data is maintained, WMode does not currently operate or maintain a backup datacenter for any of its services, which increases vulnerability to interruptions or delays in service. Interruptions in Amalco's services might harm its reputation, reduce its revenue, cause it to incur financial penalties, subject it to potential liability and cause customers to terminate their contracts.

Research and Development

Amalco will continue to invest in research and development for the introduction of new enhancements to existing services designed to improve the capacity and features of its services. It must also continue to develop new features and to improve functionality of its platform based on specific customer requests and anticipated market needs. Research and development in the mobile data services industry, however, is complex, expensive and uncertain. If Amalco continues to expend a significant amount of resources on research and development, but its efforts do not lead to the successful introduction of service enhancements that are competitive in the marketplace, there could be a material adverse effect on its business, operating results, financial condition and market share.

Service Enhancements

Most of WMode's services must be tailored to meet customer specifications. As a result, it often develops new features and enhancements to its existing services. These new features and enhancements often take substantial time to develop because of their complexity and because customer specifications sometimes change during the development cycle. Amalco may not recognize revenue from new services or enhancements until it has incurred significant development costs. In addition to delayed recognition of revenue from such new services and enhancements, operating results will suffer if the new services or enhancements fail to meet customers' expectations.

International Operations

WMode has limited experience operating in foreign jurisdictions. Conducting and launching operations on an international scale requires close coordination of activities across multiple jurisdictions and time zones and consumes significant management resources. WMode's limited experience in operating outside of North America increases the risk that Amalco's current and any future international expansion efforts will not be successful. Conducting international operations subjects Amalco to new risks, including:

- fluctuations in currency exchange rates;
- new and different sources of competition;
- unexpected changes in foreign regulatory requirements;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- difficulties in managing and staffing international operations, including differences in labour laws;
- potentially adverse tax consequences, including the value-added tax systems and restrictions on the repatriation of earnings;
- localization of Amalco's solutions, including translation into foreign languages and associated expenses;
- the burdens of complying with foreign laws, legal standards and regulations related to privacy and data security;
- requirements for regional hosting and data, which may require additional costs necessary to set up new data centers;
- increased financial accounting and reporting burdens and complexities;
- political, social and economic instability abroad, terrorist attacks and security concerns in general; and
- reduced or varied protection for intellectual property rights in some countries.

The occurrence of any one of these risks could negatively affect Amalco's international business and, consequently, its results of operations generally. Additionally, operating in international markets also requires significant management attention and financial resources. Amalco cannot be certain that the investment and additional resources required in establishing, acquiring or integrating operations in other countries will produce desired levels of revenue or profitability. The inability to establish adequate sales and/or customer support in future markets could also negatively affect its international business.

Software Errors

WMode's solutions are highly technical and have contained and may contain undetected errors, defects or security vulnerabilities. Some errors in Amalco's solutions may only be discovered after a solution has been deployed and used by its customers. Any errors, defects or security vulnerabilities discovered in its solutions after commercial release could result in loss of revenue or delay in revenue recognition, loss of customers and increased service cost, any of which could adversely affect Amalco's business, operating results and financial condition. In addition, Amalco could face claims for product liability, tort or breach of warranty. Defending a lawsuit, regardless of its merit, is costly and may divert management's attention away from the business and adversely affect the market's perception of Amalco and its services. In addition, if Amalco's business liability insurance coverage is inadequate or future coverage is unavailable on acceptable terms or at all, its operating results and financial condition could be adversely impacted.

Confidential Information

WMode's business activities involve the use, transmission and storage of confidential information. WMode believes that it has taken commercially reasonable steps to protect the security, integrity and confidentiality of the information that it collects and stores, but there is no guarantee that inadvertent or unauthorized disclosure will not occur or that third parties will not gain unauthorized access to this information despite its efforts. If such unauthorized disclosure or access does occur, Amalco may be required, under existing and proposed laws, to notify persons whose information was disclosed or accessed. Amalco may also be subject to claims of breach of contract for such disclosure, investigation and penalties by regulatory authorities and potential claims by persons whose information was disclosed. The unauthorized disclosure of information may result in the termination of one or more of its commercial relationships and/or a reduction in customer confidence and usage of its services, which would have a material adverse effect on Amalco's business, operating results and financial condition.

Distribution of Information

As part of its business, WMode obtains content and commercial information from third parties. When Amalco distributes this information, it may be liable for the data contained in that information. There is a risk that it may be subject to claims related to the distribution of such content such as defamation, negligence, intellectual property infringement, violation of privacy or publicity rights and product or service liability, among others. Laws or regulations of certain jurisdictions may also deem some content illegal, which may expose Amalco to additional legal liability. WMode also gathers personal information from consumers in order to provide personalized services. Gathering and processing this personal information may subject Amalco to legal liability for, among other things, defamation, negligence, invasion of privacy and product or service liability. Amalco is also subject to laws and regulations, both in the USA and abroad, regarding the collection and use of consumer information. If it does not comply with these laws and regulations, it may be exposed to legal liability.

Internal Controls

Ensuring that Amalco has adequate internal financial and accounting controls and procedures in place so that it can produce accurate financial statements on a timely basis is a costly and time-consuming effort. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. If Amalco or its independent audit firm identify deficiencies in its internal control over financial reporting that are deemed to be material weaknesses, the market's confidence in Amalco's financial statements could decline and the market price of its securities could be adversely impacted.

Infringement of Intellectual Property Rights

It cannot be certain that Amalco's services do not and will not infringe the intellectual property rights of others. Many parties in the software industry have begun to apply for and obtain patent protection for innovative proprietary technologies and business methods. Given that Amalco's platform interacts with various participants in the mobile data ecosystem, existing or future patents protecting certain proprietary technology and business methods may preclude it from using such proprietary technology or business methods, or may require it to pay damages for infringement or fees to obtain a license to use the proprietary technology or business methods (which may not be available or, if available, may be on terms that are unacceptable), or both, which would increase the cost of doing business. In addition, litigation concerning intellectual property rights and the infringement of those rights, including patents, trademarks and copyrights, has grown significantly over the last several years and is likely to grow further in the future. If Amalco becomes the subject of infringement claims, it may be forced into litigation, which will require significant resources and management time and attention to defend against such infringement claims. If it is determined that Amalco's services infringe the intellectual property rights of a third party, it may be required to pay damages or enjoined from using that technology or forced to obtain a license (which may not be available or, if available, may be on terms that are unacceptable) and/or pay royalties to continue using that technology. The assertion of intellectual property infringement claims against Amalco's technology could have a material adverse effect on its business, operating results and financial condition.

Open Source Software

WMode has incorporated open source software (open source code available for modification or enhancement by the public) into its services. Although WMode closely monitors it use of open source software, the terms of many open source licenses to which it is subject have not been interpreted by North American or foreign courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on Amalco's ability to commercialize such services. In that event, Amalco could be required to seek licenses from third parties in order to continue offering such services, to re-engineer such products or to discontinue sales of its services, any of which could materially adversely affect Amalco's business.

Stage of Development

Amalco may be subject to growth-related risks, capacity constraints and pressure on its internal systems and controls, particularly given the early stage of Amalco's development. The ability of Amalco to manage growth effectively will require it to continue to expand its operational and financial systems and to train and manage its employee base. The inability of Amalco to deal with this growth could have a material adverse impact on its business, operations and prospects.

Legal Risks

Amalco is subject to legal risks related to operations, contracts, relationships and otherwise under which Amalco may be served with legal claims. Whether or not the claims are legally valid, such claims may result in legal fees, damages, settlement costs and other costs as well as significant time and distraction of management and employees.

Conflicts of Interest

Certain directors of Amalco and the Resulting Issuer may engage in businesses similar to Amalco and situations may arise where the directors may be in direct competition with Amalco's business. Conflicts of interest, if any, which arise will be subject to and governed by the procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with us to disclose his interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.

Complex and Unique Customer Contracts

WMode's customers have substantial purchasing power and negotiating leverage. As a result, contracts are negotiated on a customer-by-customer basis and contract terms may not be favorable to Amalco in order to close a transaction, including indemnity, limitation of liability, refund, penalty or other terms that could expose Amalco to significant financial or operating risk. If Amalco is unable to effectively negotiate, enforce and accurately and timely account and bill for contracts with its key customers, its business and operating results may be adversely affected.

In addition, WMode has contractual indemnification obligations to its customers, most of which are unlimited in nature. If Amalco is required to fulfill such indemnification obligations relating to third-party content or operating systems that are provided to customers, Amalco will need to seek indemnification from its suppliers, vendors, and content providers to the full extent of their responsibility. Even if the agreement with such supplier, vendor or content provider contains an indemnity provision, it may not cover a particular claim or type of claim or may be limited in amount or scope. As a result, Amalco may or may not have sufficient indemnification from third parties to cover fully the amounts or types of claims that might be made. Any significant indemnification obligation to customers could have a material adverse effect on Amalco's business, operating results and financial condition.

Absence of Cash Dividends

Neither WMode or Afrasia has paid any cash dividends to date on the common stock and there are no plans for the Resulting Issuer to pay such dividend payments in the foreseeable future.

INFORMATION REGARDING AFRASIA

CORPORATE STRUCTURE

Name and Incorporation

Afrasia was incorporated under the British Columbia *Company Act* (predecessor legislation to the BCBCA) on June 24, 1986, as "Bristol Explorations Ltd.". On July 19, 1996, Afrasia changed its name to "Afrasia Mineral Fields Inc.". On January 30, 2006, Afrasia transitioned from the *Company Act* to the BCBCA.

Afrasia was listed on the Exchange under the symbol "AFS", and on September 29, 2008 Afrasia's listing was transferred from the TSX-V to the NEX board of the TSX-V; the trading symbol for Afrasia changed from "AFS" to "AFS.H".

Afrasia's registered and records offices are located at 700-595 Burrard Street, Vancouver, British Columbia, V7X 1S8. Afrasia's head office is located at Suite 2050, 1055 Georgia Street, Vancouver, B.C. V6E 3P3.

Afrasia has no subsidiaries except for MergerSub, a corporation under the ABCA which was recently incorporated for the purposes of completing the Amalgamation.

GENERAL DEVELOPMENT OF THE BUSINESS

History

Afrasia previously engaged principally in the acquisition, exploration and development of mineral resources properties. Afrasia has disposed of all of its interests in mineral resource properties and no longer engages in any material mineral exploration or development activities.

SELECTED FINANCIAL INFORMATION AND MD&A

Selected Financial Information

The following table sets out selected historical financial information for Afrasia for the years ended May 31, 2014, 2013 and 2012 and six month interim period ended November 30, 2014 and should be read in conjunction with those financial statements. See Audited Consolidated Financial Statements of Afrasia for the years ended May 31, 2014, May 31, 2013 and May 31, 2012, and Unaudited Interim Financial Statements of Afrasia for the six month period ended November 30, 2014, available on SEDAR at www.sedar.com and attached as Schedule "B" and "D" respectively, to this Circular. Afrasia's audited financial statements and related notes for the years ended May 31, 2014, 2013 and 2012, and its unaudited interim financial statements and related notes for the six month period ended November 30, 2014, were prepared in compliance with IFRS and in accordance with IAS 34 – Interim Financial Reporting, with the opening balances transitioned to IFRS standards.

	Financial year ended May 31, 2014 ($)	**Financial year ended May 31, 2013 ($)**	**Financial year ended May 31, 2012 ($)**	**Interim period ended November 30, 2014 ($)**
Reporting Standards Used	**IFRS**	**IFRS**	**IFRS**	**IFRS**
Total Operating Expenses	157,602	128,618	161,059	57,947
Amounts deferred in connection with the Amalgamation	Nil	Nil	Nil	Nil

MD&A

Afrasia's MD&A for the years ended May 31, 2014, May 31, 2013 and May 31, 2012 are attached as Schedule "C" to this Circular, and should be read in conjunction with Afrasia's audited consolidated financial statements for the years ended May 31, 2014, May 31, 2013 and May 31, 2012 and notes thereto also attached to this Circular, as Schedule "B". Afrasia's MD&A for the six month interim period ended November 30, 2014 are attached as Schedule "E" to this Circular, and should be read in conjunction with Afrasia's unaudited interim financial statements for the six month interim period ended November 30, 2014 and notes thereto also attached to this Circular, as Schedule "D".

DESCRIPTION OF SECURITIES

Afrasia's authorized capital consists of an unlimited number of common shares without par value. As of the date of this Circular, there are 20,026,663 Afrasia Shares outstanding, no options outstanding and no outstanding share purchase warrants.

The holders of Afrasia Shares are entitled to vote at all meetings of Shareholders, to receive dividends if, as and when declared by the directors and to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of Afrasia. The Afrasia Shares carry no pre-emptive rights, conversion or exchange rights, or redemption, retraction, repurchase, sinking fund or purchase fund provisions. There are no provisions requiring a Shareholder to contribute additional capital and no restrictions on the issuance of additional securities by Afrasia. There are no restrictions on the repurchase or redemption of Afrasia Shares by Afrasia except to the extent that any such repurchase or redemption would render Afrasia insolvent.

STOCK OPTION PLAN

For more information about the Stock Option Plan see "*Particulars of Matters to be Acted On - Approval of the Resulting Issuer Stock Option Plan*" disclosure elsewhere in the Circular.

Afrasia proposes to replace the Stock Option Plan with the Resulting Issuer Stock Option Plan. For more information about the Resulting Issuer's Stock Option Plan see "*Particulars of Matters to Be Acted On – Approval of Resulting Issuer Stock Option Plan*".

PRIOR SALES

During the 12 months before the date of the Circular, Afrasia issued no securities.

STOCK EXCHANGE PRICE

The following table sets out the high and low closing prices and volume of trading of the Afrasia Shares on the Exchange for the periods indicated. Please refer to the notes to the table for additional information.

Period	High	Low	Volume
February 2015 (1) (2)	$0.06	$0.06	Nil
January 2015(1)	$0.06	$0.06	Nil
December 2014(1)	$0.06	$0.06	Nil
November 2014(1)	$0.06	$0.06	Nil
October 2014(1)	$0.06	$0.06	Nil
September 2014(1)	$0.06	$0.06	Nil
Q1 (June 2014 to August 2014)(1)	$0.06	$0.06	Nil
Q4 (March 2014-May 2014)(1)	$0.12	$0.045	170,200
Q3 (December 2013-February 2014)	$0.15	$0.025	78,250
Q2 (September 2013-November 2013)	$0.07	$0.04	203,000
Q1 (June 2013-August 2013)	$0.115	$0.09	230,650
Q4 (March 2013-May 2013)	$0.115	$0.115	Nil
Q3 (December 2012-February 2013)	$0.16	$0.09	355,650

Note:

(1) Trading of the Afrasia Shares on the Exchange was halted on April 2, 2014, pending the announcement of the Amalgamation. As of the date of this Circular, the trading of the Afrasia Shares on the Exchange remains halted.

(2) This is for the period from February 1, 2015 to the date of this Circular.

EXECUTIVE COMPENSATION

Under this heading, Afrasia is including the disclosure required by Form 51-102F6 – Statement of Executive Compensation under National Instrument 51-102 *Continuous Disclosure Obligations*.

Compensation Discussion and Analysis

Philosophy and Objectives

The compensation program for the senior management of Afrasia is designed to ensure that the level and form of compensation achieves certain objectives, including:

- to align executive compensation with Shareholders' interests;
- to attract and retain highly qualified management;
- to focus performance by linking incentive compensation to the achievement of business objectives and financial results; and
- to encourage retention of key executives for leadership succession.

Afrasia's executive compensation program comprises three elements: base salary, bonus incentives and equity participation. The compensation program is designed to pay for performance. Employees, including senior executives, are rewarded for the achievement of annual operating and financial goals, progress in executing Afrasia's long-term growth strategy and delivering strong total Shareholder return performance.

Afrasia reviews industry compensation information and compares its level of overall compensation with those of comparable sized mineral exploration companies. Generally, Afrasia targets base management fees at levels approximating those holding similar positions in comparably sized companies in the industry and hopes to achieve competitive compensation levels through the fixed and variable components.

The compensation structure takes into account individual and corporate performance. Compensation practices, including the mix of base management fees, short-term incentives and long-term incentives, are regularly assessed to ensure they are competitive, take account of the external market trends and support Afrasia's long-term growth strategies. Due to the early stage of Afrasia's development programs, the flexibility to quickly increase or decrease appropriate human resources is critical. Accordingly, Afrasia does not enter into long- term commitments with its officers.

Base Compensation

In the Board's view, paying base salaries or management fees which are competitive in the markets in which Afrasia operates is a first step to attracting and retaining talented, qualified and effective executives. Base compensation is compensation for discharging job responsibilities and reflects the level of skills and capabilities demonstrated by the executive. Annual adjustments take into account the market value of the role and the executive's demonstration of capability during the year.

Bonus Incentive Compensation

Afrasia's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the executive meeting those strategic objectives and milestones, the executive's individual performance and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon comparable compensation levels based on recommendations of the Board as a whole, and such recommendations are generally based on survey data provided by independent consultants.

Equity Participation

Afrasia believes that encouraging its executives and employees to become Shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the Stock Option Plan. Stock options may be granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board.

Option-Based Awards

Stock options may be granted to provide an incentive to the directors, officers, employees and consultants of Afrasia to achieve the long-term objectives of Afrasia; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of Afrasia; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire and increase proprietary interest in Afrasia. Afrasia may award stock options to its executive officers based upon the recommendation of the Board, which recommendation is based upon the Board's review of a proposal from the CEO. Previous grants of incentive stock options are taken into account when considering new grants.

Implementation and amendments to the existing Stock Option Plan are the responsibility of the Board, subject to compliance with applicable Exchange and regulatory requirements.

The Board did not consider the implications of the risks associated with Afrasia’s compensation practices; however, given Afrasia’s size and nature of compensation provided to its executives in the last fiscal year, the Board does not view it as a significant risk that would be likely to have a material adverse effect on Afrasia.

Afrasia’s management is not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities of Afrasia granted as compensation or held, directly or indirectly, by management.

<u>Summary Compensation Table</u>

The table below sets out particulars of compensation paid to Afrasia's sole NEO for services to Afrasia during the stated time.

The following table is a summary of compensation paid to the NEO during the financial years ended May 31, 2014, May 31, 2013 and May 31, 2012. For information concerning compensation related to previous years, please refer to Afrasia's previous information circulars available at www.sedar.com.

Name and Principal Position	Year Ending	Salary ($)	Share based awards ($)	Option based awards ($)	Non-equity incentive plan compensation ($)		Pension Value ($)	All Other Compens-ation ($)(1)(2)	Total Compensat-ion ($)(2)
					Annual incentive plans	Long term incentive plans			
Praveen Varshney President, CEO and CFO	May 31, 2014	Nil	Nil	Nil	Nil	Nil	Nil	$22,000	$22,000
	May 31, 2013	Nil	Nil	Nil	Nil	Nil	Nil	$22,000	$22,000
	May 31, 2012	Nil	Nil	Nil	Nil	Nil	Nil	$22,000	$22,000

Notes:

(1) No additional compensation was paid to the NEO for serving as a director of Afrasia.

(2) Pursuant to the Management Services Agreement. The Management Services Agreement was terminated effective May 31, 2014 and the aggregate amount of $142,500 accrued to VCC thereunder has been forgiven by VCC. See "*Information Regarding Afrasia - Management Contracts*" below.

Incentive Plan Awards

Afrasia has no long term incentive plans other than the Stock Option Plan. There were no awards outstanding to the NEO at the year ending May 31, 2014, including awards granted before the most recently completed financial year.

Incentive Plan Awards – Value Vested or Earned During the Year

No option-based awards or share-based awards vested or were earned during the most recently completed financial year for the NEO.

Plan-based Awards

The significant terms of Afrasia's Stock Option Plan and the number of options granted thereunder is set out under the heading "*Particulars of Matters to be Acted Upon - Approval of the Resulting Issuer Stock Option Plan*".

Pension Plan Benefits

No pension or retirement benefit plans have been instituted by Afrasia and none are proposed at this time.

Termination and Change of Control Benefits

Afrasia does not have any plan or arrangement to pay or otherwise compensate any NEO if his employment is terminated as a result of resignation, retirement, Change of Control, etc. or if his responsibilities change following a Change of Control.

Compensation of Directors

Afrasia has three directors, one of which is also a NEO: Praveen Varshney. For a description of the compensation paid to the NEO who also acts as director, see the "*Information Regarding Afrasia - Executive Compensation - Summary Compensation Table*" above.

Afrasia did not grant any compensation to its directors during its most recently completed financial other than as indicated below:

Name and Principal Position	Year Ending	Fees earned ($)	Salary ($)	Share-based award ($)	Option based awards ($)	Non-equity incentive plan compen-sation ($)	Pension Value ($)	All Other Compen-sation ($)	Total Compen-sation ($)
Peeyush Varshney	May 31, 2014	Nil	Nil	Nil	Nil	Nil	Nil	22,000(1)	22,000(1)
Mervyn Pinto	May 31, 2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

(1) This amount was paid pursuant to the Management Services Agreement. The Management Services Agreement was terminated effective May 31, 2014 and the aggregate amount of $142,500 accrued to VCC thereunder has been forgiven by VCC.See "*Information Regarding Afrasia - Management Contracts*" below.

Afrasia currently does not pay directors who are not employees or officers of Afrasia for attending directors meetings or for serving on committees. Afrasia has no arrangements, standard or otherwise, pursuant to which directors are compensated by Afrasia for their services as directors, for committee participation, or for involvement in special assignments during the most recently completed financial year. None of Afrasia's directors have received any cash compensation for services provided in their capacity as directors during Afrasia's most recently completed financial year.

Share-based awards, option based awards and non-equity incentive plan compensation

Incentive Plan Awards

There were no awards outstanding to any of the directors at the year ending May 31, 2014, including awards granted before the most recently completed financial year.

Incentive Plan Awards – value vested or earned during the year

No option-based awards or share based awards vested or were earned during the most recently completed financial year for the directors.

MANAGEMENT CONTRACTS

Pursuant to the Management Services Agreement, Afrasia accrued to VCC an aggregate of $66,000, being $2,500 per month for management fees and $3,000 per month for administrative fees during the financial year ended May 31, 2014. The Management Services Agreement was terminated effective May 31, 2014 and the aggregate amount of $142,500 accrued to VCC thereunder has been forgiven by VCC. Peeyush Varshney, a director of Afrasia, is a director and secretary and partial owner of VCC and Praveen Varshney, a director and officer of Afrasia, is a director of VCC.

NON-ARM'S LENGTH PARTY TRANSACTION/ARM'S LENGTH TRANSACTION

Afrasia has entered into certain Related Party Transactions in the normal course of operations, including the Management Services Agreement. Such transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Please refer to Note 7 of Afrasia's audited consolidated financial statements for the year ended May 31, 2014, attached as Schedule "B" to this Circular.

The proposed Amalgamation is an Arm's Length Transaction.

LEGAL PROCEEDINGS

There are no actual or pending material legal proceedings to which Afrasia is, or is likely to be, a party or of which any of its assets is, or is likely to be, subject which is known to Afrasia.

AUDITOR, TRANSFER AGENT AND REGISTRAR

<u>Auditor</u>

Afrasia's auditors are Davidson & Company LLP, Chartered Accountants, of 609 Granville Street, Vancouver, British Columbia V7Y 1G6. The Auditor's Resolution will be posed at the Meeting, requesting the approval of KPMG LLP as the new auditors of the Resulting Issuer.

<u>Transfer Agent and Registrar</u>

Afrasia's transfer agent and registrar is Computershare, 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

Afrasia has entered into the following material contracts, other than contracts entered into in the ordinary course of business:

1. Letter of Intent
2. Amalgamation Agreement

Copies of the material contracts described above may be inspected at Afrasia's head office at any time during ordinary business hours and until 30 days after the completion of the Amalgamation.

INFORMATION REGARDING WMODE

CORPORATE STRUCTURE

<u>Name and Incorporation</u>

WMode was incorporated under the ABCA on September 1, 2000 with its headquarters in Calgary, Alberta and offices in Toronto, Ontario; Paris, France; Coventry, UK; San Francisco, California; and Bern, Switzerland.

WMode's registered and records offices are located at 1250, 639-5th Avenue SW, Calgary, Alberta T2P 0M9. WMode's head office is located at 3553 - 31st NW, Calgary, Alberta T2L 2K7.

Intercorporate Relationships

WMode has five wholly-owned subsidiaries being WMode GmbH (formed under the laws of Switzerland), WMode Limited (formed under the laws of the United Kingdom), AppCarousel Inc. (USA) (formed under the laws of Delaware), AppCarousel Inc. (Canada) (formed under the laws of Alberta) and Neosystems Inc. (formed under the laws of Alberta), and a subsidiary, Redwood Technologies Inc. (formed under the laws of Alberta), of which the Issuer holds 98.1%. Neosystems Inc. is currently the only active subsidiary which owns any material assets or engages in operations.

GENERAL DEVELOPMENT OF THE BUSINESS

History

Founded in 2000, WMode is a privately held company headquartered in Calgary, Canada.

WMode has developed and operates a comprehensive suite of app management services for the recruitment, development, management, discovery, delivery and payment of mobile apps, content, and consumer services. Through the recent rise of smartphones, tablets and other connected devices such as TV, automobiles, GPS navigation units, cameras, and home appliances, mobile apps have become an integral part of the social and commercial interaction of most consumers and enterprises. However, as a result of this proliferation of connected devices and the number and variety of apps available to the consumer, a challenge has arisen in the discovery and management of these apps by the consumer, as well as the ability to provide consistent experiences to the consumer across such connected devices. These issues and challenges has led to the creation of a wide variety of app management services, such as those provided by WMode.

For the first ten years, WMode's primary market was mobile network operators such as Rogers, Telus and AT&T. Changes in technology over recent years have now empowered the consumer to directly access Internet services independent of such network operators. Today, a broad array of enterprises are deploying apps and require management, billing and discovery solutions that seamlessly address the underlying complexities of such apps and at the same time provide consumers with simplified and rewarding experiences. The same technologies and operational experience that were essential to serve and sustain the trust of demanding customers in the mobile network operator market are enabling WMode to compete in the new broader markets as apps power a variety of connected devices.

Recognizing the opportunity to be an early and competitive service provider in the high growth app management market; in 2011, WMode started investing in significant product developments to take advantage of the fact that apps have become more accessible by consumers directly without the need for mobile network operators. WMode has successfully bid and secured long term multi-year customer relationships with global brands whose connected device and IoT plans are strategic and valuable. WMode's focus in the near term is the auto and other connected device markets, however, WMode's app management services have wide utility in many markets for many different purposes and are not limited to any particular industry.

As a result of making the investments in the repurposing of its technology for the broader market, in May 2014, WMode signed a contract to provide AppCarousel technology and services (app management) to UK-based Jaguar Land Rover for their next generation IVI system. Under the terms of the contract, WMode shall provide operational services for the five years ending on September 30, 2019. In 2013 and 2014, WMode also sold the AppCarousel service to Amplify Education and the Canadian Air Transport Safety Authority, introducing WMode into the education and transport and government markets.

In 2008, WMode entered into its first contract with Cricket. This agreement was renewed in 2011 and expired on December 31, 2014. Cricket has been acquired by AT&T. For further details, see "*Information Regarding WMode - Narrative Description of Business - Operations - Operators*".

Acquisitions and Dispositions

Effective June 30, 2014, WMode purchased all of the issued and outstanding shares of Neosystems Inc. for an aggregate purchase price of $1,320,000, subject to adjustments and certain revenue earn out amounts payable to the vendors. The acquisition builds on the launch in 2012 of WMode's enterprise mobility group, increasing its ability to provide scalable solutions and managed services to the growing operations management market. NeoSystems reported revenues of $2,286,518 and net income of $105,468 in its financial year to March 31, 2014.

Financing

WMode completed the first tranche of the First WMode Placement on June 17, 2014 and the second tranche of the First WMode Placement on October 21, 2014. WMode completed the Debt Conversion Placement on August 15, 2014.

Second WMode Placement

Immediately prior to the Closing of the Amalgamation, as a condition precedent to the Amalgamation, WMode proposes to complete a Second WMode Placement for minimum gross proceeds of $3,300,000 and maximum gross proceeds of $5,000,000 through the issuance of a minimum of 8,823,529 WMode Class A Shares and a maximum of 13,368,984 WMode Class A Shares, at an offering price of $0.374 per WMode Class A Share.

WMode has entered into the Engagement Letter with the Agent, under which WMode agreed to pay a cash fee equal to 7% of the gross proceeds raised under the Second WMode Placement and to issue the Agent that number of Second WMode Placement Broker Warrants as is equal to 10% of the WMode Class A Shares sold under the Second WMode Placement.

Pursuant to the Engagement Letter, WMode has also agreed to pay the Agent the following advisory fees: (i) success fee of $250,000, payable in Work Fee Units; and (ii) a monthly work fee of $10,000 a month, for a maximum of 120 days (equal to a maximum of $40,000), payable in Work Fee Units.

The securities issued pursuant to the Second WMode Placement will be exchanged pursuant to the terms of the Amalgamation Agreement. Upon the exchange of securities pursuant to the Amalgamation, the securities of the Resulting Issuer issued in exchange for securities issued pursuant to the Second WMode Placement will not be restricted to any statutory hold periods under applicable Securities Laws.

WMode engaged Canaccord pursuant to the Canaccord Letter to act in respect of the First WMode Placement and the Second WMode Placement on a commercially reasonable efforts basis. WMode and Canaccord have since terminated the Canaccord Letter and WMode has engaged the Agent to act in respect of the Second WMode Placement on a commercially reasonable efforts basis.

WMode will enter into an agency agreement with the Agent, which agreement will supercede the Engagement Letter, prior to the Closing Date. Under the agency agreement, Afrasia will grant a right of first refusal to the Agent, subject to the Agent raising the Second Minimum WMode Placement, allowing the Agent the right to act as agent for the Resulting Issuer for any financing undertaken by the Resulting Issuer for a period of twelve months from the Closing Date. Further, as a condition to the closing of the Second WMode Placement; (i)WMode shall ensure that certain of its shareholders enter into voluntary pooling agreements which will restrict the trading of their Resulting Issuer Shares on terms to be agreed to upon finalization of the agency agreement; and (ii) WMode's officers and directors will be restricted from selling or agreeing to sell, any Resulting Issuer Shares, or securities convertible into Resulting Issuer Shares, for a period of 120 days from Closing.

NARRATIVE DESCRIPTION OF THE BUSINESS

General

WMode is a software technology and services company providing app management services to the connected device or IoT market and enterprises. Its software enables many of the components that support the management of the complex interaction between "things" for the functionality of the IoT. WMode's business model is based largely on a SaaS model where the software is provided as a hosted and managed service.

WMode has developed and operates a comprehensive suite of managed services for the recruitment, development, management, discovery, delivery and payment of mobile apps, content, and consumer services. For the first ten years of its operations, WMode provided these services to large mobile telecommunication network operators. However, more recently, the cost effective access to the Internet over wireless networks and omnipresence Wi-Fi, combined with low cost sensors and access to the cloud, is empowering the market for app management enabling a broad array of organizations to develop new and rewarding services for consumers and improving business processes and models for enterprises. These organizations need app management solutions that seamlessly address the underlying complexities and at the same time provide simplified user experiences. WMode has proven technology and operational experience, from its experience in providing services to mobile operators, to launch, manage, evolve, grow and protect a global brand's IoT assets. Since 2011, WMode has invested heavily in the branding and technology of AppCarousel and the repurposing of existing operator technologies and services for these new broader markets.

The app management market is a high growth early stage opportunity. WMode has successfully bid and secured long term multi-year customer relationships with global brands whose connected device and IoT plans are strategic and valuable. Today, WMode provides app ecosystem management solutions for a number of connected device manufacturers including automobile manufacturers, infrastructure providers, and manufacturers of smartphones, tablets and other smart IoT devices.

WMode's current sales growth focus is through AppCarousel in the connected devices market and through NeoSystems providing enterprise operations management solutions. WMode continues to sell to mobile operators; however it is expected that both the consolidation in the mobile operator market and reduction of mobile operator value added services will reduce WMode's mobile operator revenues. Access to capital will be key in WMode's ability to accelerate the pace and breadth of sales opportunities.

Principal Products and Services

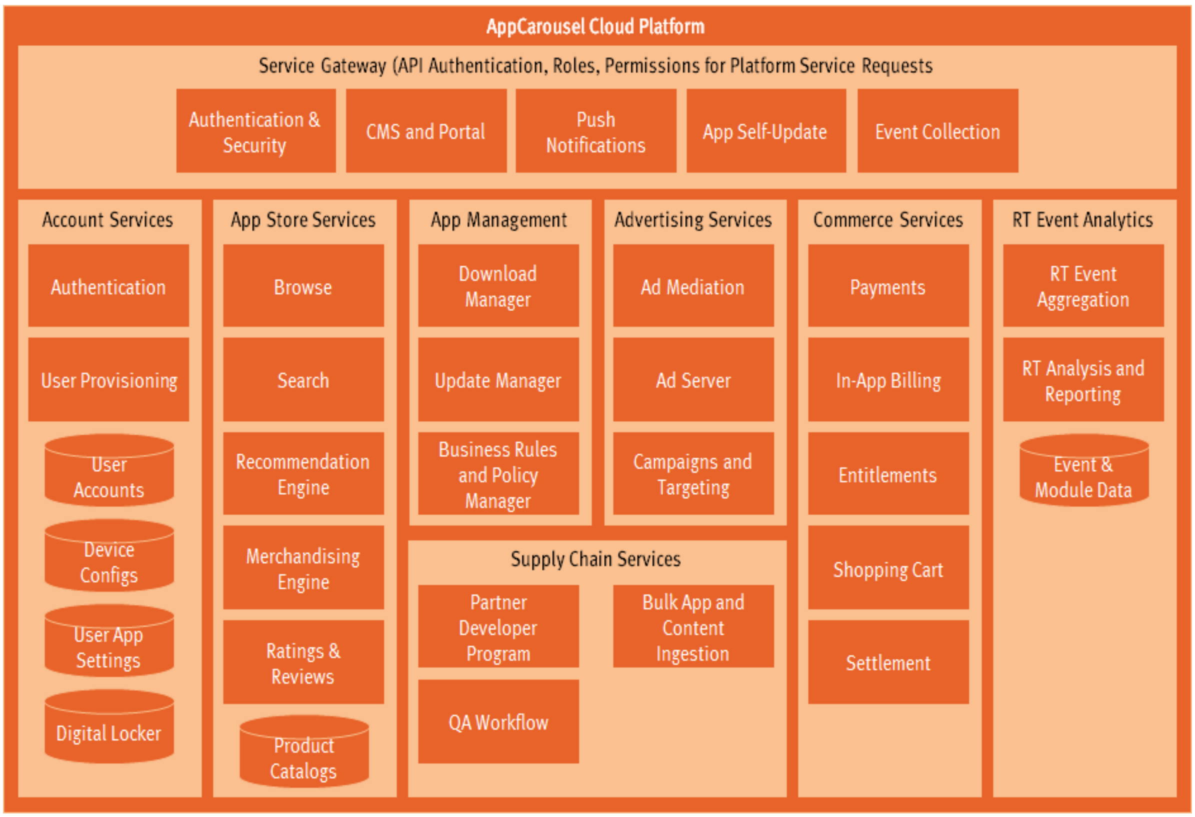
WMode Platforms, Services and Modules

The principal growth platforms are AppCarousel and Neosystem's iTrak, which was acquired in June 2014. WMode continues to sell ACE and Ingage into the mobile operator market. WMode provides a suite of configurable hosted platforms, modules and services that standalone or in combination serve as the basis for each customer delivered solution.

AppCarousel

AppCarousel is a customisable app management software platform integrated with content management and developer services that enable app recruitment, contracting, curation, merchandising, distribution and monetization. This same software provides consistent experiences to the consumer across any connected device (smartphone, tablet, automobile, TV, cable set top box, home appliances, etc.). The focus of recent investments in the AppCarousel platform was in part a repurposing of many of the modules developed for mobile operator customers combined with the addition of new technologies and capabilities to address the needs of today's IoT market. AppCarousel allows consumers to easily view and access groups of apps and content targeted to their specific interests or from trusted brands and organizations. This is achieved by aggregating existing apps based on user need or taste, and creating visually engaging app stores or app showcases that display those specific apps on any connected device. These app stores can easily be shared by users, leveraging the power of personal recommendation and social networking to aid in app discovery. AppCarousel has wide utility in many markets for many different purposes, although initially conceived to be an app showcasing tool, it can be utilized in all media types.

The following diagram describes the major modules and functional elements of the AppCarousel platform.



iTrak

iTrak software manages a company's critical internal workflow procedures. By pairing a modern architecture based on Microsoft's Dynamics suite with a highly configurable layout, organizations can easily adapt iTrak to their ever-changing workflow requirements without the need of technical intervention. The software can be applied in multiple industries; however the current focus is the QHSE process market. The markets for QHSE services are being driven by the increasing legal, regulation and compliance requirements.

Organizations everywhere are challenged to provide processes and tools to maintain safe work environments. iTrak contains the detailed logic and technical capabilities to streamline the unique capabilities to perform industry standard cause analysis techniques. Combining QHSE processes with the power of mobile tablets and smartphones provides additional opportunities to encourage broad use, improve workflows and ensuring compliance. At the core of any QHSE and workflow system are people. iTrak comes with a suite of human resource tools for managing employee information. It delivers online training, tests knowledge with exams and manages re-certifications. It also makes information available as necessary, whether it is in the office or in the field. iTrak can also help with forward-looking plans, track employee competencies, their goals and targets and use alerts and notifications to stay focused and on track. iTrak provides a central repository for corporate information with monitors for triggering alerts and notifications to loop people into the process as required. Tight integration with Microsoft Office systems provides a familiar and powerful environment for reporting and analysis.

The following diagram describes the major modules of the iTrak product suite and the respective functional blocks.

ACE

ACE (Affiliate Commerce Exchange) connects payment systems with content providers, developers and advertisers to enable the merchandizing, bundling, pricing and delivery of content and digital services purchases on consumers' devices. ACE manages the complexities of subscriptions, entitlements and payments coupled with tracking and in-depth analytics and reporting. ACE also provides a settlement system that allows for revenue sharing and advertising based remittances back to content providers. It provides consumers with virtual wallet, subscription management and secure end-user identity authentication. One of the common uses of ACE is to connect the device manufacturer's app stores (like Google Play or Microsoft Marketplace) to mobile operator billing systems so that consumers can discover and purchase from the device manufacturer's store and have the charges appear on their mobile operator bill.

Ingage

Ingage is a turnkey self-care platform that enables mobile network, cable operators and any other utility to provide customer care solutions while advertising and promoting directly to their subscribers through a mobile device, usually a smartphone or tablet. Users can manage their accounts, browse content, control their PVR, preview and purchase shows and movies and order pay-per-view from their second screen device. Ingage enables customers to pay bills, manage their accounts and profile, view usage and consumption, subscribe to new services, join loyalty programs, apply for promotions and view FAQs.

Ingage also provides streamlined communication channels for usage and plans, alleviating inbound calls to its customers' call centers, reducing operating costs.

Supplementary Modules

WMode also offers supplementary modules that can be configured to easily customize the core platforms for any client's needs. Modules include: search, developer portal, bulk content ingestion, geographic information system (GIS), Wi-Fi authenticator, image transcoding, FAQ management, feed manager, catalogue manager, reporting and analytics, notifications and alerting engine.

Services

WMode provides a comprehensive suite of services that can be integrated with a core platform or utilized individually. The services include advertising mediation and targeting, recruitment, content/app lifecycle and update management, app and digital content strategy consultation, hosting maintenance and support, billing and settlement, app development, user interface design and development, testing and quality assurance, backend system integration, promotions and campaigns, analytics and targeting, web and mobile content management portals. WMode services are offered under service level agreements ranging from an uptime of 99.5% to 99.99% with full 24x7 technical support based on contracted commitments.

Operations

Hosting and Operations

For some customers, WMode physically hosts its cloud solutions in secure data center facilities in Calgary, Canada, which are leased from a third party, creating a private cloud environment that meets the regulatory requirement for Canadian customers who require their services to be hosted in Canada. WMode also utilizes Amazon Web Services Inc. which can provide a cost effective solution for smaller customers or a geographically distributed hosting model for customers with global user base. These facilities can be scaled depending on WMode's specific needs.

Facilities

WMode operates from its corporate headquarters located at 3553 31st Street NW, Calgary, Alberta where it currently leases approximately 7,200 square feet. The lease runs through to September 2016 and WMode believes that the agreed upon facility and floor space is sufficient for its current and immediate future needs. WMode also operates an office in downtown Calgary at Suite 730, 640 8 Ave SW, which is primarily used for housing the NeoSystems subsidiary. WMode has satellite sales or virtual offices in Paris (France), San Francisco (United States), Toronto (Canada), Bern (Switzerland), and Coventry (United Kingdom) and offers virtual access for remote employees in the various jurisdictions in which it operates.

Employees

As of November 30, 2014, WMode had 78 employees in its various locations. None of its employees are represented by a collective bargaining agreement and it has never experienced any work stoppage. Historically, WMode has been successful in retaining its key employees including members of its management team.

Customers

At December 31, 2014, WMode had 76 customers, (Operators - 4, AppCarousel - 7 and Enterprise Mobility Solutions – 65). Two network operator customers accounted for 77% of WMode's total revenues for the year ended December 31, 2013 and 86% for the same period in 2012 and three customers accounted for 81% of its total revenues for the nine months to September 30, 2014.

App Management

WMode's focus in the app management market has primarily been on the connected vehicle and transport sectors with a secondary focus on other developing markets, such as education. Its principal customers are:

Automobile: WMode has signed a contract to provide AppCarousel technology and services to UK-based Jaguar Land Rover Limited for their next generation cloud based in-car connected IVI system.

Navigation and transportation: In June 2014, TomTom, a Netherlands-based navigation technology provider announced the selection of AppCarousel in conjunction with their new fleet management technology. The relationship with TomTom can best be described as a distribution channel whereby TomTom will embed AppCarousel into their product and their customers will engage directly with WMode for customization services and ongoing support. In addition to the first engagement with TomTom, several other initiatives are being discussed that could put AppCarousel products and services into other TomTom products.

Education: In March 2014, WMode was awarded a contract with Amplify, an educational software subsidiary of the USA-based global media corporation News Corporation, to provide app management services for a ruggedized tablet program designed for in-class student learning services in the US education market. WMode is also working on a proof of concept with Sahara Presentation Systems PLC, a manufacturer of advanced audio visual equipment.

Enterprise Mobility Solutions

The WMode Enterprise Mobility Solutions group was initiated in 2012. The business unit's first significant project was with the Canadian government in the transportation sector. WMode acquired NeoSystems which focuses on operational management solutions. Its principal customers are:

Government and transportation: WMode enabled the Canadian Air Transport and Safety Authority to connect to travelers at all airports in Canada providing information designed to reduce wait times at security check points. WMode provides operations hosting of Web and app-management services for the next five years.

Energy facilities management: Hallmark Tubulars Ltd. began over 30 years ago as a supplier of premium oil country tubular goods and linepipe products and today, tubular sales and service remains a core part of their business. Through iTrak, WMode manages tubular sourcing and procurement, inventory ownership, supply chain management services for Hallmark as they service the oil and natural gas industry.

Energy services: iTrak is used by Canadian Energy Services and Technology Corp., a leading provider of technically advanced consumable chemical solutions throughout the life-cycle of the oilfield. WMode provides Canadian Energy Services and Technology Corp. with a full suite of QHSE software solutions.

Operators

In 2012 and 2013, AT&T acquired Alltel and Cricket respectively, both WMode customers. According to AT&Ts publicly stated plans, the Alltel brand is being retired and its subscribers are being transitioned to AT&T. AT&T is retaining the Cricket brand as AT&Ts expands into the highly competitive pre-paid customer segment. AT&T is expanding the Cricket service into more US cities and allowing Cricket subscribers to utilize the nationwide AT&T network. The services with Alltel and Cricket will terminate on March, 31 2015 and February 28, 2015 respectively. Alltel contributed 18% to WMode revenue in 2013, 19% in 2012, and 15% for the nine months ended September 30, 2014. Cricket contributed 67% to WMode revenue in 2012, 59% in 2013, and 46% for the six months ended September 30, 2014. Failure to replace these revenues with other customer relationships for its services will materially reduce WMode's revenue and have a material adverse effect on its business, operating results and financial condition.

In 2014 WMode continued to expand its services to BASE, a Belgium-based operator and was selected to provide services to TELUS Mobility as they re-launch a new responsive Web and mobile consumer site. Although the operator market is not expected to provide significant growth prospects for WMode's products and many of the traditional services that WMode provides will be retired, WMode continues to pursue opportunities in the mobile operator market where it can provide value in the areas of third party billing solutions and customer self-care. WMode is leveraging its long history of working with companies like Ericsson in the mobile phone market to jointly pursue opportunities with operators.

Market

Geographic Markets

The geographic market for WMode products and service is not limited by its technology or generally its operational capacity. We will market to any geographic area provided proper commercial and legal conditions are in place. The current focus is in the European Union and North America.

Industry Changes and Trends

The changes in technology that enabled the smartphone to provide consumers with vastly improved mobile experiences also empowered the consumer to directly access Internet services independent of the network operator created what is known in the industry as OTT services. The cost effective access to the Internet over wireless networks and omnipresence Wi-Fi, combined with low cost sensors and access to the cloud is empowering the market for app management, which is often described as the IoT. These changes drove operator sales of smartphones and data plans, while conversely it reduces the operator's value in the distribution on media and content to consumers.

The falling cost of connectivity and low cost availability of Wi-Fi chipsets have caused an expanding number of "things" or devices capable of being connected to the Internet and consequently increasing the value of an interconnected world. The value of any one specific device connected to the Internet can in some cases be limited, but when rich interactions occur between connected devices, consumers and organizations will gain from the valuable background automation of many tasks. Developers now have the tools and ecosystem to drive new consumer experiences that take inputs from devices such as wearable sensors and generating rule-based decisions that automate many mundane tasks, whether at home, on the go or at work. While the headlines for IoT focus on the consumer markets, there are also real opportunities with compelling return on investments within enterprises (the industrial Internet), reducing cost, improving efficiency but more important developing new business processes and models.

The Market for App Management Services

Mobile apps have become an integral and essential component in the social and commercial interaction of most consumers and enterprises. Apps were initially offered for general productivity and information retrieval, including email, calendar, contacts, and stock market and weather information. However, cost-effective access to the Internet and the increasing sophistication of connected devices has driven rapid expansion into other categories, such as connect car, media delivery, fleet and workforce management, and enterprise apps. The proliferation in number and variety of apps has made discovery and management a challenge, which in turn has led to the creation of recommendation, curation and app-discovery services.

The Opportunity in the Connected Device IOT Market

The first market for app distribution was the smartphone. The rise of the tablet and other connected devices such as TV, automobiles, GPS navigation units, cameras and home appliances is adding to an already complex ecosystem. One of the biggest challenges in this multi-connected ecosystem for app services is to provide consistent experiences to the consumer across computer, mobile, tablet and the other connected devices. Today, much of the infrastructure is incomplete, connecting sensors in "things" at the edge of the Internet, and the data collection and analysis performed by servers in the cloud at the centre will require sustainable and secure, "always-on", interoperability, integration and management. This is important for all market players alike; network operators, mobile device and automobile manufacturers, consumer brands, media developers and publishers, enterprises and governments seeking to drive value and monetize their Internet strategies. The IoT market is large, fragmented and diverse and will continue to present opportunities in areas that are not even conceived of today. Many intelligent services will be derived from the data and information shared between devices, people and interfaces.

Competitive Conditions

WMode does not believe that any specific competitor currently offers the distinct value proposition and integrated capabilities that WMode offers, however the markets that make up the app management sector are rapidly evolving and highly competitive. WMode faces competition from a varied group of players depending on the specific market sector and geographic region WMode is competing in. As WMode moves into different markets it may compete with incumbent specialists. WMode's competition is generally categorized as follows:

In-House Solutions

Some companies develop custom in-house solutions to address their unique requirements. This requires a heavy investment in the internal resources of the company not only to build but to continue to maintain the solution.

AppStore Vendors

There are many venture funded start-up organizations that have been successful in creating apps and are developing technologies to address the broader challenge of managing an app ecosystem. These competitors include Accedo, ActiveCloud, AppLand, and AppGalleries.

System Integrators

Large global systems integrators, such as IBM, Accenture and CGI, have the capital and resources to replicate WMode's specialist knowledge and services. Although today WMode is not generally seeing these players as direct competitors, larger potential customers may perceive these competitors as a safer option than WMode.

Industry Specialists

As WMode moves into other markets, it will compete with incumbent suppliers, such as Bosch, Wireless Car and Symphony Teleca in the automobile market. While they have the industry knowledge they may lack the technical and operational expertise.

Operator Market

WMode is one of the few remaining independent providers of managed services to the operator market. If an operator is looking for an outsourced managed service WMode would typically compete directly with Convergys, Ericsson and Amdocs, all of whom market globally.

Enterprise market

WMode is primarily focused on the QHSE market with iTrak through the NeoSystems subsidiary. iTrak would typically compete directly with products from Intelex Technologies and KMI Innovations.

Competitive Strengths

WMode's key competitive strengths are operational experience and proven technology. In management's view, many competitors can provide the initial platform and technology but do not have the operating experience. WMode competes by delivering a multi-year commitment for its service centric bundle of technology and operations. WMode's experience operating services for the merchandizing and easy discovery of mobile content provides a significant competitive advantage over new entrants which may be well financed, but lack the learning and experience that are difficult to replicate in the short term. WMode has made successful bids against larger and better capitalized competitors due to its depth of expertise.

Future Development, Marketing Plans and Growth Strategy

Expansion within Existing Customer Accounts

A core element of WMode's future growth strategy includes focusing on large organizations that have "land and expand" potential. Success in selling to large enterprises will be a key driver of WMode's revenue growth and profitability. Equally important is growing opportunities within customers by expanding the service base and applications of WMode's services. Many of WMode's new customers are in the early stages of their product evolution and will continue to expand their consumer offering providing additional opportunities for WMode.

New Applications

By working closely with its customers, WMode is well positioned to evaluate emerging requirements in its target markets. The nature of its product is such that WMode collaborates with customers and gains a deep understanding of their requirements and challenges. WMode leverages this experience by observing themes in the requirements to develop solutions that apply broadly across its target customers and markets. WMode's investment in productizing solutions for lower cost future deployment is calculated and done when it is clear that the demand for the product exists in the market.

Direct Sales

WMode plans to continue to build its direct sales force in order to take advantage of growing demand for connected device and enterprise solutions. In 2013, WMode added to its direct sales capability in France to cover the EU market. WMode plans to continue to expand its direct sales capabilities in Europe and the USA. WMode is investing significantly in the online presence of both the AppCarousel and NeoSystems brands for generation of in-bound marketing leads. Currently, most of WMode's leads are from online activities. WMode will continue to attend industry conferences and tradeshows and where applicable seek speaking opportunities to help establish thought leadership status in its various markets.

Channel Partner Expansion

WMode intends to actively seek and develop relationships with third-party organizations that offer differentiated and value-added channels to reach new name accounts and customers. These may include independent referral/bidding relationships, one-off projects, partnerships or true "white labelling" of its services so that they can be resold by partners. WMode will also continue establishing affiliations with influential industry associations such as GENIVI in the auto industry.

Additional Markets

WMode believes that it needs to establish leadership in targeted markets and provide services that address the unique requirements of each specific market. While the technology framework WMode has established is versatile, industry knowledge to apply the technology is key and it will continue to expand into new industries through hiring or acquiring industry experts to aid in the application of its technology. WMode has a long standing focus on the mobile operator market and has had an opportunistic approach to new business verticals. WMode is building early presence within industries that have complex mobility or app management challenges, such as the automotive sector, education and energy services but will continue to look for new industries as consumer demand forces them into an era of connected devices.

Geographic Expansion

While historically WMode's sales have been primarily generated from customers headquartered in Canada and the United States, more recently it has added customers in the United Kingdom, Sweden, Belgium and the Netherlands. WMode's expansion in to the European region will continue as its adds technical and support staff in the region to support both WMode's existing customers and the pursuit of new opportunities. WMode will focus expansion of its direct and indirect sales efforts primarily in Western Europe and North America. WMode will address other global markets on an opportunistic basis.

Acquisitions

WMode intends to selectively consider strategic acquisitions, investments and other relationships that it believes are consistent with its growth strategy and can enhance the attractiveness of its service technology or expand its client base. WMode has recently closed the acquisition of NeoSystems and believe that its management's past experience allows it to effectively identify and evaluate acquisition opportunities. Acquisitions will be evaluated on a number of merits including; financial performance, strategic fit and contribution, customer base, geographic expansion and technology expansion.

WMode and the Connected Vehicle Market

One of WMode's first and largest markets for app management services is the connected vehicle, comprising IVI for automobiles and enterprise services such as fleet management for the truck and transportation industries. For connected vehicles, there are an increasing number of considerations to be taken in order to leverage the app economy, including variable connection reliability and stringent safety guidelines. Custom apps for connected cars allow auto manufacturers to deliver great experiences to their customers at the speed of the Internet. While many cars will support services driven by a connected mobile device from companies like Apple or Google, car manufacturers are compelled to provide services embedded into the automobile that are not reliant on the driver having a smartphone connected. WMode's app management technology interacts directly with the head units in automobiles to download, manage and maintain services to the automobile in a secure and predictable way.

WMode and the Enterprise Market

WMode intends to capitalize on the growing demand for enterprise operations solutions that can be utilized across mobile devices and tablets. Although this market presents a huge opportunity, WMode has determined that in order to be successful, a sharp focus on specific sectors in the enterprise market will provide a higher probability of success. To support this strategy, WMode acquired Calgary-based NeoSystems on June 30, 2014. The acquisition builds on the launch in 2012 of WMode's enterprise mobility group, increasing its ability to provide scalable solutions and managed services to the growing operations management market. The immediate focus of the enterprise group will be to grow and expand NeoSystems in the QHSE sector. WMode will continue to look at other markets where WMode can provide app-ecosystem services to industries to use connected devices for quick access to critical information, streamline workflows, while also aligning affordability, performance, security and user experience operations management solutions.

WMode and the Mobile Operator Market

Most value-added services are no longer provided to consumers directly by mobile operators. Today device manufacturers and OTT service providers are the primary providers of value added services and hence WMode services have now been directed to these new markets who deliver services that are not offered or managed by network operators. As a result, many of WMode's traditional services are no longer applicable in this market. WMode continues to focus on providing mobile operators with services in the area of consumer self-care via the Ingage product, where consumers can manage their services and consumption plus pay bills via their mobile phone. Additionally, many carriers continue to leverage their billing relationship with consumers allowing them to pay for apps from stores like Microsoft Marketplace, Google Play and BlackBerry World via their mobile accounts. Through WMode's ACE billing product, carriers can enable consumer payment of 3rd party storefront apps to consumer bills. Using WMode's authentication technologies these same services can also be accessed over a Wi-Fi connection when the consumer is not on the mobile network. Mobile operators will continue to be major participants in the mobile market and WMode remains committed to evolving it's operator services to their needs as they ensure they have tools and services to compete in this new environment. WMode's primary market for its mobile operator services has been tier two operators in Canada and the USA. Consolidation, as evidenced by the acquisition of Cricket and Alltel by AT&T and to a lesser extent Public Mobile by TELUS, will have a negative impact on future revenues from this market sector.

Delivery and Business Models

All of WMode's products and services are provided to customers as a cloud hosted managed service such that typically WMode does not ship software to its customers. The Industry term for this delivery model is Software as a Service or "SaaS". Typically, contracts include a non-recurring engineering professional service and setup fee and a recurring monthly operations, support and license fee. WMode typically enters into multi-year contracts with its customers with committed operational terms varying in length from 1 to 5 years. WMode's contracts with customers include a service level agreement that governs the details and terms of ongoing service and support. WMode's sales cycle times vary depending on the size and complexity of the customer and the industry. For fully integrated managed solutions, the sales cycle varies by account but usually averages between six to nine months depending on factors including customer market and the strength of the sales relationship. Some accounts in markets closer to the "Internet-paced" business cycles can be closed in less than 90 days.

Proprietary Protection

In accordance with industry practice, WMode protects its proprietary products and technology through a combination of patents, copyrights, trade-marks, trade secret laws and contractual provisions. WMode generally licenses its software pursuant to agreements that impose restrictions and limits on customers' and partners' ability to use the technology, such as prohibiting reverse engineering, limiting the use of software and restricting access and/or use of its' source code. Generally, WMode strives to maintain ownership of modifications and extensions of its software made for specific customers, although there may be restrictions on WMode's re-use of customer specific software in some cases.

WMode also seeks to avoid disclosure of its intellectual property and proprietary information by requiring its' employees and consultants to execute non-disclosure and assignment of intellectual property agreements. Such agreements also require its employees and consultants to assign to WMode all intellectual property developed in the course of their employment or engagement. WMode also utilizes non-disclosure agreements to govern interaction with business partners and prospective business partners and other relationships in which disclosure of proprietary information may be necessary.

WMode's software includes software components licensed from third parties including open source software. WMode follows industry practices for using open source software and that replacement for this third-party licensed software are available either on an open source basis or on commercially reasonable terms.

WMode holds a number of registered and unregistered trade-marks, service marks and domain names that are used in its business in both the United States and Canada.

The following table sets out, for the issued patents WMode holds, the title of the patent, country which granted the patent, the patent number and the date of grant of the applicable patent. WMode also has an on-going program to identify and file new patents pending in areas where it believes to have developed unique approaches to solutions.

Title	Country	Patent Number	Date of Grant
Method And System For Delivery Of Advertising Content In Short Message Service (SMS) Messages	United States	7,930,208	April 19, 2011
System and method to provide real time transaction validation and billing via a communications network	United States	8,249,960	August 21, 2012
System and method to provide real time transaction validation and billing via a communications network	Canada	2,327,935	October 22, 2013
Method and apparatus for telecommunication expense management	United States	7957718	June 7, 2011
Method and apparatus for telecommunication expense management	Canada	2,638,858	October 7, 2014
System method and apparatus for providing an application carousel	United States	8,739,070	May 27, 2014

The enforcement of WMode's intellectual property rights depends on any legal actions against any infringers being successful, but these actions may not be successful or may be prohibitively expensive, even when WMode's rights have been infringed. For further details, see "*Risk Factors*".

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MD&A FOR WMODE

Selected Financial Information

The following table sets out selected historical financial information for WMode for the years ended December 31, 2013, 2012 and 2011. See "Schedule "F" Audited Consolidated Financial Statements for WMode".

Statement of Operations Data(1)	**For the year ended December 31, 2013 (audited) ($)**	**For the year ended December 31, 2012 (audited) ($)**	**For the year ended December 31, 2011 (audited) ($)**
Net sales/total revenues	$8,492,137	$9,322,328	$8,932,164
Net income or loss, in total	$47,109	$(748,441)	$98,486
Basic loss per share	$0.00	($0.01)	$0.00
Diluted loss per share	$0.00	($0.01)	$0.00
Balance Sheet Data	**For the year ended December 31, 2013 (audited) ($)**	**For the year ended December 31, 2012 (audited) ($)**	**For the year ended December 31, 2011 (audited) ($)**
Total assets	$3,073,609	$2,831,107	$3,480,455
Total liabilities	$6,234,967	$6,325,654	$8,701,510
Deficit	$(3,161,358)	$(3,494,547)	$(5,124,197)
Cash dividends declared	None	None	None

Note:
(1) WMode has no discontinued operations.

The following table sets out selected historical financial information for WMode for the eight most recently completed quarters ending on September 30, 2014.

Statement Of Operations Data	**For the period ended September 30, 2014 ($)**	**For the period ended June 30, 2014 ($)**	**For the period ended March 31, 2014 ($)**	**For the period ended December 31, 2013 ($)**	**For the period ended September 30, 2013 ($)**	**For the period ended June 30, 2013 ($)**	**For the period ended March 31, 2013 ($)**	**For the period ended December 31, 2012 ($)**
Net sales/total revenues	3,290,101	2,666,436	2,390,676	2,227,000	2,261,369	2,007,902	1,995,867	2,408,257
Net income or loss, in total	(138,423)	(347,331)	53,186	538,683	75,000	(284,979)	(321,691)	(596,003)

MD&A

WMode's MD&A for the years ended December 31, 2013, 2012 and 2011 and for the interim period ending September 30, 2014 is incorporated by reference and attached to this Circular as Schedule "G", and should be read in conjunction with WMode's audited consolidated financial statements for the year ended December 31, 2013, 2012 and 2011 and unaudited financial statements for the interim period ending September 30, 2014 and notes attached thereto also incorporated by reference and attached to this Circular as Schedule "F".

Trends

With the emergence of low cost Wi-Fi chipsets many new consumer devices are now being connected to the Internet and use apps as their mechanism to control and update operations. This trend has created the requirement for app management solutions for many devices that previously never used over the air updates. Provided that open standards and open operating systems remain at the center of these systems, WMode's market opportunities will continue to develop. Because of the complexity of the IoT market and interactions between devices that will be necessary to create compelling consumer services, the uptake and adoption may be delayed.

The automotive industry continues to invest in systems to provide car owners with access to infotainment services. Akin to the introduction of a radio in the car, today's vehicle dashboards have tablet-like capabilities allowing consumers to access their favorite apps. The current trend for many manufacturers is to include an Internet connection in the car and allow the car owner's smartphone to act as a companion to the services that are running in the dashboard. Some industry observers predict that the car owner's smartphone may become the "hub" of all the infotainment services in the car and hence reduce the need for car manufacturers to build complex IVI solutions.

Changes in mobile technology are enabling the application developers to create new business models for OTT services which are driving expectations of growth in consumer markets. These same changes have reduced the mobile operator's value in the distribution on services, media and content to consumers. On the one hand, WMode expects its' AppCarousel and enterprise services to benefit from the general increase in the OTT market by providing solutions to the service providers; however the general trend is for a reduction in services to the operator market. The timing and rate of increase in demand for IoT services and decrease in operator services is uncertain and could have a material effect on WMode's business, financial condition or results of operations. (For further details, see "*Risk Factors*").

DESCRIPTION OF SECURITIES

WMode's authorized capital consists of an unlimited number of WMode Class A Shares, an unlimited number of Class B shares, and unlimited number of Class C shares, up to 4,000,000 of Series 1 class C shares and an unlimited number of Series 2 Class C shares, of which only WMode Class A Shares are issued and outstanding. Each WMode Class A Share shall entitle the holder or holders thereof to one vote at all meetings of the WMode Shareholders. All WMode Class A Shares rank among themselves equally and rateably without discrimination, preference or priority. WMode's Shareholders are entitled to dividends, if, as and when declared by WMode's board of directors, subject to any preference in favour of other classes of shares, dividends may be paid on WMode Class A Shares. In the event of the distribution of the assets of WMode among WMode Shareholders made for the purpose of its liquidation, dissolution or winding-up, and subject to the prior rights of holders of any other class of shares WMode, the WMode Shareholders shall be entitled to receive ratably the remaining property of WMode. Immediately before the Closing, before giving effect to the Second WMode Placement, there will be 70,938,939 WMode Class A Shares outstanding, not taking into account any WMode Class A Shares issuable on conversion of the WMode Special Warrants or any WMode Warrants.

CONSOLIDATED CAPITALIZATION

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding as of September 30, 2014	Amount Outstanding as of December 31, 2014 (before giving effect to the Amalgamation)
Class A voting common shares	Unlimited	69,273,523	70,938,939
Employee Stock Options(1)	N/A	7,398,625	7,398,625
Warrants(2)	N/A	6,398,894	6,398,894
Warrants(3)	N/A	1,670,254	1,670,254
Special Warrants(4)	N/A	5,333,208	6,427,195
Warrants(5)	N/A	3,500,000	3,500,000
Warrants(6)	N/A	220,770	220,770
Broker Warrants(7)	N/A	1,035,557	1,617,786

Notes:

(1) 3,158,125 options exercisable into WMode Class A Shares with an exercise price of $0.20 expiring on dates between April 6, 2015 and January 2, 2019 and 4,240,500 options exercisable into WMode Class A Shares with an exercise price of $0.30 expiring on dates between January 1, 2020 and September 30, 2024.

(2) Warrants exercisable into WMode Class A Shares with an exercise price of $0.20 expiring on December 31, 2016.

(3) Warrants exercisable into WMode Class A Shares with an exercise price of $0.20 expiring on November 16, 2016.

(4) Each WMode Special Warrant automatically converts, for no additional consideration and no further action by the holder thereof, into 0.2 WMode Class A Shares if WMode does not become a publicly traded issuer before the Going Public Deadline.

(5) Warrants will be automatically converted into 3,500,000 WMode Class A Shares for no additional consideration immediately prior to the completion of a Going Public Event, provided such Going Public event is completed on or before December 31, 2015.

(6) Warrants exercisable into WMode Class A Shares with an exercise price of $0.91 and which expire six months after WMode becomes a publicly traded issuer.

(7) 500,000 warrants exercisable into WMode Class A Shares with an exercise price of $0.20 expiring on November 18, 2015; 535,557 warrants exercisable into WMode Class A Shares with an exercise price of $0.28 expiring on June 17, 2016; 10,800 warrants exercisable into WMode Class A Shares with an exercise price of $0.28 expiring on October 21, 2016, and; 571,429 warrants exercisable into WMode Class A Shares with an exercise price of $0.28 expiring on October 27, 2016.

(8) The deficit for WMode as of September 30, 2014 was ($19,365,564).

PRIOR SALES

Prior Sales

The following table summarizes the sale of WMode Class A Shares by WMode in the last 12 months.

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price Per Security	Total Funds Received
October 21, 2014	Units(1)	1,093,987	$0.28	$306,316
August 15, 2014	Units(2)	1,760,625(4)	$0.28	$492,975

June 17, 2014	Units(3)	3,572,583	$0.28	$1,000,324
May 6, 2014	Class A Shares	141,200	$0.15	$21,180

Notes:

(1) Each unit consisted of one (1) WMode Class A Share and one (1) WMode Special Warrant, with each WMode Special Warrant automatically converting, for no additional consideration and no further action by the holder thereof into 0.2 WMode Class A Shares if WMode does not complete a going public event before the Going Public Deadline.

(2) Offering consisted of conversion of outstanding debts and related interest owed by WMode to certain persons into units. Each unit consisted of one (1) WMode Class A Share and one (1) WMode Special Warrant, with each WMode Special Warrant automatically converting, for no additional consideration and no further action by the holder thereof into 0.2 WMode Class A Shares if WMode does not become a publicly traded issuer before the Going Public Deadline.

(3) Each unit consisted of one (1) WMode Class A Share and one (1) WMode Special Warrant, with each WMode Special Warrant automatically converting, for no additional consideration and no further action by the holder thereof into 0.2 WMode Class A Shares if WMode does not become a publicly traded issuer before the Going Public Deadline.

(4) An aggregate of 1,103,569 units were issued to non-arm's length parties.

Stock Exchange Price

WMode Class A Shares are not posted for trading on any stock exchange.

EXECUTIVE COMPENSATION

The objective of this disclosure is to communicate the compensation that WMode has paid, makes payable, awards, grants, gives or otherwise provides to each NEO, for the period.

Compensation Discussion and Analysis

Philosophy and Objectives

WMode's executive compensation is predominantly based on prevailing industry compensation practices for technology companies of similar size and scope and WMode's performance in achieving certain goals.

The board of directors of WMode has appointed the Compensation Committee. It is the responsibility of WMode's Compensation Committee to make decisions regarding executive compensation matters. WMode's compensation program supports its commitment to delivering strong performance for shareholders. WMode's overall objective of its compensation philosophy is the attraction, motivation and retention of quality, experienced people to achieve WMode's strategic objectives and to align the interests of its executive officers and employees with the long-term interest of WMode's Shareholders. In setting such levels, the board of directors as a whole and the Compensation Committee rely primarily on their own experience and knowledge of the marketplace, supplemented by independent advisors, as required.

All of the components of WMode's executive compensation program is reviewed and confirmed by its board of directors annually.

WMode's executive compensation is comprised of the following components: base salary, options and executive incentive bonuses. Together, these components are designed to address the key objectives of the WMode's compensation program.

Base Compensation

The base salary component is intended to provide a fixed level of pay that reflects each NEO's primary duties and responsibilities. While base salaries are an important element of NEO's compensation, performance-based compensation elements are an integral component of the executive compensation package. WMode's view of salaries is that they should be competitive with industry peers, to the extent that can be determined, and with other companies at similar stages of development and having similar assets, number of employees, market capitalization and profit margin. In addition to the salary, the board of directors of WMode may from time to time pay a bonus to executive officers for either the accomplishment of specific performance criteria or for exceptional performance, as may be applicable in accordance with their respective agreements with WMode.

In setting base compensation levels for executive officers, consideration is given to objective factors such as level of responsibility, experience and expertise as well as subjective factors such as leadership.

Option-Based Awards

Stock options to purchase the WMode Class A Shares can be granted to directors, executive officers, employees and consultants of WMode and are intended to align such individuals' interests by attempting to create a direct link between compensation and shareholder return.

WMode has established the WMode Stock Option Plan for the purpose of providing incentive options to acquire WMode Class A Shares to directors, officers, employees, members of its advisory board and consultants. The board of directors of WMode establishes the exercise price for which the WMode Class A Shares may be purchased pursuant to an option at the time the option is granted. The maximum number of WMode Class A Shares in respect of which options may be issued under the WMode Stock Option Plan is 20% of the issued and outstanding WMode Class A Shares at the time of grant. The board of directors of WMode may fix the term of each option when the option is granted but may not exceed ten years from the date upon which the option is granted. The directors determine the number of WMode Class A Shares that may be acquired under an option when the option is granted, provided that the aggregate number of WMode Class A Shares issuable under the exercise of options granted to any one participant shall not exceed 5% of the total issued and outstanding WMode Class A Shares. Options granted under the WMode Stock Option Plan are non-assignable and are subject to early termination in the event of death or cessation of employment of the option holder. WMode has outstanding options to purchase a total of 7,399,125 WMode Class A Shares to directors and officers. Previous grants are taken into account when considering new grants.

Executive Incentive Plan

WMode has established its EIP which provides for a method of determining eligibility of each of the CEO, CFO, Chief Operating Officer and the Chief Technology Officer for bonuses as set forth under the EIP. The target amounts to which each of these executives is entitled under EIP is recommended by the Compensation Committee and approved by WMode's board of directors.

When making a recommendation to set or increase the short-term incentive target for such executive officers, the Compensation Committee takes into consideration the scope of the executive officer's responsibilities, his/her base salary and the positioning of his/her short-term incentive target. WMode's board of directors has set short-term incentive targets for the CEO at 100% of his base salary and for WMode's CFO and Chief Operating Officer at 75% of their respective base salaries. Incentive targets consist of one individual and one corporate performance component.

Each participant of the EIP will be entitled to receive an EIP bonus as determined in the EIP based upon WMode and the eligible executive, as applicable, reaching the following incentive targets:

1. Revenue targets - the compensation committee sets a minimum revenue amount to be reported in WMode's yearly audited financial statements which must be met; and

2. Personal objectives - the compensation committee sets individual personal objectives applicable to each eligible executive to meet.

If these incentive targets are met, the eligible executive will be entitled to the applicable EIP bonus set forth in the EIP. No EIP bonus will be paid if WMode's revenue is less than the revenue targets.

Payments are earned and payable only after the participant's actual performance against his or her incentive and personal objectives is calculated, analyzed and approved, in accordance with the terms and conditions set forth in the EIP. The EIP is based on full time employment with WMode and may be prorated to reflect non-fulltime employment. Payments will occur only after WMode's audit is complete and the final calculation and verification of the EIP bonus is completed by the Compensation Committee.

Compensation Risk Assessment and Mitigation

The Compensation Committee considers the implications of the risks associated with WMode's compensation policies and practices when determining rewards for its executives and ensures that those policies do not encourage management to take inappropriate or excessive risks. The Compensation Committee does not believe that there are any risks arising from the compensation programs that would be reasonably likely to have a material adverse effect on WMode.

WMode's compensation program includes several mechanisms to ensure risk-taking behaviour falls within reasonable risk tolerance levels, including: a balanced compensation mix between fixed and variable (at zero risk) and between short and long-term incentives that defer award value; requirement for board of director approval of short-term incentive awards; establishment of a compensation package within range of competitive practices (peer group); and utilizing longer-term incentive plans for diversification and alignment with risk realization periods (option based awards).

Compensation Governance

The Compensation Committee's duties and responsibilities include the following:

1. annually assessing and making a recommendation to WMode's board of directors with regard to the competitiveness and appropriateness of the compensation package of WMode's NEOs and certain other officers and key employees;

2. annually reviewing the respective performance goals and criteria for WMode's NEOs, as well as other officers, and evaluating the performance of such NEOs and other officers against such goals and criteria and recommending to WMode's board of directors the amount of regular and incentive compensation to be paid to the NEO's and officers;

3. reviewing and making recommendations to WMode's board of directors regarding any employment contracts or arrangements with its NEOs, including any retiring allowance arrangements or any similar arrangements to take effect in the event of a termination of employment;

4. annually reviewing and recommending the aggregate bonus pools to be made available under WMode's incentive compensation plans for the NEOs and other officers; and

5. reviewing and making recommendations to WMode's board of directors regarding the structure and implementation of the stock option plan approving grants to participants and the magnitude and terms of their participation.

Summary Compensation Table

During the year ended December 31, 2013, WMode had five NEOs, being Emanuel Bertolin - CEO, Robert Woodward - CFO and Secretary, Dennis Woronuk –President, Tom Mullen - Chief Technology Officer and Rita Bereski - Chief Operating Officer.

The following table sets forth information concerning the total compensation paid during the years ended December 31, 2013, 2012 and 2011 to WMode's NEO's.

Name and Principal Position	Time Period	Salary ($)	Share based awards ($)	Option based awards ($)(1)	Non-equity incentive plan compensation ($)	Pension Value ($)	All Other Compens-ation ($)	Total Compen-sation ($)
Emanuel Bertolin *CEO*	2013	$240,000	Nil	Nil	Nil	Nil	Nil	$240,000
	2012	$240,000	Nil	$7,000	Nil	Nil	Nil	$247,000
	2011	$222,500	Nil	Nil	Nil	Nil	Nil	$222,500
Robert Woodward *CFO and Secretary*	2013	$185,000	Nil	Nil	Nil	Nil	Nil	$185,000
	2012	$160,000	Nil	Nil	Nil	Nil	Nil	$160,000
	2011	$170,134	Nil	Nil	Nil	Nil	Nil	$170,134
Dennis Woronuk *President*	2013	$185,000	Nil	Nil	Nil	Nil	Nil	$185,000
	2012	$185,000	Nil	Nil	Nil	Nil	Nil	$185,000
	2011	$185,000	Nil	Nil	Nil	Nil	Nil	$185,000
Tom Mullen *Chief Technology Officer*	2013	$180,000	Nil	Nil	Nil	Nil	Nil	$180,000
	2012	$180,000	Nil	$7,000	Nil	Nil	Nil	$187,000
	2011	$180,000	Nil	Nil	Nil	Nil	Nil	$180,000
Rita Bereski *Chief Operating Officer*	2013	$144,642	Nil	$4,200	Nil	Nil	Nil	$148,842
	2012	$67,484	Nil	$6,650	Nil	Nil	Nil	$74,134
	2011	$109,267	Nil	$3,400	Nil	Nil	Nil	$112,677

Note:

(1) In 2013, WMode granted stock options to Rita Bereski which had an exercise price of $0.30, expiring in 2023. Each of these options have been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free interest rate of 1.1% per annum, a weighted average expected life of three years, expected weighted average volatility of 60% and an expected weighted average fair value per option of $0.07. In 2012, WMode granted stock options to Rita Bereski, Emanuel Bertolin and Tom Mullen which had an exercise price of $0.30, expiring in 2022. Each of these options have been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free interest rate of 1.2% per annum, a weighted average expected life of three years, expected weighted average volatility of 60% and an expected weighted average fair value per option of $0.04. In 2011, WMode granted stock options to Rita Bereski which had an exercise price of $0.30, expiring in 2021. Each of these options have been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free interest rate of 1.2% per annum, a weighted average expected life of three years, expected weighted average volatility of 62% and an expected weighted average fair value per option of $0.05**.**

Compensation of Emanuel Bertolin, Chief Executive Officer for 2013

Emanuel Bertolin, CEO of WMode, entered into an employment agreement with WMode effective January 18, 2010, which governs the terms of his services and compensation. Mr. Bertolin's agreement provided for remuneration in 2013 of $240,000. Mr. Bertolin's agreement term continues for an indefinite term or until the agreement is terminated by either party. WMode is able to terminate the agreement for just cause or following the payment a cash amount equal to two (2) year's annual base salary payable at the discretion of WMode as a lump sum or over 24 months and paying the prorated portion of any bonus that would have been earned under any approved bonus plan for the year of termination. The employee shall be deemed to be terminated: (i) if there has been a lessening in the scope and responsibilities of the employee; a relocation of the position outside of the greater Calgary, Alberta area; or (ii) a reduction in compensation (unless such reduction is made at the same time to similar employees). In the event of a change of control: (A) if the employee remains employed by WMode for 365 days, the employee shall receive a lump sum payment of one times salary and the previous year's bonus; and (B) in the event the employee is terminated by WMode within 365 days of a change of control, WMode shall pay the employee two (2) times the employee's then total salary and the previous year's bonus. If the employee receives a payment under A then the amount payable under B shall be reduced to one (1) times. All stock options granted to the employee shall become fully vested on a change of control of WMode. For a summary of compensation paid to Mr. Bertolin in respect of the year ended December 31, 2013, please refer to the *Summary Compensation Table* above.

Compensation of Robert Woodward, Chief Financial Officer and Secretary for 2013

Robert Woodward, CFO of WMode, entered into an employment agreement with WMode effective January 18, 2010, which governs the terms of his services and compensation. Mr. Woodward's agreement provided for remuneration in 2013 of $185,000. Mr. Woodward's agreement term continues for an indefinite term or until the agreement is terminated by either party. WMode is able to terminate the agreement for just cause or following the payment a cash amount equal to two (2) year's annual base salary payable at the discretion of WMode as a lump sum or over 24 months and paying the prorated portion of any bonus that would have been earned under any approved bonus plan for the year of termination. The employee shall be deemed to be terminated: (i) if there has been a lessening in the scope and responsibilities of the employee; a relocation of the position outside of the greater Calgary, Alberta area; or (ii) a reduction in compensation (unless such reduction is made at the same time to similar employees). In the event of a change of control: (A) if the employee remains employed by WMode for 365 days, the employee shall receive a lump sum payment of one times salary and the previous year's bonus; and (B) in the event the employee is terminated by WMode within 365 days of a change of control, WMode shall pay the employee two (2) times the employee's then total salary and the previous year's bonus. If the employee receives a payment under A then the amount payable under B shall be reduced to one (1) times. All stock options granted to the employee shall become fully vested on a change of control. For a summary of compensation paid to Mr. Woodward in respect of the year ended December 31, 2013, please refer to the *Summary Compensation Table* above.

Compensation of Dennis Woronuk, President for 2013

Dennis Woronuk, President of WMode, entered into an employment agreement with WMode effective December 18, 2010, which governed the terms of his services and compensation, the agreement provided for remuneration in 2013 of $185,000. Effective February 3, 2014, Mr. Woronuk entered into an amendment to his employment agreement, whereby he would retire from WMode on February 1, 2016. In the event of a change of control, Mr. Woronuk shall continue to receive the agreed compensation to the date of his retirement. For a summary of compensation paid to Mr. Woronuk in respect of the year ended December 31, 2013, please refer to the *Summary Compensation Table* above.

Compensation of Tom Mullen, Chief Technology Officer for 2013

Tom Mullen, President and CTO of WMode, entered into an employment agreement with WMode, which governs the terms of his services and compensation. Mr. Mullen's agreement provided for remuneration in 2013 of $180,000. Mr. Mullen's agreement term continues for an indefinite term or until the agreement is terminated by either party. WMode is able to terminate the agreement for just cause or following the payment a cash amount equal to two (2) year's annual base salary payable at the discretion of WMode as a lump sum or over 24 months and paying the prorated portion of any bonus that would have been earned under any approved bonus plan for the year of termination. The employee shall be deemed to be terminated: (i) if there has been a lessening in the scope and responsibilities of the employee; a relocation of the position outside of the greater Calgary, Alberta area; or (ii) a reduction in compensation (unless such reduction is made at the same time to similar employees). In the event of a change of control: (A) if the employee remains employed by WMode for 365 days, the employee shall receive a lump sum payment of one times salary and the previous year's bonus; and (B) in the event the employee is terminated by WMode within 365 days of a change of control, WMode shall pay the employee two (2) times the employees then total salary and the previous year's bonus. If the employee receives a payment under A then the amount payable under B shall be reduced to one (1) times. All stock options granted to the employee shall become fully vested on a change of control. For a summary of compensation paid to Mr. Mullen in respect of the year ended December 31, 2013, please refer to the *Summary Compensation Table* above.

Compensation of Rita Bereski Chief Operating Officer, for 2013

Rita Bereski, COO, entered into an employment agreement with WMode which governs the terms of her services and compensation as Chief Operating Officer. Mrs. Bereski's annual rate of remuneration in 2014 will be $155,000. Mrs. Bereski's agreement continues to September 29, 2016 or earlier if the agreement is terminated by either party. WMode is able to terminate the agreement for just cause or following the payment of a cash amount equal to one (1) year's annual base salary payable at the discretion of WMode as a lump sum or over 12 months and paying the prorated portion of any bonus that would have been earned under any approved bonus plan for the year of termination. The employee shall be deemed to be terminated: (i) if there has been a lessening in the scope and responsibilities of the employee; a relocation of the position outside of the greater Calgary, Alberta area; or (ii) a reduction in compensation (unless such reduction is made at the same time to similar employees). In the event of a change of control: (A) if the employee remains employed by WMode for 365 days, the employee shall receive a lump sum payment of one times salary and the previous year's bonus; and (B) in the event the employee is terminated by WMode within 365 days of a change of control, WMode shall pay the employee two (2) times the employees then total salary and the previous year's bonus. If the employee receives a payment under A then the amount payable under B shall be reduced to one (1) times. All stock options granted to the employee shall become fully vested on a change of control. For a summary of compensation paid to Mrs. Bereski in respect of the year ended December 31, 2013, please refer to the *Summary Compensation Table* above.

<u>Incentive Plan Awards</u>

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out for each of WMode's NEO's information concerning all option-based awards outstanding as at December 31, 2013.

	Option-Based Awards				**Share-Based Awards**		
Name and Principal Position	**Number of securities underlying unexercised options**	**Option Exercise Price**	**Option Expiration Date**	**Value of unexercised in-the-money options**[(1)]	**Number of Shares or Units of Shares that have not Vested**	**Market of Payout Value of Share-Based Awards that have not Vested**	**Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)**
Emanuel Bertolin *CEO*	175,000	$0.20	December 9, 2016	$14,000	131,250	Nil	Nil
	400,000	$0.30	December 17, 2020	NIL	100,000	Nil	Nil
Robert S. Woodward *CFO and Secretary*	300,000	$0.30	December 17, 2020	NIL	75,000	Nil	Nil
Dennis Woronuk *President*	300,000	$0.30	December 17, 2020	NIL	75,000	Nil	Nil

Tom Mullen	175,000	$0.20	December 9, 2016	$12,000		131,250	Nil	Nil
Chief Technology Officer	300,000	$0.30	December 17, 2020	NIL		75,000	Nil	Nil
Rita Bereski	20,000	$0.20	July 31, 2016	$1,600		15,000	Nil	Nil
Chief	146,250	$0.20	December 9, 2016	$11,700		109,688	Nil	Nil
Operating	10,000	$0.30	September 30, 2023	NIL		10,000	Nil	Nil
Officer	5,000	$0.30	January 21, 2024	NIL		5,000	Nil	Nil
	20,000	$0.30	February 6, 2021	NIL		10,000	Nil	Nil
	50,000	$0.30	May 8, 2023	NIL		50,000	Nil	Nil
	200,000	$0.30	February 2, 2024	NIL		200,000	Nil	Nil

Note:

(1) Value is calculated upon difference between the exercise price of the options and the value of the WMode Class A Shares on December 31, 2013. WMode is currently a private corporation and there is no public market for the WMode Class A Shares. The directors of WMode have estimated, for the purposes of this disclosure, that the value of the WMode Class A Shares on December 31, 2013 was $0.28 per WMode Class A Share.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table summarizes the value of options held by WMode NEO's that vested during the year ended December 31, 2013.

Name	Option-Based Awards – Value Vested During the Year ($)(1)	Share-Based Awards – Value Vested During the Year ($)	Non-equity Incentive Plan Compensation – Value Earned During the Year ($)
Emanuel Bertolin	$3,500	Nil	Nil
Robert S. Woodward	Nil	Nil	Nil
Dennis Woronuk	Nil	Nil	Nil
Tom Mullen	$3,500	Nil	Nil
Rita Bereski	$3,325	Nil	Nil

Note:

(1) Value is calculated upon difference between the exercise price of the options and the value of the WMode Class A Shares on December 31, 2013. WMode is currently a private corporation and there is no public market for the WMode Class A Shares. The directors of WMode have estimated, for the purposes of this disclosure, that the value of the WMode Class A Shares on December 31, 2013 was $0.28 per WMode Class A Share.

Pension Plan Benefits

No defined pension or retirement benefit plans have been instituted by WMode and none are proposed at this time.

Termination and Change of Control benefits

Under the management agreements entered into between WMode and Mr. Bertolin, Mr. Woodward, Mr. Mullen and Mrs. Bereski, WMode is able to terminate the agreement with such management employees for just cause or following the payment of a cash amount pursuant to the terms of their respective agreements (for a description, see "*Information Regarding WMode - Executive Compensation – Compensation Discussion and Analysis*"). The employee shall be deemed to be terminated: (i) if there has been a lessening in the scope and responsibilities of the employee; (ii) a relocation of the position outside of the greater Calgary, Alberta area; or (iii) a reduction in compensation (unless such reduction is made at the same time to similar employees). In the event of a change of control: (A) if the employee remains employed by WMode for 365 days, the employee shall receive a lump sum payment of one times salary and the previous year's bonus; and (B) in the event the employee is terminated by WMode within 365 days of a change of control, WMode shall pay the employee two (2) times the employees then total salary and the previous year's bonus. If the employee receives a payment under A then the amount payable under B shall be reduced to one (1) times. All stock options granted to the employee shall become fully vested on a change of control.

Compensation Risk Assessment and Mitigation

The Compensation Committee considers the implications of the risks associated with WMode's compensation policies and practices when determining rewards for its executives and ensures that those policies do not encourage management to take inappropriate or excessive risks. The Compensation Committee does not believe that there are any risks arising from the compensation programs that would be reasonably likely to have a material adverse effect on WMode.

WMode's compensation program includes several mechanisms to ensure risk-taking behaviour falls within reasonable risk tolerance levels, including: a balanced compensation mix between fixed and variable (at zero risk) and between short and long-term incentives that defer award value; requirement for board of director approval of short-term incentive awards; establishment of a compensation package within range of competitive practices (peer group); and utilizing longer-term incentive plans for diversification and alignment with risk realization periods (option based awards).

Compensation of Directors

WMode has six directors, three of which are also NEOs. For a description of the compensation paid to the NEOs who also act as directors, see the "*Information Regarding WMode - Executive Compensation - Summary Compensation Table*" above.

WMode compensates its directors in their capacity as a director of WMode. Each non-management director, except for Mr. Chan, receives $7,000 quarterly and the Chairman receives $5,000 quarterly. WMode has, pursuant to letter agreements, committed to pay: (A) $160,000 to Mr. Pezzola upon the earlier of: (i) listing of WMode on a public stock exchange; (ii) a sale of WMode; or (iii) an equity financing in excess of $3,000,000; and (B) to each of Mr. Pezzola and Mr. Gillott, one-half of one percent (0.5%) of the cash proceeds in the event of a merger, sale or closing of a major liquidity event of WMode or an equity financing in excess of $3,000,000.

WMode has purchased, at its expense, a directors' and officers' liability insurance policy, which expires April 4, 2015. This covers the directors and officers of WMode against liability incurred by them in their capacities as directors and officers of WMode. The coverage has an aggregate limit of $5,000,000. There is a deductible of $10,000. Premiums paid by WMode for the directors and officers liability insurance are $11,200 per annum.

Director Compensation Table

The following table sets forth the value of all compensation provided to directors (in their capacities as directors) for the year ended December 31, 2013.

Name and Principal Position	Fees Earned ($)	Share based awards ($)	Option based awards ($)	Non-equity incentive plan compensation ($)	Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
Stephen Pezzola	$48,000	Nil	$2,450	Nil	Nil	Nil	$50,450
Robert S. Woodward	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Emanuel Bertolin	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Iain Gillott	$28,000	Nil	$2,450	Nil	Nil	Nil	$30,450
Allan Chan	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dennis Woronuk	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

(1) In 2013, Mr. Pezzola and Mr. Gillott were each awarded options to acquire 35,000 WMode Class A Shares. Each of these options have an exercise price of $0.30 and will expire in 2024 and have been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using weighted average risk free interest rate of 1.1% per annum, a weighted average expected life of three years, expected weighted average volatility of 60% and an expected weighted average fair value per option of $0.07.

MANAGEMENT CONTRACTS

There are no management functions of WMode that are to any substantial degree performed by a person or company other than the directors or officers (or private companies controlled by them, either directly or indirectly) of WMode.

NON-ARM'S-LENGTH PARTY TRANSACTIONS

WMode has entered into certain Related Party Transactions in the normal course of operations. Such transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Please refer to note 21 of WMode's audited financial statements for the year ended December 31, 2013 which is attached to this Circular as Schedule "F".

The proposed Amalgamation is an Arm's Length Transaction.

LEGAL PROCEEDINGS

The management of WMode are not aware of any material litigation outstanding, threatened, or pending as at the date of this Circular, by or against WMode or the WMode Subsidiaries.

MATERIAL CONTRACTS

The following are the material contracts entered into by WMode and by its WMode Subsidiaries:

1. Letter of Intent (as described in the Glossary of terms of this Circular).

2. Amalgamation Agreement (as described in the Glossary of terms of this Circular).

3. Jaguar Land Rover Contract. In 2014, WMode entered into a contract to provide AppCarousel technology and services to UK based Jaguar Land Rover for their next generation cloud based in-car connected in-vehicle infotainment system.

4. Share Purchase Agreement with NeoSystems Inc. For further details, see "*Information Regarding WMode - General Development of Business - Acquisitions and Dispositions*" for further details.

Copies of the above-noted agreements will be available for inspection at the head office of WMode at any time during ordinary business hours until the Meeting and for a period of 30 days thereafter.

INFORMATION REGARDING THE RESULTING ISSUER

CORPORATE STRUCTURE

Name and Incorporation

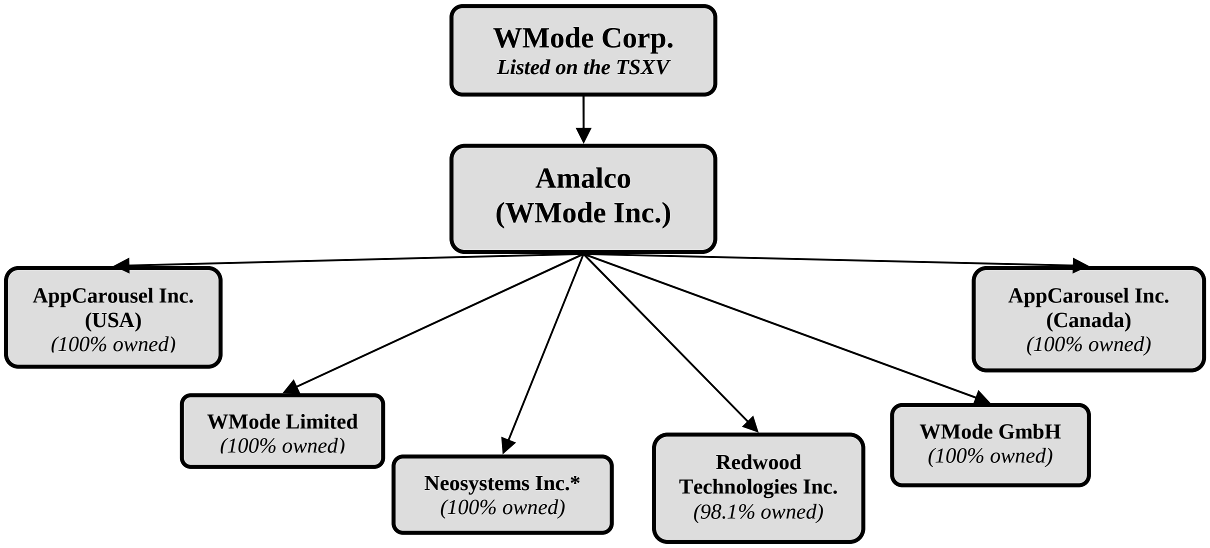
The corporate name of the Resulting Issuer is expected to be "WMode Corp.". The Resulting Issuer will be a company existing under the provisions of the ABCA, with Amalco as its wholly-owned subsidiary. As discussed under "Particulars of Matters to be Acted On – Approval of the Continuance", in connection with the Amalgamation, Afrasia will continue its corporate jurisdiction into the province of Alberta and Afrasia will have Articles of Continuance and the By-Law as set out in Schedule "J". A summary of the differences with respect to security holder rights and remedies between the BCBCA and the ABCA are set forth under "Particulars of Matters to be Acted On – Approval of the Continuance – Summary of the Differences Between the BCBCA and the ABCA". Merger Sub and WMode will then amalgamate under the provisions of the ABCA in accordance with the terms of the Amalgamation Agreement.

It is expected that the Resulting Issuer's registered office will be located at 1250, 639-5th Avenue SW, Calgary, Alberta T2P 0M9 and their head office will be located at 3553 - 31st NW, Calgary, Alberta T2L 2K7**.**

Intercorporate Relationships

Following the completion of the Amalgamation, the Resulting Issuer Shares will be held by the former Shareholders (other than the dissenting Shareholders, if any), WMode Shareholders and the Agent.

The intercorporate relationship among the Resulting Issuer's subsidiaries after giving effect to the Amalgamation is set out below:



*Neosystems Inc. is the only material subsidiary of Amalco.

DESCRIPTION OF BUSINESS

The business of the Resulting Issuer will primarily be WMode's business. See "*Information Regarding WMode – General Development of the Business*".

Business Objectives

The Resulting Issuer's main business objectives over the next 12 months is to:

- Expand its existing customer business
- Expand the AppCarousel platform into automotive industry
- Expand the AppCarousel platform into the education market
- Identify new industry verticals for the AppCarousel and iTrak platforms
- Increase the sales and marketing capacity of AppCarousel and NeoSystems
- Seek and develop new channel partners
- Increase operations in Europe and the United States
- Identify and pursue strategic acquisitions
- Increase the patent portfolio

Milestones

In order for the business objectives described above to occur, the following milestones will have to be met:

Milestone	Expected Completion	Expected Costs
Increase marketing and business development capability of NeoSystems to attract larger customers	July 2015	$150,000 - $400,000
Increase the marketing and business development capability of AppCarousel in the United States and Western Europe	July 2015	$150,000 - $600,000
File additional intellectual property patents	September 2015	$50,000 - $80,000

DESCRIPTION OF SECURITIES

The Resulting Issuer will be authorized to issue an unlimited number of Resulting Issuer Shares without nominal or par value.

The holders of Resulting Issuer Shares are entitled to dividends, if, as and when declared by the Board of Directors of the Resulting Issuer, to one vote per Resulting Issuer Share at meetings of the shareholders of the Resulting Issuer and, upon liquidation, to share equally in such assets of the Resulting Issuer as are distributable to the holders of Resulting Issuer Shares.

PRO FORMA CONSOLIDATED CAPITALIZATION

Pro Forma Consolidated Capitalization

The following table sets forth the pro forma share and loan capital of the Resulting Issuer, on a consolidated basis, after giving effect to the Amalgamation:

Designation of Security	Amount Authorized or to be Authorized	Amount outstanding after giving effect to the Amalgamation(1)	Amount outstanding after giving effect to the Amalgamation and Second Minimum WMode Placement(1)	Amount outstanding after giving effect to the Amalgamation and Second Maximum WMode Placement(1)
Common Shares without par value	Unlimited	36,230,679	41,319,122	43,444,122

Note:

(1) These figures do not include the Resulting Issuer Shares which may be issuable upon exercise of Resulting Issuer Broker Warrants.

Fully Diluted Share Capital

The following table sets forth the fully diluted share capital of the Resulting Issuer after giving effect to the Amalgamation:

Designation of Security - Resulting Issuer Shares	Outstanding After Giving Effect to the Amalgamation assuming completion of the Second Minimum WMode Placement		Outstanding After Giving Effect to the Amalgamation assuming completion of the Second Maximum WMode Placement	
	Amount	Percentage	Amount	Percentage
Resulting Issuer Shares outstanding immediately prior to the Amalgamation, but following the Consolidation	1,430,476	2.85%	1,430,476	2.72%

Designation of Security - Resulting Issuer Shares	Outstanding After Giving Effect to the Amalgamation assuming completion of the Second Minimum WMode Placement		Outstanding After Giving Effect to the Amalgamation assuming completion of the Second Maximum WMode Placement	
	Amount	**Percentage**	**Amount**	**Percentage**
Resulting Issuer Shares issued under the Amalgamation Agreement (to former WMode Shareholders)	35,401,146	70.54%	35,401,146	67.40%
Resulting Issuer Shares issued under the Amalgamation Agreement (to new WMode Shareholders participating in the Second WMode Placement)	4,125,000	8.22%	6,250,000	11.90%
Resulting Issuer Shares issued to the Agent pursuant to the Second WMode Placement	362,500	0.72%	362,500	0.69%
Resulting Issuer Shares reserved for issuance upon exercise of Resulting Issuer Broker Warrants pursuant to the Second WMode Placement	775,000	1.54%	987,500	1.88%
Resulting Issuer Shares reserved for issuance upon exercise of Resulting Issuer Warrants	4,631,852	9.23%	4,631,852	8.82%
Resulting Issuer Shares reserved for issuance upon exercise of Resulting Issuer Options	3,458,857	6.89%	3,458,857	6.59%
Total Number of Securities (fully-diluted)	**50,184,831**	**100%**	**52,522,331**	**100%**

Note:

(1) Figures above assume the WMode Special Warrants have been automatically converted.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Funds Available

As at January 31, 2015, the pro forma consolidated working capital of Afrasia and WMode was $1,817,628 assuming gross proceeds of the Second Minimum WMode Placement of $3,300,000 and $3,398,628 assuming gross proceeds of the Second Maximum WMode Placement of $5,000,000. It is anticipated that the available funds will be sufficient to meet the Resulting Issuer's administrative costs for the following 12 months and to achieve the Resulting Issuer's principal purposes as described in this Circular. The following table sets forth the estimated unaudited working capital of Afrasia and WMode before and after giving effect to the Amalgamation, as at January 31, 2015:

	Afrasia	Amount assuming completion of the Second Minimum WMode Placement		Amount assuming completion of the Second Maximum WMode Placement	
		WMode	**Combined**	**WMode**	**Combined**
Working capital (deficiency)	$(148,779)	$(1,102,593)	$(1,251,372)	$(1,102,593)	$(1,251,372)
Proposed Second WMode Placement	N/A	$3,069,000(1)	$3,069,000(1)	$4,650,000(2)	$4,650,000(2)
Working capital after Amalgamation	N/A	$1,966,407	$1,817,628	$3,547,407	$3,398,628

Notes:

(1) These figures assume Agent's fees of 7% ($231, 000) have been paid to the Agent.
(2) These figures assume Agent's fees of 7% ($330,000) have been paid to the Agent.

Principal Purposes of Funds

The Resulting Issuer will use the funds available to it upon the completion of the Amalgamation for the following purposes:

Use of Available Funds	Amount assuming completion of the Second Minimum WMode Placement ($)	Amount assuming completion of the Second Maximum WMode Placement ($)
Unallocated working capital	$1,017,628	$1,868,628
Increase marketing and business development capability of NeoSystems Inc. to attract larger customers	$150,000	$400,000
Increase the marketing and business development capability of App Carousel in the United States and Western Europe	$150,000	$600,000
File additional intellectual property patents	$50,000	$80,000
Professional fees related to the RTO	$450,000	$450,000
Total	$1,817,628.00	$3,398,628.00

There may be circumstances where, for sound business reasons, the reallocation of funds may be necessary in order for the Resulting Issuer to achieve its stated business objectives.

Dividends

There will be no restrictions in the Resulting Issuer's charter documents or elsewhere which would prevent the Resulting Issuer from paying dividends following the completion of the Amalgamation. All of the Resulting Issuer Shares are entitled to an equal share in any dividends declared and paid. It is anticipated that all available funds will be invested to finance the development of the Resulting Issuer's business and accordingly, it is not contemplated that any dividends will be paid on the Resulting Issuer Shares in the immediate or foreseeable future. The directors of the Resulting Issuer will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the management of Afrasia and WMode, no persons or corporations will, as at the completion of the Amalgamation, beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attaching to all the outstanding Resulting Issuer Shares.

DIRECTORS, OFFICERS AND PROMOTERS

Name, Address, Occupation and Security Holdings

The names, municipalities of residence, the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, following the Closing of the Amalgamation, and the offices to be held by each in the Resulting Issuer and the principal occupation of the proposed directors and senior officers of the Resulting Issuer during the past five years are as follows:

Name, Municipality of Residence and Positions and Offices to be Held with the Resulting Issuer	Principal Occupation within the Five Proceeding Years	Director or Officer Since(1)	Resulting Issuer Shares Beneficially Owned or Controlled Assuming Completion of Amalgamation assuming Second Minimum WMode Placement		Resulting Issuer Shares Beneficially Owned or Controlled Assuming Completion of Amalgamation assuming Second Maximum WMode Placement	
			Number	**Percentage(2)**	**Number**	**Percentage(3)**
Praveen Varshney(4)(5)(6) Vancouver, British Columbia Director	Chartered Accountant; Director of VCC; Director and officer of various publicly traded companies	1995	11,760	0.03%	11,760	0.03%
Rita Bereski Calgary, Alberta Chief Operating Officer	Ms. Bereski is the Chief Operating Officer of WMode.	2014	123,837	0.30%	123,837	0.29%
Emanuel Bertolin Calgary, Alberta CEO and Director	Mr. Bertolin is the CEO of WMode.	2000	2,009,364	4.86%	2,009,364	4.63%
Robert Woodward Calgary, Alberta CFO, Secretary and Director	Mr. Woodward is the CFO and Secretary of WMode.	2000	2,637,175	6.38%	2,637,175	6.07%
Iain Gillott (4)(5)(6) Austin, Texas Director	Mr. Gillott is a Director of WMode. He is the founder and President of iGillott Research Inc., a marketing strategy consultancy for the a wireless and mobile industry authority.	2006	339,320	0.82%	339,320	0.78%
Thomas Mullen Calgary, Alberta Chief Technology Officer	Mr. Mullen is the Chief Technology Officer of WMode.	2001	1,472,458	3.56%	1,472,458	3.39%
Stephen Pezzola(4)(5) Oakland, California, USA Chairman and Director	Mr. Pezzola is currently a Director and Chairman of WMode and the CEO of Yorkshire Ventures, LLC.	2006	631,997	1.53%	631,997	1.45%
Total			**7,225,911**	**17.48%**	**7,225,911**	**16.64%**

Notes:

(1) Directors to serve until the next annual meeting of the holders of Resulting Issuer Shares, unless his/her office is earlier vacated.
(2) Assuming that none of the proposed directors of officers subscribe for WMode Class A Shares under the Second WMode Placement and that the WMode Special Warrants have been automatically converted. This number is based on 41,319,122 Resulting Issuer Shares being outstanding, on a non-diluted basis, after the completion of the Amalgamation and the Second Minimum WMode Placement.
(3) Assuming that none of the proposed directors of officers subscribe for WMode Class A Shares under the Second WMode Placement and that the WMode Special Warrants have been automatically converted. This number is based on 43,444,122 Resulting Issuer Shares being outstanding, on a non-diluted basis, after the completion of the Amalgamation and the Second Maximum WMode Placement.
(4) Proposed member of the Audit Committee.
(5) Proposed member of the Corporate Governance & Nominating Committee.
(6) Proposed member of the Compensation Committee.

The number of Resulting Issuer Warrants beneficially owned, directly or indirectly, by the proposed directors and senior officers of the Resulting Issuer following the Closing of the Amalgamation, will be as follows:

Name	Resulting Issuer Warrants expiring December 31, 2016	Resulting Issuer Warrants expiring March 17, 2015
Praveen Varshney	0	0
Rita Bereski	29,217	56,100
Emanuel Bertolin	322,414	333,928
Robert Woodward	330,431	178,162
Iain Gillott	123,934	44,541
Thomas Mullen	228,914	0
Stephen Pezzola	149,654	93,500
TOTAL	1,184,564	706,231

These persons will become directors and/or officers of the Resulting Issuer effective on completion of the Amalgamation. The term of office of each director will expire at the end of the first annual meeting of shareholders of the Resulting Issuer.

For particulars of the occupations of the directors and officers see "*Information Regarding the Resulting Issuer - Directors, Officers and Promoters - Management*" below. The directors and officers of the Resulting Issuer, as a group, will own 7,404,364 Resulting Issuer Shares, being 16.64% of the Resulting Issuer Shares, assuming completion of the Amalgamation and the Second Maximum WMode Placement.

To the knowledge of the Resulting Issuer's directors and officers, none of the foregoing Persons are acting in concert by virtue of an agreement, arrangement, commitment or understanding to affect materially the control of Resulting Issuer.

Committees of the Board of Directors

Upon completion of the Amalgamation, the board of directors of the Resulting Issuer will have three standing committees, being the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee.

The Audit Committee of the Resulting Issuer will adopt the audit committee charter of Afrasia, which is attached hereto as Schedule "I". The Audit Committee will oversee the retention, performance and compensation of the Resulting Issuer's independent auditors, and oversee and establish procedures concerning systems of internal accounting and control. The Audit Committee will be comprised of Messrs. Varshney, Gillott and Pezzola.

The board of directors of the Resulting Issuer will establish a Compensation Committee to assist the board in settling the compensation of directors and senior executives, and developing and submitting to the board recommendations with regard to other employee benefits. It is anticipated that the Compensation Committee will be comprised of Messrs. Varshney and Gillott.

The board of directors of the Resulting Issuer will establish a Corporate Governance and Nominating Committee which will be charged with performing an annual evaluation of the effectiveness of the board of directors as a whole, the committees of the board and the contributions of individual directors. The Corporate Governance & Nominating Committee will be comprised of Messrs. Varshney, Pezzola and Gillott.

Management

Emanuel Bertolin (Age: 52) - Proposed CEO and Director

For the 15 years prior to founding WMode in 2000, Mr. Bertolin had been directing the Sales & Marketing efforts of Neles Automation, the market leading automation and real-time billing solution supplier to the utility, energy and environmental markets. Mr. Bertolin has a Bachelor of Science in Computing Science, Specializing in Computer Design, and a Diploma in Electronics Engineering from the Northern Alberta Institute of Technology. Mr. Bertolin is a member of the Institute of Corporate Directors and is a graduate of its Directors Education Program.

It is expected that Mr. Bertolin will commit approximately 100% of his time in connection with the Resulting Issuer. It is intended that Mr. Bertolin will enter into a new employment contract which will include non-compete provisions.

Robert Woodward (Age: 64) - Proposed CFO and Secretary

Prior to founding WMode in 2000, Mr. Woodward had been the CFO of three public companies. In 1984 he joined Intera Information Technologies, which developed and sold software for the simulation of both nuclear and other hazardous waste and the interpretation and analysis of spatially related data. In 1990, Intera Information Technologies went public in the both the Toronto Stock Exchange and NASDAQ. In 1994, Mr. Woodward became CFO of Enserv Corporation a major consolidator of the oil and gas service industry in Canada. In 1996, Mr. Woodward was appointed CFO of Enerflex Systems, a manufacturer of gas compression equipment. Mr. Woodward is a Chartered Accountant; he worked with KPMG in the United Kingdom, before moving to their Toronto office in 1974 and Calgary in 1981. Mr. Woodward was a Director of Dynastream before its sale to Garmin Inc. and was a director of Central European Petroleum Limited. Mr. Woodward is a member of the Institute of Corporate Directors and is a graduate of its Directors Education Program.

It is expected that Mr. Woodward will commit approximately 100% of his time in connection with the Resulting Issuer. It is intended that Mr. Woodward will enter into a new employment contract which will include non-compete provisions. Mr. Woodward has indicated he will retire in June 2015.

Stephen Pezzola (Age: 58) - Proposed Chairman and Director

Mr. Pezzola practiced law from 1981 through 1996, focusing on advising businesses from formation to and through public offering or acquisition. From 1996 to 2002 Mr. Pezzola was the general counsel in three companies that were founded by the same founder: DSP Communications, Inc., Zen Research, PLC and Vyyo Inc. In 2000, Mr. Pezzola was appointed Executive Vice-President, then Executive Vice

Chairman of Zen Research Inc. In 2003, Mr. Pezzola started Yorkshire Ventures, LLC, a business consulting firm, which assists companies on strategic planning, financing, corporate structuring, deal negotiation, and acquisitions. Mr. Pezzola was appointed Chairman of WMode on May 4, 2007. Mr. Pezzola graduated with honors from the University of California at Berkeley in 1978 with a B.S. in accounting and from the University of California, Boalt Hall School of Law in 1981 with his law degree.

Mr. Pezzola intends to devote such time to the affairs of the Resulting Issuer as is required from time to time.

Praveen Varshney (Age: 50) - Director of Afrasia and will remain a Director of the Resulting Issuer

Mr. Varshney obtained a Bachelor of Commerce degree from the University of British Columbia in 1987. Mr. Varshney obtained his Chartered Accountant designation in 1990 from KPMG LLP and is a member of the Institute of Chartered Accountants of British Columbia. Mr. Varshney is a Director of VCC, a venture capital firm and has been active in the public venture capital markets since 1991. He has served as a director or officer of numerous private & public companies including CFO of Canada Zinc Metals Corp. and past CFO of Carmanah Technologies Corporation.

Mr. Varshney intends to devote such time to the affairs of the Resulting Issuer as is required from time to time.

Iain Gillott, (Age: 50) – Proposed Director

Mr. Gillott is the founder and president of iGR, a market strategy consultancy focused on the wireless and mobile communications industry. iGR researches and analyzes the impact new wireless and mobile technologies will have on industries, the competitive landscape and on a company's strategic business plan. Mr. Gillott has been involved in the wireless industry, as both a vendor and analyst, for more than thirteen years. Mr. Gillott has a bachelor of science degree in Computer Systems Engineering from the University College of North Wales, Bangor, Wales, with a concentration in hardware and software design.

Mr. Gillott intends to devote such time to the affairs of the Resulting Issuer as is required from time to time.

Rita Bereski (Age: 43) – Proposed Chief Operating Officer

Mrs. Bereski has been with the WMode since 2001 and was appointed Chief Operating Officer in February 2014. Prior to this appointment she was Vice President Global Accounts, responsible for the delivery of services and account management for existing customers.

Earlier in her career, Mrs. Bereski worked in the telecom industry as an Account Manager for Sprint Canada and as an Account Manager for Veritas GeoServices. Mrs. Bereski graduated from the Southern Alberta Institute of Technology.

It is expected that Mrs. Bereski will commit approximately 100% of her time in connection with the Resulting Issuer. It is intended that Mrs. Bereski will enter into a new employment contract which will include non-compete provisions.

Tom Mullen (Age: 56) – Proposed Chief Technology Officer

Prior to joining WMode, Mr. Mullen was vice president of engineering at Pason Systems Inc. (PSI), a supplier of Internet based wireless, instrumentation and engineering collaboration products/services. Mr. Mullen also served as Vice President of research and development at Valmet Automation, a global supplier of high performance real-time business systems for the energy industry. He holds a Bachelor of Arts degree in Mathematics and a Bachelor of Science degree in Electrical Engineering from Trinity College in Dublin.

It is expected that Mr. Mullen will commit approximately 100% of his time in connection with the Resulting Issuer. It is intended that Mr. Mullen will enter into a new employment contract which will include non-compete provisions.

Promoters

There is no person who is or who has been within the two years immediately preceding the date of this Circular, a "Promoter" of Afrasia as defined under applicable Securities Laws.

Corporate Cease Trade Orders or Bankruptcies

To the best knowledge of the Resulting Issuer's management, except as otherwise disclosed in this Circular (see "*Particulars of Matters to be Acted Upon – Election of Directors*"), no individual who will be a director, officer or Promoter of the Resulting Issuer is, or has been within the past ten years, a director, officer or Promoter of any other Person or Company that, while such Person was acting in that capacity, was:

(a) the subject of a cease trade or similar order or an order that denied the Issuer access to any statutory exemptions for a period of more than 30 consecutive days; or

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets.

Penalties or Sanctions

No proposed director, officer or Promoter of the Resulting Issuer nor a security holder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has

(a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, which would likely be considered important to a reasonable security holder in making a decision about the Amalgamation.

Personal Bankruptcies

No individual who will be a director, officer or Promoter of the Resulting Issuer, to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has or, within the ten years before the date of this Circular, has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors, officers and Promoters of the Resulting Issuer also holding positions as directors or officers of other Companies. Some of the individuals who will be directors and officers of the Resulting Issuer have been and will continue to be engaged in the identification and evaluation of assets, businesses and Companies on their own behalf and on behalf of other Companies, and situations may arise where the directors and officers of the Resulting Issuer will be in direct competition with the Resulting Issuer. See "*Information Regarding WMode – Non-Arm's Length Party Transactions*". Conflicts, if any, will be subject to the procedures and remedies provided under the ABCA. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting Company.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and Promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers or Promoters of other reporting issuers, and the jurisdictions in which such reporting issuers were reporting:

Name	**Name and Jurisdiction(s) of Reporting Issuer**	**Name of Exchange or Market (if applicable)**	**Position**	**From**	**To**
Praveen Varshney	Ackroo Inc.	TSXV	Director	October 2, 2012	March 4, 2014
	Bayswater Uranium Corporation	TSXV	Director	December 21, 2007	Present
	Bluerock Ventures Corp.	NEX	Director	February 3, 2011	Present
	Canada Zinc Metals Corp.	TSXV	Director, CFO	June 25, 2005	Present
	Genview Capital Corp.	NEX	Director CEO, CFO, Secretary President	March 15, 2007 April 27, 2009 April 28, 2010	Present Present Present
	Mexigold Corp.	TSXV	Director President	July 3, 2007 October 11, 2011	Present Present
	LED Medical Diagnostics Inc.	TSXV	Director President &CEO	April 9, 2010 April 9, 2010	Present November 22, 2011
	Trigen Resources Inc.	NEX	Director President CFO President	May 31, 2002 November 9, 2006 May 31, 2002 November 28, 2003 November 9, 2006	March 4, 2005 Present November 28, 2003 March 4, 2005 May 28, 2008
	CapGain Properties Inc.	TSXV	Director	September 25, 2013	January 5, 2015

EXECUTIVE COMPENSATION

The Resulting Issuer anticipates negotiating compensation agreements with its directors and officers following completion of the Amalgamation. For information on the compensation of Afrasia's officers and directors see "*Information Regarding Afrasia - Executive Compensation*". For information on the compensation of WMode's officers and directors see "*Information Regarding WMode – Executive Compensation*".

INDEBTEDNESS OF DIRECTORS AND OFFICERS

As of the completion of the Amalgamation, no proposed director or officer of the Resulting Issuer or any Associate thereof, will be indebted to the Resulting Issuer or any of its subsidiaries, or has been at any time during the preceding financial year.

The following chart provides the details of indebtedness of current directors and officers of WMode:

Name and Principal Position	Involvement of WMode	Largest Amount Outstanding during 2013	Amount Outstanding as at December 31, 2014	Financially Assisted Securities Purchased During 2013	Security for Indebtedness
Dennis Woronuk[(1)]	Lender	$60,000	$20,000	None	600,000 Class A Shares of WMode

Note:

(1) Mr. Woronuk will not be a director or officer of the Resulting Issuer. The loan was provided to Mr. Woronuk to purchase WMode Class A Shares upon exercise of his previously granted options.

INVESTOR RELATIONS ARRANGEMENTS

The Resulting Issuer has not arranged any investor relations agreements nor does it have any understanding regarding investor relations arrangements; however, the Resulting Issuer may enter into investor relations arrangements in the future.

OPTIONS TO PURCHASE SECURITIES

As at the date hereof, there are 7,398,625 WMode Options issued and outstanding. No new WMode Options are expected to be granted prior to the completion of the Amalgamation.

The following table illustrates the number of Resulting Issuer Options that will be held by the proposed officers, directors, employees and consultants upon completion of the Amalgamation (assuming that no WMode Options are exercised prior to such time). The board of the Resulting Issuer will determine additional option grants to eligible optionees sometime after the Closing. All of the Resulting Issuer Options will be governed by the Resulting Issuer Stock Option Plan.

Name and Category	Number Holders	Resulting Issuer Options (#)	Exercise or Base Price ($/Share)	Expiration Date[(4)]
Officers of the Resulting Issuer, as a group[(1)(4)]	3	241,347	$0.43	July 31, 2016 - Dec 9, 2016
	4	740,988	$0.64	Dec 17, 2020 - Feb 2, 2024

Directors of Resulting Issuer who are not officers, as a group(2)(3)	2	528,859	$0.43	Dec 09, 2016 - Jan 2, 2019
	2	285,175	$0.64	Jan 1, 2020 - Jan 1, 2024
Employees of the Resulting Issuer, as a group	26	681,673	$0.43	April 6, 2015 - Jan 02, 2019
	47	932,896	$0.64	Jan 1, 2020 - Sep 30, 2024
Consultants of the Resulting Issuer, as a group	2	24,544	$0.43	Dec 09, 2016
	2	23,375	$0.64	July 7, 2020 - Jan 02, 2021

Notes:

(1) Officers of the Resulting Issuer are proposed to be Emanuel Bertolin as CEO, Rita Bereski as Chief Operation Officer, Robert Woodward as CFO and Thomas Mullen as Chief Technology Officer.

(2) Directors of the Resulting Issuer who are not also executive officers are proposed to be Praveen Varshney, Iain Gillott and Stephen Pezzola.

(3) Mr. Dennis Woronuk will not be a director or officer of the Resulting Issuer. He will hold 300,000 Resulting Issuer Options, with an exercise price of $0.30 which will expire on December 17, 2020.

(4) Expiry dates range between the two dates provided in each row, as applicable.

<u>Stock Option Plan</u>

A full copy of the Resulting Issuer Stock Option Plan will be available at the Meeting for review by Shareholders. A summary of the material terms of Resulting Issuer Stock Option Plan is set out under "Particulars of Matters to Be Acted On – Resulting Issuer Stock Option Plan".

ESCROWED SECURITIES

Principals' Escrowed Securities

As required by the Exchange, the shareholders listed below will enter into the Escrow Agreement with Computershare and the Resulting Issuer pursuant to which they will deposit an aggregate of 7,225,911 Resulting Issuer Shares, an aggregate 1,184,564 Resulting Issuer Warrants and an aggregate 1,589,485 Resulting Issuer Options with Computershare (collectively, the "**Escrowed Securities**").

		Prior to Giving Effect to the Amalgamation		**After Giving Effect to the Amalgamation assuming completion of the Second Minimum WMode Placement**		**After Giving Effect to the Amalgamation assuming completion of the Second Maximum WMode Placement**	
Name and Municipality of Residence	**Designation of Class**	**Number of Escrowed Shares**	**Percentage of Class**(1)	**Number of Escrowed Shares**	**Percentage of Class**(2)	**Number of Escrowed Shares**	**Percentage of Class**(3)
Robert Woodward *Calgary, AB*	WMode Class A Shares	5,641,017	7.95%	2,637,175	6.38%	2,637,175	6.07%
	Warrants(5)	706,804	1.00%	330,431	0.80%	330,431	0.76%
	WMode Special Warrants(6)	380,548	0.54%	35,581	0.09%	35,581	0.08%
	Options(7)	300,000	0.42%	140,250	0.34%	140,250	0.32%
Tom Mullen *Calgary, AB*	WMode Class A Shares	3,149,643	4.44%	1,472,458	3.56%	1,472,458	3.39%
	Warrants(5)	489,656	0.69%	228,914	0.55%	228,914	0.53%
	Options(7)	475,000	0.67%	222,063	0.54%	222,063	0.51%

		Prior to Giving Effect to the Amalgamation		After Giving Effect to the Amalgamation assuming completion of the Second Minimum WMode Placement		After Giving Effect to the Amalgamation assuming completion of the Second Maximum WMode Placement	
Name and Municipality of Residence	**Designation of Class**	**Number of Escrowed Shares**	**Percentage of Class[(1)]**	**Number of Escrowed Shares**	**Percentage of Class[(2)]**	**Number of Escrowed Shares**	**Percentage of Class[(3)]**
Rita Bereski *Calgary, AB*	WMode Class A Shares	264,890	0.37%	123,837	0.30%	123,837	0.29%
	Warrants[(5)]	62,496	0.09%	29,217	0.07%	29,217	0.07%
	WMode Special Warrants[(6)]	22,496	0.32%	2,103	0.01%	2,103	0.00%
	Options[(7)]	451,250	0.64%	210,960	0.51%	210,960	0.49%
Emanuel Bertolin *Calgary, AB*	WMode Class A Shares	4,298,104	6.06%	2,009,364	4.86%	2,009,364	4.63%
	Warrants[(5)]	689,656	0.97%	322,414	0.78%	322,414	0.74%
	WMode Special Warrants[(6)]	381,096	0.54%	35,632	0.09%	35,632	0.08%
	Options[(7)]	575,000	0.81%	268,813	0.65%	268,813	0.62%
Stephen Pezzola *Oakland, CA*	WMode Class A Shares	1,351,865	1.91%	631,997	1.53%	631,997	1.45%
	Warrants[(5)]	320,116	0.45%	149,654	0.36%	149,654	0.34%
	WMode Special Warrants[(6)]	190,471	0.27%	17,809	0.04%	17,809[(9)]	0.04%
	Options[(7)]	806,250	1.14%	376,913	0.91%	376,913	0.87%
Iain Gillott *Austin, TX*	WMode Class A Shares	725,818	1.02%	339,320	0.82%	339,320	0.78%
	Warrants[(5)]	265,100	0.37%	123,934	0.30%	123,934	0.29%
	WMode Special Warrants[(6)]	95,275	0.13%	8,908	0.02%	8,908	0.02%
	Options[(7)]	792,500	1.1%	370,486	0.90%	370,486	0.85%
Praveen Varshney *Vancouver, BC*	Afrasia Shares	Nil	Nil	11,760	0.03%	11,760	0.03%
Total		**22,435,051**	**31.90%**	**10,099,993**	**24.44%**	**10,099,993**	**23.25%**

Notes:

(1) Based on 70,938,939 issued and outstanding WMode Class A Shares as at December 31, 2014.

(2) These figures assume the Second Minimum WMode Placement is completed and that the Resulting Issuer will have an aggregate of 41,319,122 Resulting Issuer Shares issued and outstanding. These figures assume that the WMode Special Warrants have been automatically converted.

(3) These figures assume the Second Maximum WMode Placement is completed and that the Resulting Issuer will have an aggregate of 43,444,122 Resulting Issuer Shares issued and outstanding. These figures assume that the WMode Special Warrants have been automatically converted.

(4) Warrants exercisable into WMode Class A Shares with an exercise price of $0.20 expiring on November 16, 2016.

(5) Warrants exercisable into WMode Class A Shares with an exercise price of $0.20 expiring on December 31, 2016.

(6) Each WMode Special Warrant automatically converts, for no additional consideration and no further action by the holder thereof, into 0.2 WMode Class A Shares if WMode does not become a publicly traded issuer before the Going Public Deadline.

(7) Options exercisable into WMode Class A Shares with an exercise price of $0.20 expiring on dates between July 31, 2016 and January 2, 2019 and options exercisable into WMode Class A Shares with an exercise price of $0.30 expiring on dates between January 1, 2020 and February 2, 2024.

The Escrow Agreement will provide for an 18 month period escrow release mechanism with 10% of the escrowed Securities being releasable at the time of the Final Exchange Bulletin, 20% of the escrowed Securities being releasable 6 months after the Final Exchange Bulletin, 30% of the escrowed Securities being releasable 12 months after the Final Exchange Bulletin and 40% of the escrowed Securities being releasable 18 months after the Final Exchange Bulletin.

Where the Escrowed Securities are held by a non-individual (a "**holding company**"), each holding company pursuant to the Escrow Agreement has agreed, or will agree, not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any control person of the holding company not to transfer the shares of that company.

The Escrowed Securities may not be transferred within escrow without the approval of the Exchange for release or transfer other than in specified circumstances set out in the applicable escrow agreement.

As the RTO will not close by March 17, 2015, 6,427,195 WMode Special Warrants and 3,500,000 WMode Warrants will automatically convert into WMode Shares, which will become 600,943 Resulting Issuer Shares and 1,636,250 Resulting Issuer Shares, respectively, after giving effect to the Amalgamation.

Seed Share Resale Restrictions

Pursuant to Exchange Policy 5.4, certain non-Principals holding WMode Warrants and WMode Options, upon exchange of the WMode Warrants into Resulting Issuer Warrants and WMode Options into Resulting Issuer Options will be subject to seed share resale restrictions ("**SSRRs**"). SSRRs are Exchange hold periods of various lengths which apply where seed shares are issued to non-Principals by private companies prior to the completion of a RTO. As required by the Exchange, an aggregate of 3,348,077 Resulting Issuer Warrants held by the non-Principals, 2,825,512 with an exercise of $0.43 and 522,565 with an exercise price of $0.60 will be subject to a four month hold period and an aggregate of 706,217 Resulting Issuer Options with an exercise price of $0.43 held by non-Principals will be subject to a four month hold period. Further, as a condition to the closing of the Second WMode Placement, WMode shall ensure that certain of its shareholders enter into voluntary pooling agreements which will restrict the trading of their Resulting Issuer Shares on terms to be agreed to upon finalization of the agency agreement.

In addition to the Resulting Issuer Shares held by Principals on conversion of the WMode Special Warrants, set out in the table above, 500,908 Resulting Issuer Shares held by non-Principals on conversion of the WMode Special Warrants and 1,636,250 Resulting Issuer Shares held by non-Principals on conversion of WMode Warrants, will also be subject to a value escrow agreement which will provide for an 18 month period escrow release mechanism with 25% of the escrowed Securities being releasable at the time of the Final Exchange Bulletin, 6 months after the Final Exchange Bulletin, 12 months after the Final Exchange Bulletin and 18 months after the Final Exchange Bulletin.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Auditor

The Resulting Issuer's auditor will be KPMG LLP, Chartered Accountants, of 205 5 Ave SW, Calgary, AB, T2P 4B9.

Transfer Agent and Registrar

The Resulting Issuer's transfer agent and registrar will be Computershare. The Resulting Issuer expects to transfer the principal location of its registrar and transfer agency services to Computershare's office in Calgary, Alberta.

GENERAL MATTERS

SPONSORSHIP

Afrasia has received a waiver of the requirement to obtain a Sponsor in connection with the Amalgamation.

EXPERTS

Except as disclosed in this Circular, no Person or Company whose profession or business gives authority to a statement made by the Person and who is named as having prepared or certified a part of this Circular or as having prepared or certified a report or valuation described or included in this Circular holds any beneficial interest, direct or indirect, in any securities or property of Afrasia, WMode or the Resulting Issuer, or of an Associate or Affiliate thereof and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of Afrasia, WMode or the Resulting Issuer, or of an Associate or Affiliate thereof and no such Person is a Promoter of Afrasia, WMode or the Resulting Issuer, or an Associate or Affiliate thereof.

OTHER MATERIAL FACTS

Management of Afrasia knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting for Afrasia. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by proxy. There are no material facts about Afrasia, WMode, the Resulting Issuer or the Amalgamation which are not otherwise disclosed in this Circular.

BOARD APPROVAL

Afrasia's Board of Directors has approved the delivery of this Circular to the Shareholders. WMode has provided the information contained in this Circular concerning WMode and its business, including its financial information and financial statements and Afrasia assumes no responsibility for the adequacy or accuracy of such information.

ADDITIONAL INFORMATION

Additional information about Afrasia is located on SEDAR at www.sedar.com. Financial information is provided in Afrasia's comparative financial statements and MD&A. Shareholders may contact Afrasia to request copies of the applicable financial statements and MD&A at the following address:

AFRASIA MINERAL FIELDS INC.
Suite 2050, 1055 Georgia Street, Vancouver, B.C. V6E 3P3

Phone: (604) 684-2181

CERTIFICATE OF AFRASIA MINERAL FIELDS INC.

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of Afrasia Mineral Fields Inc. assuming completion of the reverse takeover transaction described in this circular.

By order of the Board of Directors

DATED at Vancouver, British Columbia, this 26th day of February, 2015.

(signed) "Praveen Varshney"
Praveen Varshney
President, Chief Executive Officer and Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Peeyush Varshney"
Peeyush Varshney
Director

(signed) "Mervyn Pinto"
Mervyn Pinto
Director

CERTIFICATE OF WMODE INC.

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of WMode Inc. assuming completion of the reverse takeover transaction described in this circular.

By order of the Board of Directors

DATED at Calgary, Alberta, this 26th day of February, 2015.

(signed) "Emanuel Bertolin"	*(signed) "Robert Woodward"*
Emanuel Bertolin	Robert Woodward
Chief Executive Officer	Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Iain Gillott"	*(signed) "Stephen Pezzola"*
Iain Gillott	Stephen Pezzola
Director	Director

ACKNOWLEDGEMENT – PERSONAL INFORMATION.

"Personal Information" means any information about an identifiable individual, and includes information contained in any Items in the attached information circular that are analogous to Items 4.2, 11, 13.1, 16, 18.2, 19.2, 24, 25, 27, 32.3, 33, 34, 35, 36, 37, 38, 39, 41 and 42 of this Form 3D1, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

(a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to this Form 3D1; and

(b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

(signed) "*Praveen Varshney*"
Praveen Varshney
President, Chief Executive Officer and Chief Financial Officer

SCHEDULE "A" – DISSENT PROVISIONS (BCBCA)

Section 237 to 247 of the
***Business Corporations Act* (British Columbia)**

Definitions and application

237 (1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or on applies to any right of dissent exercisable by a shareholder except to the extent that

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows

(a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not consented to, or voted in favour of, the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(d) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

SCHEDULE "B"

Audited Consolidated Financial Statements for Afrasia Mineral Fields Inc. for the years ended May 31, 2014, 2013 and 2012

AFRASIA MINERAL FIELDS INC.

Financial Statements

May 31, 2014

Expressed in Canadian Dollars

AFRASIA MINERAL FIELDS INC.

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Afrasia Mineral Fields Inc.

We have audited the accompanying financial statements of Afrasia Mineral Fields Inc., which comprise the statements of financial position as at May 31, 2014 and 2013 and the statements of comprehensive loss, changes in equity (deficiency), and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Fax (604) 687-6172

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Afrasia Mineral Fields Inc. as at May 31, 2014 and 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Afrasia Mineral Fields Inc.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada   Chartered Accountants

September 25, 2014

AFRASIA MINERAL FIELDS INC.

Statements of Financial Position
May 31, 2014 and 2013
(Expressed in Canadian Dollars)

	Note		**2014**		2013
Assets					
Current assets					
Cash		**$**	**863**	$	18,531
Receivables	3		**2,488**		13,290
Prepaids			**416**		417
			3,767		32,238
Property and equipment	4		**1,500**		3,012
		$	**5,267**	$	35,250
Liabilities and Shareholders' Deficiency					
Current liabilities					
Trade payables and accrued liabilities	5	**$**	**64,636**	$	14,981
Due to related parties	7		**25,278**		89,814
			89,914		104,795
Shareholders' Deficiency					
Share capital	6		**8,349,105**		8,349,105
Reserves	6		**204,669**		204,669
Deficit			**(8,638,421)**		(8,623,319)
			(84,647)		(69,545)
		$	**5,267**	$	35,250

Nature and continuance of operations (Note 1)
Proposed transaction (Note 11)

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the board of directors:

"Praveen Varshney"	*"Peeyush Varshney"*
Praveen Varshney, Director	Peeyush Varshney, Director

AFRASIA MINERAL FIELDS INC.

Statements of Changes in Equity (Deficiency)
(Expressed in Canadian Dollars)

	Share Capital				
	Number of Shares	Amount	Reserves	Deficit	Total Equity (Deficiency)
Balance, May 31, 2012	20,026,663	$ 8,349,105	$ 204,669	$ (8,495,094)	$ 58,680
Net loss for the year	–	–	–	(128,225)	(128,225)
Balance, May 31, 2013	20,026,663	8,349,105	204,669	(8,623,319)	(69,545)
Net loss for the year	–	–	–	(15,102)	(15,102)
Balance, May 31, 2014	**20,026,663**	**$ 8,349,105**	**$ 204,669**	**$ (8,638,421)**	**$ (84,647)**

The accompanying notes form an integral part of these financial statements.

AFRASIA MINERAL FIELDS INC.

Statements of Comprehensive Loss
For the years ended May 31, 2014 and 2013
(Expressed in Canadian Dollars)

	Note	2014	2013
Expenses:			
Amortization	4	$ **1,512**	$ 1,556
Management fees	7	**30,000**	30,000
Office and administration	7	**39,515**	41,316
Professional fees		**46,554**	14,123
Regulatory and transfer agent fees		**11,726**	9,401
Rent		**27,164**	28,031
Travel and promotion		**1,131**	646
Wages and benefits		**–**	3,545
		(157,602)	(128,618)
Gain on forgiveness of payables	7	**142,500**	–
Interest income		**–**	393
		142,500	393
Net and comprehensive loss for the year		$ **(15,102)**	$ (128,225)
Loss per common share Basic and diluted		$ **(0.001)**	$ (0.006)
Weighted average number of common shares outstanding - basic and diluted		**20,026,663**	20,026,663

The accompanying notes form an integral part of these financial statements.

AFRASIA MINERAL FIELDS INC.

Statements of Cash Flows
For the years ended May 31, 2014 and 2013
(Expressed in Canadian Dollars)

	2014	2013
Cash provided by (used in):		
Operations:		
Net loss for the year	**$ (15,102)**	$ (128,225)
Items not involving cash:		
Amortization	**1,512**	1,556
Gain on forgiveness of payables	**(142,500)**	–
Changes in non-cash operating working capital items:		
Receivables	**10,802**	(3,942)
Prepaids	**1**	(417)
Trade payables and accrued liabilities	**49,655**	(1,346)
Due to related parties	**77,964**	46,694
Change in cash	**(17,668)**	(85,680)
Cash, beginning	**18,531**	104,211
Cash, ending	**$ 863**	$ 18,531

Supplemental cash flow information:

There were no significant non-cash transactions for the years ended May 31, 2014 and 2013

Interest paid	**$ –**	$ –
Income taxes paid	**$ –**	$ –

The accompanying notes form an integral part of these financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Afrasia Mineral Fields Inc. (the "Company" or "Afrasia") was incorporated on June 24, 1986 under the laws of British Columbia. The Company was listed on the TSX Venture Exchange ("TSX-V") under the symbol "AFS" and on September 29, 2008 the Company's listing was transferred from the TSX-V to the NEX board of the TSX-V. Effectively, the trading symbol for the Company changed from "AFS" to AFS.H".

The Company's head office, principal address and records office is Suite 2050-1055 West Georgia Street, PO Box 11121, Royal Centre, Vancouver, BC V6E 3P3. The registered office is Suite 700-595 Burrard St., PO Box 49290, Vancouver, BC V7X 1S8.

On January 11, 2013, the Company entered into a Letter of Intent ("LOI"), with CareCorp Holdings BC Ltd. ("CareCorp"), a private company that provides care services for seniors residing in long-term nursing homes. CareCorp's business activities are carried out by CareCorp and two related private companies. However, the LOI terminated as both parties were unable to negotiate and enter into a definitive agreement by February 28, 2013, the expiry date of the LOI.

On April 7, 2014, the Company entered into a Letter of Intent (the "LOI") with Wmode Inc. ("Wmode") which is an arms' length private company incorporated under the laws of Alberta. Wmode is a leading technology and service company in the connected device, mobile and app-ecosystem sector. Further discussion of the proposed transaction has been disclosed in Note 11.

These 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 for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. To date, the Company has not generated any significant revenues and has not raised funds in the last twelve months. The Company has an accumulated deficit of $8,638,421 including a loss for the year ended May 31, 2014 of $15,102 (2013 - $128,225). These uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

These financial statements do not include any adjustments relating to the recoverability and classification of assets and liabilities which might be necessary should the Company be unable to continue in existence.

The Company has never paid dividends.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial statements were authorized for issue on September 24, 2014 by the directors of the Company.

Statement of compliance and conversion to International Financial Reporting Standards ("IFRS")

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of presentation

The financial statements of the Company have been prepared on an accrual basis except for cash flow information, and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Significant accounting judgements, estimates and assumptions

The preparation of these 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 the reported expenses during the period. Actual results could differ from these estimates.

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The recognition of deferred tax assets and liabilities.

ii) The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

Financial instruments

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments, and available-for-sale ("AFS"). The Company classifies its financial liabilities as either at FVTPL or loss and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at FVTPLwhen they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. Transaction costs are expensed as incurred.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at the transaction value, including transaction costs and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Financial instruments (cont'd)

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. Held-to-maturity investments are recognized on a trade-date basis and initially measured at fair value, including transaction costs. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

AFS financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. AFS financial assets are measured initially at their fair value including transaction costs directly attributable to the acquisition. They are subsequently measured at fair value. Unrealized gains and losses are recognized in other comprehensive income (loss), except for impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding receivables, is directly reduced by the impairment loss. The carrying amount of receivables is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Financial instruments (cont'd)

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations expire, are discharged, or cancelled.

The Company's financial instruments at May 31, 2014 are as follows:

	Loans & receivables	*Fair Value through Profit or Loss*	*Other financial liabilities*
Financial assets			
Cash	$ –	$ 863	$ –
Receivables	2,488	–	–
Financial liabilities			
Trade payables	–	–	64,636
Due to related parties	–	–	25,278
	$ 2,488	$ 863	$ 89,914

Unless otherwise disclosed their carrying values approximate their fair values due to the short term nature of these instruments.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Financial instruments (cont'd)

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization and impairment losses. Where an item of property and equipment comprises significant components with different useful lives, the components are accounted for as separate items of property and equipment.

The cost of replacing part of an item within property and equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the group and the cost of the item can be measured reliably. The carrying amount of the part that has been replaced is expensed. All other costs are recognized as an expense as incurred.

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period.

Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss is reversed if there is an indication that 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. An impairment loss with respect to goodwill is never reversed.

Property and equipment are recorded at cost. Amortization is recorded using the following rates and methods:

Computer	–	55%	declining balance method
Furniture & equipment	–	20%	declining balance method
Leasehold improvements	–	5 years	straight line method

Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to discounted future net cash flows expected to be generated by the asset. When the carrying value exceeds such cash flows, an impairment charge is recognized for the excess.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Units

The proceeds from the issue of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event, and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligation between related parties.

Share-based payments

The Company operates an employee share option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. To date, share-based payments consist entirely of share options. For share options, the cost of the option is expensed or capitalized as an addition to non-monetary assets depending on the reason for the grant. The corresponding amount is recorded to reserves. The fair value of options granted is determined using a Black–Scholes pricing model which incorporates all market vesting conditions.

The number of share options expected to vest is adjusted on the date of grant such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Income taxes (cont'd)

Deferred tax expense or recovery is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not provide for the excess.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

Loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. Shares subject to escrow restrictions are excluded from the weighted average number of common shares unless their release is subject only to the passage of time.

Accounting standards issued but not yet effective

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.

The Company has not early adopted these standards and is currently assessing the impact that these standards will have on its financial statements.

- IAS 32 (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities, effective for annual periods beginning on or after January 1, 2014.
- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2018.
- IFRS 9: New standard that replaced IAS 39 for classification and measurement.

(Expressed in Canadian Dollars)

3. RECEIVABLES

		2014		2013
Government Sales Tax credits	$	2,252	$	13,056
Other receivables		236		234
	$	2,488	$	13,290

4. PROPERTY AND EQUIPMENT

		Computer		Equipment		Furniture		Leasehold improvements		Total
Cost:										
At May 31, 2012, 2013, and 2014	$	2,350	$	5,063	$	1,772	$	2,308	$	11,493
Amortization:										
At May 31, 2012	$	646	$	4,610	$	1,438	$	231	$	6,925
Amortization		937		91		67		461		1,556
At May 31, 2013		1,583		4,701		1,505		692		8,481
Amortization		421		362		267		462		1,512
At May 31, 2014	$	2,004	$	5,063	$	1,772	$	1,154	$	9,993
Net book value:										
At May 31, 2013	$	767	$	362	$	267	$	1,616	$	3,012
At May 31, 2014	$	346	$	–	$	–	$	1,154	$	1,500

5. TRADE PAYABLES AND ACCRUED LIABILITIES

		2014		2013
Trade payables	$	34,627	$	480
Accrued liabilities		30,009		14,501
	$	64,636	$	14,981

6. SHARE CAPITAL AND RESERVES

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued – common shares

There were no share issuances during the years ended May 31, 2014 and 2013.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES

(c) Share options

The Company maintains a 10% rolling share option plan (the "Plan") that enables management to grant options to directors, officers, employees and other service providers. The Company follows the Exchange policies where the number of common shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares of the Company from time to time at the date of granting of options and have a maximum of 10 years. Each option agreement with the grantee sets forth, among other things, the number of options granted, the exercise price and the vesting conditions of the options as determined by the Board of Directors. There were no options granted or outstanding at May 31, 2014 and 2013.

7. RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers. Key management personnel compensation comprised:

		2014		2013
Administrative services (a)	$	36,000	$	36,000
Management services (a)		30,000		30,000
	$	66,000	$	66,000

(a) On February 1, 2009, the Company entered into a management and administrative agreement with Varshney Capital Corp. ("VCC"), a company controlled by two common directors, whereby the Company agreed to pay management and administrative fees of $2,500 and $3,000 per month, respectively.

During the year ended May 31, 2014, the Company cancelled its management and administrative services fees. As a result of the cancellation, the Company recorded a gain on forgiveness of payables amounting to $142,500 to reflect the forgiveness of accrued charges for the year ended May 31, 2014 and prior years.. The Company recovered $87,500 (2013 – $nil) in management fees and recovered $55,000 (2013 – $nil) in administrative fees to VCC.

Prior to the cancellation, the Company incurred $30,000 (2013 - $30,000) for management fees and $36,000 (2013-$36,000) for administrative fees to VCC.

As at May 31, 2014, $nil (2013 - $89,670) was due to VCC for management and administrative fees and $24,100 (2013 - $nil) was due to VCC for an operating loan. The loan is unsecured, non interest bearing and has no fixed terms of repayment.

(b) As at May 31, 2014, $1,178 (2013 - $nil) was due to a director and officer of the Company for expense reimbursements. This amount was repaid subsequent to May 31, 2014.

(c) As at May 31, 2014, a total of $236 (2013 - $234) was due from companies with directors and officers in common. The amounts resulted from recovery of expenses, were included in receivables and repaid subsequent to May 31, 2014.

(Expressed in Canadian Dollars)

8. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial income tax rate to the income tax recovery presented in the accompanying stated of comprehensive loss is provided below:

Years ended May 31,	2014	2013
Accounting loss before income taxes	$ (15,102)	$ (128,225)
Combined federal and provincial statutory income tax rate	26.0%	25.2%
Income tax recovery at statutory tax rates	$ (3,927)	$ (32,270)
Non-deductible expenditures	48	32
Change in statutory rates and tax credits	–	(23,307)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	110,578	–
Changes in unrecognized deductible temporary differences and other	(106,699)	55,545
Total	$ –	$ –

The Canadian income tax rate increased during the year due to changes in the law that increased corporate income tax rates in Canada.

Significant components of deferred tax assets that have not been set up are as follows:

As of May 31,	2014	2013
Share issue costs	$ 1,000	$ 1,000
Non-Capital losses	206,000	410,000
Capital assets	6,000	6,000
Allowable capital loss	76,000	–
Mineral properties	217,000	196,000
Total	$ 506,000	$ 613,000

Significant components of deductible and taxable temporary differences, unused tax losses and unused tax credits that have not been included on the statements of financial position are as follows:

	As of May 31,			
	2014	Expiry dates	2013	Expiry dates
Share issue costs	$ 4,000	2035 to 2036	$ 4,000	2034 to 2036
Allowable capital losses	$ 293,000	No expiry date	$ –	No expiry date
Non-Capital losses	$ 793,000	2029 to 2034	$ 1,576,000	2029 to 2033
Capital assets	$ 23,000	Not applicable	$ 24,000	Not applicable
Mineral properties	$ 834,000	Not applicable	$ 754,000	Not applicable

Tax attributes are subject to review, and potential adjustment, by tax authorities.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

At May 31, 2014 and 2013, the Company's financial instruments consist of cash, receivables, trade payables and accrued liabilities and due to related parties. There were no transfers between levels during the year ended May 31, 2014.

Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of receivables and trade payables and accrued liabilities and due to related parties approximate their fair value because of the short-term nature of these instruments or their ability of prompt liquidation.

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

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 primary exposure to credit risk is on its cash. As a majority of the Company's cash is held by a Canadian bank, there is a concentration of credit risk with one bank in Canada. While there is concentration of risk holding all funds with one institution, this risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As at May 31, 2014, the Company has cash on hand of $863. Management assesses credit risk of cash as low.

The Company's secondary exposure to credit risk is on its receivables. This risk is minimal as receivables consist of refundable government sales taxes of $2,252 and amounts due from related parties of $236.

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 operates only in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account earns interest income at variable rates and is subject to the movement in interest rates. Management considers the interest rate to be minimal.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. As at May 31, 2014, the Company had a working capital deficiency of $86,147 (2013 –$72,557). The Company has been successful in re-negotiating its indebtedness however there is no assurance the success of these effort will continue.

10. CAPITAL DISCLOSURE

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements.

11. PROPOSED TRANSACTIONS

On April 7, 2014, the Company announced that it has entered into a LOI with Wmode, an arms' length private company incorporated under the laws of Alberta. It is contemplated that Wmode and Afrasia will enter into a business combination by way of a three corner amalgamation or plan of arrangement in a reverse take-over transaction (the "RTO"), which will result in Wmode becoming a wholly-owned subsidiary of Afrasia or otherwise combining its corporate existence with a wholly-owned Alberta incorporated subsidiary of Afrasia. The formal structure of the RTO is still subject to confirmation as the parties consider corporate, tax and securities law considerations applicable to the RTO. Once the structure is determined, the LOI will be superseded by a definitive agreement between Afrasia and Wmode, and parties will announce the signing of such definitive agreement and its general terms by news release.

As part of and prior to closing the RTO, Afrasia anticipates a consolidation of its issued and outstanding securities on a ten (10) old for one (1) new basis, changing its name to Wmode Corp. or such other name that may be acceptable to applicable regulatory authorities and continuing its jurisdiction of incorporation into Alberta. Afrasia anticipates that upon completion of the RTO the Resulting Issuer will graduate from NEX to Tier 1 of the TSX-V as a Technology issuer.

Pursuant to the RTO, Afrasia Shares will be issued to the holders of Wmode Shares in exchange for all of the issued and outstanding Wmode Shares on the basis of 0.4675 Afrasia Share(s) for each Wmode Share (the "Exchange Ratio").

In accordance with Exchange policies, Afrasia's common shares are currently halted from trading and will remain so until certain documentation required by the Exchange for the RTO can be provided to the TSX-V. The Afrasia common shares may resume trading, following the Exchange's review of the required documentation, or the shares may remain halted until completion of the RTO.

Completion of the consolidation and the RTO is conditional upon, among other things, receipt of all required regulatory and shareholder approvals, the negotiation and execution of definitive documentation and the completion of the financings.

Completion of the RTO is also subject to TSX-V acceptance and disinterested shareholder approval. The RTO cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Subsequent to May 31, 2014, the Company issued a promissory note to Wmode for a non-interest bearing loan of $30,000, in accordance to the terms of the LOI. If the LOI or definitive agreement is terminated, the loan is repayable within twelve months from termination date.

AFRASIA MINERAL FIELDS INC.

Financial Statements

May 31, 2013

Expressed in Canadian Dollars

AFRASIA MINERAL FIELDS INC.

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Afrasia Mineral Fields Inc.

We have audited the accompanying financial statements of Afrasia Mineral Fields Inc., which comprise the statements of financial position as at May 31, 2013 and 2012, and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

NEXIA INTERNATIONAL

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Fax (604) 687-6172

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Afrasia Mineral Fields Inc. as at May 31, 2013 and 2012, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Afrasia Mineral Fields Inc.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada　　　　Chartered Accountants

September 16, 2013

AFRASIA MINERAL FIELDS INC.

Statements of Financial Position
May 31, 2013 and 2012
(Expressed in Canadian Dollars)

	Note		2013		2012
Assets					
Current assets					
Cash and cash equivalents	3	**$**	**18,531**	$	104,211
Receivables	4		**13,290**		9,348
Prepaids			**417**		–
			32,238		113,559
Property and equipment	5		**3,012**		4,568
		$	**35,250**	$	118,127
Liabilities and Shareholders’ Equity (Deficiency)					
Current liabilities					
Trade payables and accrued liabilities	6	**$**	**14,981**	$	16,327
Due to related parties	8		**89,814**		43,120
			104,795		59,447
Shareholders’ Equity (Deficiency)					
Share capital	7		**8,349,105**		8,349,105
Reserves	7		**204,669**		204,669
Deficit			**(8,623,319)**		(8,495,094)
			(69,545)		58,680
		$	**35,250**	$	118,127

Nature and continuance of operations (Note 1)

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the board of directors:

“Praveen Varshney”	*“Peeyush Varshney”*
Praveen Varshney, Director	Peeyush Varshney, Director

AFRASIA MINERAL FIELDS INC.

Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital				
	Number of Shares	Amount	Reserves	Deficit	Total Equity
Balance, May 31, 2011	20,026,663	$ 8,349,105	$ 204,669	$ (8,335,310)	$ 218,464
Net loss for the year	–	–	–	(159,784)	(159,784)
Balance, May 31, 2012	20,026,663	8,349,105	204,669	(8,495,094)	58,680
Net loss for the year	–	–	–	(128,225)	(128,225)
Balance, May 31, 2013	**20,026,663**	**$ 8,349,105**	**$ 204,669**	**$ (8,623,319)**	**$ (69,545)**

The accompanying notes form an integral part of these financial statements.

AFRASIA MINERAL FIELDS INC.

Statements of Comprehensive Loss
For the years ended May 31, 2013 and 2012
(Expressed in Canadian Dollars)

	Note	2013	2012
Expenses:			
Amortization	5	$ **1,556**	$ 1,074
Consulting fees		**–**	10,687
Management fees	8	**30,000**	30,000
Office and administration	8	**41,316**	44,144
Professional fees		**14,123**	14,905
Regulatory and transfer agent fees		**9,401**	10,839
Rent		**28,031**	25,541
Travel and promotion		**646**	17,870
Wages and benefits		**3,545**	5,999
Net loss for the year		**(128,618)**	(161,059)
Other items:			
Interest income		**393**	1,275
		393	1,275
Net and comprehensive loss		$ **(128,225)**	$ (159,784)
Loss per common share Basic and diluted		$ **(0.006)**	$ (0.008)
Weighted average number of common shares outstanding		**20,026,663**	20,026,663

The accompanying notes form an integral part of these financial statements.

AFRASIA MINERAL FIELDS INC.

Statements of Cash Flows
For the years ended May 31, 2013 and 2012
(Expressed in Canadian Dollars)

	Note	2013	2012
Cash provided by (used in):			
Operations:			
Net loss for the year		**$ (128,225)**	$ (159,784)
Items not involving cash:			
Amortization	5	**1,556**	1,074
Changes in non-cash operating working capital items:			
Receivables		**(3,942)**	(2,921)
Prepaids		**(417)**	–
Trade payable and accrued liabilities		**(1,346)**	(295)
Due to related parties		**46,694**	42,989
		(85,680)	(118,937)
Investing:			
Acquisition of property and equipment	5	**–**	(4,658)
Change in cash and cash equivalents		**(85,680)**	(123,595)
Cash and cash equivalents, beginning		**104,211**	227,806
Cash and cash equivalents, ending		**$ 18,531**	$ 104,211
Supplemental cash flow information:			
Interest paid		**$ –**	$ –
Income taxes paid		**$ –**	$ –

The accompanying notes form an integral part of these financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Afrasia Mineral Fields Inc. (the "Company") was incorporated on June 24, 1986 under the laws of British Columbia. The Company was listed on the TSX Venture Exchange ("TSX-V") under the symbol "AFS" and on September 29, 2008 the Company's listing was transferred from the TSX-V to the NEX board of the TSX-V. Effectively, the trading symbol for the Company changed from "AFS" to AFS.H".

The Company's head office, principal address and records office is Suite 2050-1055 West Georgia Street, PO Box 11121, Royal Centre, Vancouver, BC V6E 3P3. The registered office is Suite 700-595 Burrard St., PO Box 49290, Vancouver, BC V7X 1S8.

On January 11, 2013, the Company entered into a Letter of Intent ("LOI"), with CareCorp Holdings BC Ltd. ("CareCorp"), a private company that provides care services for seniors residing in long-term nursing homes. CareCorp's business activities are carried out by CareCorp and two related private companies. However, the LOI terminated as both parties were unable to negotiate and enter into a definitive agreement by February 28, 2013, the expiry date of the LOI.

Pursuant to the LOI, the Company would have acquired all of the issued and outstanding shares of CareCorp in exchange for common shares of the Company in a reverse takeover transaction (the "RTO") such that CareCorp would have become a wholly-owned subsidiary of the Company. As part of and prior to closing the RTO, the Company anticipated a consolidation of its issued and outstanding common shares on a 2.5:1 basis.

Additionally, the Company contemplated the completion of a financing to raise gross proceeds of at least $375,000 prior to the termination of the LOI.

These 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 for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. To date, the Company has not generated any significant revenues and has not raised funds in the last twelve months. The Company has an accumulated deficit of $8,623,319 including a loss for the year ended May, 2013 of $128,225 (2012 - $159,784). These uncertainties may cast significant doubt upon the company's ability to continue as a going concern.

These financial statements do not include any adjustments relating to the recoverability and classification of asset and liabilities which might be necessary should the Company be unable to continue in existence.

The Company has never paid dividends.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial statements were authorized for issue on September 16, 2013 by the directors of the Company.

Statement of compliance and conversion to International Financial Reporting Standards ("IFRS")

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Basis of presentation

The financial statements of the Company have been prepared on an accrual basis except for cash flow information, and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Significant accounting judgements, estimates and assumptions

The preparation of these 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 the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The recognition of deferred tax assets and liabilities.

ii) The recoverability of receivables and prepayments those are included in the statements of financial position.

iii) The estimated useful lives of property and equipment which are included in the statements of financial position and the related depreciation included in the statements of comprehensive loss.

Financial instruments

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments, and available-for-sale ("AFS"). The Company classifies its financial liabilities as either at fair value through profit or loss and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. Transaction costs are expensed as incurred.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at the transaction value, including transaction costs and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. Held-to-maturity investments are recognized on a trade-date basis and initially measured at fair value, including transaction costs. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Financial instruments (cont'd)

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Available-for-sale financial assets are measured initially at their fair value including transaction costs directly attributable to the acquisition. They are subsequently measured at fair value. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Financial instruments (cont'd)

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

The Company's financial instruments at May 31, 2013 are as follows:

	Loans & receivables	*Available for sale*	*Fair Value through Profit or Loss*	*Other financial liabilities*
Financial assets				
Cash	$ –	$ –	$ 18,531	$ –
Receivables	13,290	–	–	–
Financial liabilities				
Trade payables	–	–	–	14,981
Due to related parties	–	–	–	89,814
	$ 13,290	$ –	$ 18,531	$ 104,795

Unless otherwise disclosed their carrying values approximate their fair values due to the short term nature of these instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Cash and cash equivalents

The Company considers cash and cash equivalents to include amounts held in banks and highly liquid short-term investments with terms to maturity at the point of purchase greater than 90 days, but not more than 1 year, and that are readily convertible to contracted amounts of cash.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization and impairment losses. Where an item of property and equipment comprises significant components with different useful lives, the components are accounted for as separate items of property and equipment.

The cost of replacing part of an item within property and equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the group and the cost of the item can be measured reliably. The carrying amount of the part that has been replaced is expensed. All other costs are recognized as an expense as incurred.

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period.

Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss is reversed if there is an indication that 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. An impairment loss with respect to goodwill is never reversed.

Property and equipment are recorded at cost. Amortization is recorded using the following rates and methods:

Computer	–	55%	declining balance method
Furniture & equipment	–	20%	declining balance method
Leasehold improvements	–	5 years	straight line method

Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to discounted future net cash flows expected to be generated by the asset. When the carrying value exceeds such cash flows, an impairment charge is recognized for the excess.

Units

The proceeds from the issue of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event, and it is probably that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligation between related parties.

Share-based payments

The Company operates an employee share option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. To date, share-based payments consist entirely of share options. For share options, the cost of the option is expensed or capitalized as an addition to non-monetary assets depending on the reason for the grant. The corresponding amount is recorded to the option reserve. The fair value of options granted is determined using a Black–Scholes pricing model which incorporates all market vesting conditions.

The number of share options expected to vest is adjusted on the date of grant such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax expense or recovery is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Income taxes (cont'd)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not provide for the excess.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

Loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Accounting standards issued but not yet effective

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.

The Company has not early adopted these standards and is currently assessing the impact that these standards will have on its financial statements.

(a) IFRS 9: New standard that replaces IAS 39 for classification and measurement of financial assets, effective for annual periods beginning on or after January 1, 2015;
(b) IFRS 10: New standard to establish principles for the presentation and preparation of consolidated financial statements when an entity controls multiple entities, effective for annual periods beginning on or after January 1, 2013;
(c) IFRS 11: New standard to account for the rights and obligations in accordance with a joint agreement, effective for annual periods beginning on or after January 1, 2013;
(d) IFRS 12: New standard for the disclosure of interests in other entities not within the scope of IFRS 9/IAS 39: Effective for annual periods beginning on or after January 1, 2013;
(e) IFRS 13: New standard on the measurement and disclosure of fair value, effective for annual periods beginning on or after January 1, 2013;
(f) IAS 1 (Amendment) : Presentation of other comprehensive income, effective for annual periods beginning on or after January 1, 2013;
(g) IAS 28 (Amendment) : New standard issued that supersedes IAS 28 (2003) to prescribe the accounting for investments in associates and joint ventures, effective for annual periods beginning on or after January 1, 2013; and
(h) IAS 32 Amendment to clarify requirements for offsetting financial assets and financial liabilities, effective for annual periods beginning on or after January 1, 2014.

(Expressed in Canadian Dollars)

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of:

		2013		2012
Bank deposits	$	18,531	$	4,211
Guaranteed investment certificate		–		100,000
	$	18,531	$	104,211

Cash equivalents consists of a highly liquid Canadian dollar denominated guaranteed investment certificate ("GIC"), with a term to maturity at the point of purchase greater than 90 days, but not more than 1 year. The GIC earned a variable annual interest of approximately 0.95%, and matured on December 6, 2012. The counter-party was a financial institution.

As at May 31, 2013, the Company accrued $Nil (2012 - $456) in interest receivable on the GIC as the GIC was fully redeemed during the year.

4. RECEIVABLES

		2013		2012
Government Sales Tax credits	$	13,056	$	8,492
Interest accrued on GIC (Note 3)		–		456
Other receivables (Note 8(c))		234		400
	$	13,290	$	9,348

5. PROPERTY AND EQUIPMENT

	Computer	Equipment	Furniture	Leasehold improvements	Total
Cost:					
At May 31, 2011	$ –	$ 5,063	$ 1,772	$ 2,522	$ 9,357
Acquisition	2,350	–	–	2,308	4,658
Disposal	–	–	–	(2,522)	(2,522)
At May 31, 2012 and 2013	2,350	5,063	1,772	2,308	11,493
Amortization:					
At May 31, 2011	–	4,497	1,354	2,522	8,373
Amortization	646	113	84	231	1,074
Eliminated on disposal	–	–	–	(2,522)	(2,522)
At May 31, 2012	646	4,610	1,438	231	6,925
Amortization	937	91	67	462	1,557
At May 31, 2013	1,583	4,701	1,505	693	8,482

(Expressed in Canadian Dollars)

5. PROPERTY AND EQUIPMENT (cont'd)

	Computer	Equipment	Furniture	Leasehold improvements	Total
Net book value:					
At May 31, 2011	$ –	$ 566	$ 418	$ –	$ 984
At May 31, 2012	$ 1,704	$ 453	$ 334	$ 2,077	$ 4,568
At May 31, 2013	$ 767	$ 362	$ 267	$ 1,615	$ 3,011

6. TRADE PAYABLES AND ACCRUED LIABILITIES

	2013	2012
Trade payables	$ 480	$ 199
Accrued liabilities	14,501	16,128
	$ 14,981	$ 16,327

7. SHARE CAPITAL AND RESERVES

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued – common shares

There were no share issuances during the years ended May 31, 2013 and 2012.

(c) Share options

The Company maintains a 10% rolling share option plan (the "Plan") that enables management to grant options to directors, officers, employees and other service providers. The Company follows the Exchange policies where the number of common shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares of the Company from time to time at the date of granting of options. Each option agreement with the grantee sets forth, among other things, the number of options granted, the exercise price and the vesting conditions of the options.

There were no options granted or outstanding at May 31, 2013 and 2012.

A summary of the status of the options outstanding is as follows:

	May 31, 2013		May 31, 2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of year	–	$ –	214,000	$ 0.35
Expired	–	–	(214,000)	(0.35)
Options outstanding and exercisable, end of year	–	$ –	–	$ –

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (cont'd)

(d) Warrants

There were no share purchase warrants outstanding at May 31, 2013 and 2012.

A summary of the status of warrants outstanding is as follows:

	May 31, 2013		May 31, 2012	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of year	–	$ –	200,000	$ 0.22
Expired	–	–	(200,000)	(0.22)
Warrants outstanding and exercisable, end of year	–	$ –	–	$ –

8. RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers. Key management personnel compensation comprised:

	2013	2012
Administrative services (a)	$ 36,000	$ 36,000
Management services (a)	30,000	30,000
	$ 66,000	$ 66,000

(a) On February 1, 2009, the Company entered into a management and administrative agreement with Varshney Capital Corp. ("VCC"), a company controlled by two common directors, whereby the Company agreed to pay management and administrative fees of $2,500 and $3,000 per month, respectively.

During the year ended May 31, 2013, the Company incurred $30,000 (2012 – $30,000) for management fees and $36,000 (2012 – $36,000) for administrative fees to VCC.

As at May 31, 2013, $89,670 (2012 - $43,120) was due to VCC for management and administrative fees.

(b) As at May 31, 2013, a total of $234 (2012 - $400) was due from companies with directors and officers in common. The amounts resulted from recovery of expenses, were included in accounts receivable and repaid subsequent to May 31, 2013.

(Expressed in Canadian Dollars)

9. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial income tax rate to the income tax recovery presented in the accompanying stated of comprehensive loss is provided below:

Years ended May 31,	2013	2012
Accounting Loss before income taxes	$(128,225)	$(159,784)
Combined federal and provincial statutory income tax rate	25.2%	25.9%
Income tax recovery at statutory tax rates	$ (32,270)	$ (41,344)
Non-deductible expenditures	32	244
Change in statutory rates and tax credits	(23,307)	11,390
Changes in unrecognized deductible temporary differences and other	55,545	29,710
Total	$ -	$ -

The Canadian income tax rate declined during the year due to changes in the law that reduced corporate income tax rates in Canada.

Significant components of deferred tax assets that have not been set up are as follows:

As of May 31,	2013	2012
Share issue costs	$ 1,000	$ 2,000
Non-Capital losses	410,000	361,000
Capital assets	6,000	5,000
Mineral properties	196,000	188,000
Total	$ 613,000	$ 556,000

Tax attributes are subject to review and potential adjustment by tax authorities.

Significant components of deductible and taxable temporary differences, unused tax losses and unused tax credits that have not been included on the statements of financial position are as follows:

	As of May 31,			
	2013	Expiry dates	2012	Expiry dates
Share issue costs	$ 4,000	2014 to 2015	$ 8,000	2013 to 2015
Non-Capital losses	$ 1,576,000	2014 to 2033	$ 1,445,000	2014 to 2032
Capital assets	$ 23,000	Not applicable	$ 19,000	Not applicable
Mineral properties	$ 754,000	Not applicable	$ 754,000	Not applicable

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

At May 31, 2013 and 2012, the Company's financial instruments consist of cash and cash equivalents, receivables, trade payables and accrued liabilities and due to related parties. There were no transfers between levels during the year ended May 31, 2013.

Cash and cash equivalents are carried at fair value using a Level 1 fair value measurement. The carrying value of receivables and trade payables and accrued liabilities approximate their fair value because of the short-term nature of these instruments or their ability of prompt liquidation.

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

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 primary exposure to credit risk is on its cash and cash equivalents. As a majority of the Company's cash is held by a Canadian bank, there is a concentration of credit risk with one bank in Canada. While there is concentration of risk holding all funds with one institution, this risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As at May 31, 2013, the Company has cash on hand of $18,531. Management assesses credit risk of cash and cash equivalents as low.

The Company's secondary exposure to credit risk is on its receivables. This risk is minimal as receivables consist of refundable government sales taxes of $13,056, amounts due from related parties of $234.

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 operates only in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account earns interest income at variable rates and is subject to the movement in interest rates. Management considers the interest rate to be minimal.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. As at May 31, 2013, the Company had a working capital deficiency of $72,557 (2012 – working capital of $54,112). The Company has been successful in re-negotiating its indebtedness however there is no assurance the success of these effort will continue.

11. CAPITAL DISCLOSURE

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements.

AFRASIA MINERAL FIELDS INC.

Financial Statements

May 31, 2012

Expressed in Canadian Dollars

AFRASIA MINERAL FIELDS INC.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Afrasia Mineral Fields Inc.

We have audited the accompanying financial statements of Afrasia Mineral Fields Inc., which comprise the statements of financial position as at May 31, 2012 and 2011 and June 1, 2010 and the statements of comprehensive loss, changes in equity and cash flows for the years ended May 31, 2012 and 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Afrasia Mineral Fields Inc. as at May 31, 2012 and 2011 and June 1, 2010 and its financial performance and its cash flows for the years ended May 31, 2012 and 2011 in accordance with International Financial Reporting Standards.

NEXIA INTERNATIONAL

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Fax (604) 687-6172

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Afrasia Mineral Fields Inc.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada Chartered Accountants

September 24, 2012

AFRASIA MINERAL FIELDS INC.

Statements of Financial Position

	Note	**May 31, 2012**	May 31, 2011	June 1, 2010
Assets				
Current assets				
Cash and cash equivalents	3	**$ 104,211**	$ 227,806	$ 132,203
Receivables	4	**9,348**	6,427	6,893
Prepaids		–	–	5,000
Advances receivable		–	–	591,561
		113,559	234,233	735,657
Property and equipment	5	**4,568**	984	1,440
		$ 118,127	$ 235,217	$ 737,097
Liabilities and Shareholders' Equity				
Current liabilities				
Trade payables and accrued liabilities	6	**$ 16,327**	$ 16,622	$ 121,457
Due to related parties	8	**43,120**	131	1,264
Loans payable		–	–	152,000
		59,447	16,753	274,721
Shareholders' Equity				
Share capital	7	**8,349,105**	8,349,105	8,318,291
Share subscriptions	7	–	–	117,000
Reserves	7	**204,669**	204,669	204,669
Deficit		**(8,495,094)**	(8,335,310)	(8,177,584)
		58,680	218,464	462,376
		$ 118,127	$ 235,217	$ 737,097

Nature and continuance of operations (Note 1)

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the board of directors:

"Praveen Varshney"
Director

"Peeyush Varshney"
Director

AFRASIA MINERAL FIELDS INC.

Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Note	Share Capital		Share			
		Number of Shares	Amount	Subscriptions	Reserves	Deficit	Total Equity
Balance, June 1, 2010		19,826,663	$ 8,318,291	$ 117,000	$ 204,669	$ (8,177,584)	$ 462,376
Net loss for the year		–	–	–	–	(157,726)	(157,726)
Shares issued on debt settlement	7	200,000	33,000	–	–	–	33,000
Refund of share subscriptions	7	–	–	(117,000)	–	–	(117,000)
Share issuance costs	7	–	(2,186)	–	–	–	(2,186)
Balance, May 31, 2011		20,026,663	8,349,105	–	204,669	(8,335,310)	218,464
Net loss for the year		–	–	–	–	(159,784)	(159,784)
Balance, May 31, 2012		**20,026,663**	**$ 8,349,105**	**$ –**	**$ 204,669**	**$ (8,495,094)**	**$ 58,680**

The accompanying notes form an integral part of these financial statements.

AFRASIA MINERAL FIELDS INC.

Statements of Comprehensive Loss
For the years ended May 31,

	Note	**2012**	2011
Expenses:			
Amortization	5	**$ 1,074**	$ 456
Consulting fees		**10,687**	-
Management fees	8	**30,000**	30,000
Office and administration	8	**44,144**	52,979
Professional fees		**14,905**	29,764
Regulatory and transfer agent fees		**10,839**	11,414
Rent		**25,541**	22,792
Travel and promotion		**17,870**	4,842
Wages and benefits		**5,999**	4,753
Net loss for the year		**(161,059)**	(157,000)
Other items:			
Interest income		**1,275**	1,087
Other expenses		**-**	(1,813)
		1,275	(726)
Net and comprehensive loss		**$ (159,784)**	$ (157,726)
Loss per common share Basic and diluted		**$ (0.008)**	$ (0.008)
Weighted average number of common shares outstanding		**20,026,663**	19,911,047

The accompanying notes form an integral part of these financial statements.

AFRASIA MINERAL FIELDS INC.

Statements of Cash Flows
For the years ended May 31,

	Note	2012	2011
Cash provided by (used in):			
Operations:			
Net loss for the year		**$ (159,784)**	$ (157,726)
Items not involving cash:			
Amortization	5	**1,074**	456
Changes in non-cash operating working capital items:			
Receivables		**(2,921)**	466
Prepaid expenses		**-**	5,000
Accounts payable and accrued liabilities		**(295)**	(71,835)
Due to related parties		**42,989**	(1,133)
		(118,937)	(224,772)
Investing:			
Advances receivable, net		**-**	591,561
Acquisition of property and equipment	5	**(4,658)**	-
		(4,658)	591,561
Financing:			
Loans payable		**-**	(152,000)
Proceeds on share issuance, net of share issuance costs	7	**-**	(2,186)
Share subscriptions	7	**-**	(117,000)
		-	(271,186)
Increase (decrease) in cash and cash equivalents		**(123,595)**	95,603
Cash and cash equivalents, beginning		**227,806**	132,203
Cash and cash equivalents, ending		**$ 104,211**	$ 227,806
Supplemental cash flow information:			
Shares issued on the settlement of the debt	7	**$ –**	$ 33,000
Interest paid		**$ –**	$ –
Income taxes paid		**$ –**	$ –

The accompanying notes form an integral part of these financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Afrasia Mineral Fields Inc. (the "Company") was incorporated on June 24, 1986 under the laws of British Columbia. The Company was listed on the TSX Venture Exchange ("TSX-V") under the symbol "AFS" and on September 29, 2008 the Company's listing was transferred from the TSX-V to the NEX board of the TSX-V. Effectively, the trading symbol for the Company changed from "AFS" to AFS.H".

The Company's head office, principal address and records office is Suite 2050-1055 West Georgia Street, PO Box 11121, Royal Centre, Vancouver, BC V6E 3P3. The registered office is Suite 700-595 Burrard St., PO Box 49290, Vancouver, BC V7X 1S8.

On February 25, 2010, the Company entered into a Definitive Agreement (the "Agreement") to purchase 100% of the shares of 0830438 BC Ltd. (the "Seller"), a private company incorporated in BC. The Seller's wholly-owned US subsidiary owns the subsurface mining rights and is leasing those surface mining rights necessary to explore, rebuild and operate the Oracle Ridge Project located near Tucson, Arizona.

On August 12, 2010, the Company terminated the Agreement by mutual consent of the parties. As a result of the termination, the Company wrote-off $121,970 in costs related to the Agreement consisting mainly of regulatory, legal and audit costs.

In addition, the Company advanced a total of $600,000 to the Seller pursuant to the terms of the Agreement, which consisted of acquisition costs and travel expenses related to the Oracle Ridge Project, as well as regulatory, legal and audit costs related to the Agreement. Upon termination of the Agreement, the Seller fully repaid the Company the advanced amounts.

The Company is continuing to identify, evaluate and negotiate business opportunities in the resource industry.

These 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 for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. To date, the Company has not generated any significant revenues and has not raised funds in the last twelve months. During the year ended May 31, 2012, the Company incurred a net loss of $159,784 (2011 - $157,726). These uncertainties may cast significant doubt upon the company's ability to continue as a going concern.

These financial statements do not include any adjustments relating to the recoverability and classification of asset and liabilities which might be necessary should the Company be unable to continue in existence.

The Company has never paid dividends.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial statements were authorized for issue on September 24, 2012 by the directors of the Company.

Statement of compliance and conversion to International Financial Reporting Standards (“IFRS”)

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by Canada on January 1, 2011. This represents the Company’s application of IFRS as at and for the year ended May 31, 2012, including the 2011 comparative year. The financial statements have been prepared in accordance with IFRS 1, “First-time Adoption of International Financial Reporting Standards” as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The policies summarized below have been applied retrospectively and consistently except where specific exemptions permitted an alternative treatment upon transition to IFRS in accordance with IFRS 1. Prior to June 1, 2011, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). The disclosures concerning the transition from pre-changeover Canadian GAAP to IFRS are provided in Note 12.

Basis of measurement

The financial statements of the Company have been prepared on an accrual basis except for cash flow information and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amount of assets and liabilities, income and expenses. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The Black-Scholes stock price valuation model used to value warrants and stock options requires the input of highly subjective assumptions regarding stock price volatility, the expected lives of warrants and stock options and expected forfeitures.

ii) The recognition of deferred tax assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Significant accounting judgements, estimates and assumptions (cont'd)

iii) The recoverability of receivables and prepayments those are included in the statements of financial position.

iv) The estimated useful lives of equipment which are included in the statements of financial position and the related depreciation included in the statements of operations and comprehensive loss.

Financial instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss ("FVTPL"), (2) loans and receivables, (3) financial assets available-for-sale, (4) financial assets held-to maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in the statement of operations. Financial assets "available-for-sale" are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax. Financial assets and liabilities "held-to-maturity", "loans and receivables", and "other financial liabilities" are subsequently measured at amortized cost using the effective interest method.

The Company has classified its cash and cash equivalents as fair value through profit and loss. The Company's receivables are classified as loans and receivables. The Company's accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities.

Financial instruments measured at fair value are classified into one of three levels in a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market date (unobservable inputs).

See Note 10 for relevant disclosures.

Cash and cash equivalents

The Company considers cash and cash equivalents to include amounts held in banks and highly liquid short-term investments with terms to maturity at the point of purchase greater than 90 days, but not more than 1 year, and that are readily convertible to contracted amounts of cash.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Equipment

Equipment is recorded at cost and are amortized over their estimated useful lives at the following rates:

Computer	–	45%	declining balance method
Furniture & equipment	–	20%	declining balance method
Leasehold improvements	–	5 years	straight line method

In the year of acquisition, only one-half of the amortization is recorded.

Where an item of equipment comprises significant components with different useful lives, the components are accounted for as separate items of plant and equipment. The cost of replacing part of an item within equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the group and the cost of the item can be measured reliably. The carrying amount of the part that has been replaced is expensed. All other costs are recognized as an expense as incurred.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of comprehensive income or loss.

Impairment of long-lived assets

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Units

The proceeds from the issue of units is allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to capital stock based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event, and it is probably that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligation between related parties.

Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting installment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and equity reserve. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The equity reserve account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to share capital. The fair value of share-based payments to non-employees is measured at the date the goods or services are received, at either the fair value of the goods or services received or the fair value of the equity instruments issued using the Black-Scholes option pricing model.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Loss per share

Loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Standards and interpretations issued but not yet effective

At the date of authorization of these financial statements, the following Standards were issued but not yet effective:

Standards	Description of Changes	Effective Date
IFRS 9	*Financial Instruments* – New Standards that is part of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement.	Effective for annual periods beginning on or after January 1, 2015.
IFRS 10	*Consolidated Financial Statements*- Establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one of more other entities.	Effective for annual periods beginning on or after January 1, 2013.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Standards and interpretations issued but not yet effective (cont'd)

Standards	Description of Changes	Effective Date
IFRS 11	*Joint Arrangements*- Provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangements, rather than its legal form.	Effective for annual periods beginning on or after January 1, 2013.
IFRS 12	*Disclosure of Interests in Other Entities*- New Standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities.	Effective for annual periods beginning on or after January 1, 2013.
IFRS 13	*Fair Value Measurement* – New Standard to provide consistency among the IFRS that deal with fair value measurements.	Effective for annual periods beginning on or after January 1, 2013.
IAS 1	*Presentation of Financial Statements* – Amendments regarding presentation of items of other comprehensive income.	Effective for annual periods beginning on or after July 1, 2012.

The impact of the initial application of the Standards listed above is not known or reasonably estimable at the time of authorization of these financial statements.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of:

	May 31, 2012	May 31, 2011	June 1, 2010
Bank deposits	$ 4,211	$ 17,806	$ 20,203
Guaranteed investment certificate	100,000	210,000	–
Funds held in trust	–	–	112,000
	$ 104,211	$ 227,806	$ 132,203

Cash equivalents consists of a highly liquid Canadian dollar denominated guaranteed investment certificate ("GIC"), with a term to maturity at the point of purchase greater than 90 days, but not more than 1 year. The GIC earns a variable annual interest of approximately 0.95%, allowed for early redemption after the first 30 days of investment and matures on December 6, 2012. The counter-party is a financial institution.

As at May 31, 2012, the Company accrued $456 (May 31, 2011 - $1,067; June 1, 2010 - $Nil) in interest receivable on the GIC. This amount is included in receivables (Note 4).

(Expressed in Canadian Dollars)

3. CASH AND CASH EQUIVALENTS (cont'd)

Funds held in trust at June 1, 2010 represented share subscriptions received in connection with a non-brokered private placement that was cancelled due to the termination of the Agreement (Note 1).

4. RECEIVABLES

	May 31, 2012	May 31, 2011	June 1, 2010
Harmonized Sales Tax credits	$ 8,492	$ 5,003	$ 6,893
Interest accrued on GIC (Note 3)	456	1,067	–
Other receivables (Note 8(c))	400	357	–
	$ 9,348	$ 6,427	$ 6,893

5. PROPERTY AND EQUIPMENT

	Computer	Equipment	Furniture	Leasehold improvements	Total
Cost:					
At June 1, 2010 and May 31, 2011	$ –	$ 5,063	$ 1,772	$ 2,522	$ 9,357
Acquisition	2,350	–	–	2,308	4,658
Disposal	–	–	–	(2,522)	(2,522)
At May 31, 2012	2,350	5,063	1,772	2,308	**11,493**
Amortization:					
At June 1, 2010	–	4,356	1,249	2,312	7,917
Amortization	–	141	105	210	456
At May 31, 2011	–	4,497	1,354	2,522	8,373
Amortization	646	113	84	231	1,074
Eliminated on disposal	–	–	–	(2,522)	(2,522)
At May 31, 2012	646	4,610	1,438	231	**6,925**
Net book value:					
At June 1, 2010	$ –	$ 707	$ 523	$ 210	$ 1,440
At May 31, 2011	$ –	$ 566	$ 418	$ –	$ 984
At May 31, 2012	$ 1,704	$ 453	$ 334	$ 2,077	**$ 4,568**

(Expressed in Canadian Dollars)

6. TRADE PAYABLES AND ACCRUED LIABILITIES

	May 31, 2012	May 31, 2011	June 1, 2010
Trade payables	$ 199	$ 609	$ 5,365
Accrued liabilities	16,128	16,013	116,092
	$ 16,327	$ 16,622	$ 121,457

7. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued – common shares

There were no share issuances during the year ended May 31, 2012.

During the year ended May 31, 2011, the Company:

(i) issued 200,000 units at a fair value of $0.165 per unit on the settlement of outstanding debt of $33,000 for legal services provided to the Company in fiscal 2010 in connection with the terminated Agreement (Note 1). Each unit consisted of one common share of the Company and one transferable share purchase warrant entitling the creditor to purchase an additional common share for a period of 12 months from the issue date at a price of $0.22 per share. The Company has not allocated a fair value to the warrants issued to the creditor.

(ii) refunded $117,000 in share subscriptions received in connection to a non-brokered private placement at $0.50 per unit, which was cancelled due to the termination of the Agreement (Note 1).

(iii) recorded $2,186 in share issuance costs relating to a non-brokered private placement completed in fiscal 2010.

(c) Share options

The Company maintains a 10% rolling share option plan (the “Plan”) that enables management to grant options to directors, officers, employees and other service providers. The Company follows the Exchange policies where the number of common shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares of the Company from time to time at the date of granting of options. Each option agreement with the grantee sets forth, among other things, the number of options granted, the exercise price and the vesting conditions of the options.

There were no options outstanding at May 31, 2012.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (cont'd)

(c) Share options (cont'd)

A summary of the status of the options outstanding is as follows:

	May 31, 2012			May 31, 2011		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Options outstanding, beginning of year	214,000	$	0.35	573,000	$	0.36
Expired	(214,000)		(0.35)	(359,000)		(0.36)
Options outstanding and exercisable, end of year	–	$	–	214,000	$	0.35

There were no options granted during the years ended May 31, 2012 and 2011.

(d) Warrants

There were no share purchase warrants outstanding at May 31, 2012.

A summary of the status of warrants outstanding is as follows:

	May 31, 2012			May 31, 2011		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Warrants outstanding, beginning of year	200,000	$	0.22	1,000,000	$	0.35
Expired	(200,000)		(0.22)	(1,000,000)		(0.35)
Issued on debt settlement (Note 7(b)(i))	–		–	200,000		0.22
Warrants outstanding and exercisable, end of year	–	$	–	200,000	$	0.22

(Expressed in Canadian Dollars)

8. RELATED PARTIES TRANSACTIONS

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers. Key management personal compensation comprised:

		2012		2011
Administrative services (a)	$	36,000	$	36,000
Management services (a)		30,000		30,000
	$	66,000	$	66,000

(a) On February 1, 2009, the Company entered into a management and administrative agreement with Varshney Capital Corp. (“VCC”), a company controlled by two common directors, whereby the Company agreed to pay management and administrative fees of $2,500 and $3,000 per month, respectively.

During the year ended May 31, 2012, the Company incurred $30,000 (2011 – $30,000) for management fees and $36,000 (2011 – $36,000) for administrative fees to VCC.

As at May 31, 2012, $43,120 (May 31, 2011 - $Nil) was due to VCC for management and administrative fees.

(b) As at May 31, 2012, $Nil (May 31, 2011 - $131) was due to a director of the Company.

(c) As at May 31, 2012, a total of $400 (2011 - $357) was due from companies with directors and officers in common. The amounts resulted from recovery of expenses, were included in accounts receivable and repaid subsequent to May 31, 2012.

9. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial income tax rate to the income tax recovery presented in the accompanying stated of comprehensive loss is provided below:

Years ended May 31	2012	2011
Accounting Profit (Loss) before income taxes	$(159,784)	$(157,726)
Combined federal and provincial statutory income tax rate	25.9%	27%
Income tax expense (recovery) at statutory tax rates	$ (41,344)	$ (41,797)
Non-deductible expenditures	244	310
Change in statutory rates and tax credits	11,390	(5,468)
Changes in unrecognized deductible temporary differences and other	29,710	46,955
Total	$ -	$ -

(Expressed in Canadian Dollars)

9. INCOME TAXES (cont'd)

The Canadian income tax rate declined during the year due to changes in the law that reduced corporate income tax rates in Canada.

Significant components of deferred tax assets that have not been set up are as follows:

As of May 31,	2012	2011
Share issue costs	$ 2,000	$ 3,000
Non-Capital losses	361,000	338,000
Capital assets	5,000	5,000
Mineral properties	188,000	200,000
Total	$ 556,000	$ 546,000

Tax attributes are subject to review and potential adjustment by tax authorities.

Significant components of deductible and taxable temporary differences, unused tax losses and unused tax credits that have not been included on the consolidated statements of financial position are as follows:

	As of May 31,			
	2012	Expiry dates	2011	Expiry dates
Share issue costs	$ 2,000	2013 to 2015	$ 3,000	2012 to 2015
Non-Capital losses	361,000	2014 to 2031	338,000	2014 to 2030
Capital assets	5,000	Not applicable	5,000	Not applicable
Mineral properties	188,000	Not applicable	200,000	Not applicable

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

At May 31, 2012 and 2011, the Company's financial instruments consist of cash and cash equivalents, receivables, trade payables and accrued liabilities and due to related parties. There were no transfers between levels during the year ended May 31, 2012.

Cash and cash equivalents are carried at fair value using a Level 1 fair value measurement. The carrying value of receivables and trade payables and accrued liabilities approximate their fair value because of the short-term nature of these instruments or their ability of prompt liquidation.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

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 primary exposure to credit risk is on its cash and cash equivalents. As a majority of the Company's cash is held by a Canadian bank, there is a concentration of credit risk with one bank in Canada. While there is concentration of risk holding all funds with one institution, this risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As at May 31, 2012, the Company has cash on hand of $4,211 and short-term investment of $100,000. Management assesses credit risk of cash and short-term investment as low.

The Company's secondary exposure to credit risk is on its receivables. This risk is minimal as receivables consist of refundable government sales taxes of $8,492, amounts due from related parties of $400 and interest accrued on the GIC of $456.

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 operates only in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account and the GIC earn interest income at variable rates and are subject to the movement in interest rates. Management considers the interest rate to be minimal.

Liquidity 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 reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed. As at May 31, 2012, the Company had cash and cash equivalents on hand of $104,211, which is sufficient to cover its current liabilities of $59,447. However, significant additional funding will be required to fund operations for the next 12 months and in the future. There is a risk of failure to raise adequate capital when needed.

11. CAPITAL DISCLOSURE

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements.

12. TRANSITION TO IFRS

These financial statements for the year ended May 31, 2012 are the first annual financial statements that comply with IFRS, and these financial statements were prepared as describe in Note 2, including the application of IFRS1, First-time Adoption of International Financial Reporting Standards. IFRS requires an entity to adopt IFRS in its first annual financial statements prepared under IFRS by making an explicit and unreserved statement of compliance to IFRS. The Company has made this statement in Note 2.

IFRS 1 requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was June 1, 2010 (the "transition date").

IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be May 31, 2011. However, it also provides for certain optional exemptions and certain mandatory exceptions from full retrospective application for first time IFRS adoption.

Mandatory Exceptions

The Company has applied the following mandatory exception to its opening statement of financial position dated June 1, 2010:

Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of June 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

Adjustment on transition to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flow for comparative periods. The Company's adoption of IFRS did not have a significant impact on equity, loss and comprehensive loss and operating, investing or financing cash flows in the prior periods. As a result there were no adjustments to the statement of financial position, operations and cash flows.

SCHEDULE "C"

Annual Management Discussion and Analysis of Afrasia Mineral Fields Inc. for the Financial Years ended May 31, 2014, 2013 and 2012

AFRASIA MINERAL FIELDS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

August 31, 2014

1.1 Date

This Management Discussion and Analysis ("MD&A") of Afrasia Mineral Fields Inc. (the "Company") has been prepared by management as of October 6, 2014 and should be read in conjunction with the condensed interim financial statements and related notes thereto of the Company for the three months ended August 31, 2014 and 2013 and the audited financial statements and related notes thereto of the Company for the years ended May 31, 2014 and 2013, which were prepared in accordance with International Financial Reporting Standards ("IFRS").

This MD&A contains forward-looking information which reflects management's expectations regarding the Company's growth, results of operation, performance and business prospects and opportunities. The use of words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", believe", outlook", "forecast" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements in this MD&A include, but are not limited to, the following:

- management expectations of future activities and results;
- the Company's ability to finalize and complete a proposed transaction with Wmode Inc. ("Wmode") in accordance with the expected terms and within the anticipated time-frames;
- the ability to complete financings on terms acceptable to the Company;
- the ability to sign a definitive agreement to complete the business combination with Wmode, integrate efficiently and carry on its business;
- the ability to obtain regulatory and shareholder approval of the transaction; and
- the ability of the resulting issuer to graduate from NEX to Tier 1 of the TSX Venture Exchange (the "TSX-V").

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Many of these risks, uncertainties and assumptions are beyond our ability to control or predict. Because of these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements.

1.2 Overall Performance

The Company was incorporated on June 24, 1986 under the laws of British Columbia. The Company was listed on the TSX-V under the symbol "AFS" and on September 29, 2008 the Company's listing was transferred from the TSX-V to the NEX board of the TSX-V. Effectively, the trading symbol for the Company changed from "AFS" to AFS.H".

On April 7, 2014, the Company entered into a Letter of Intent (the "LOI") with Wmode, which is an arms' length private company incorporated under the laws of Alberta. Wmode is a leading technology and service company in the connected device, mobile and app-ecosystem sector. Further discussion of the proposed transaction has been disclosed in item 1.11 Proposed Transaction.

1.3 Selected Annual Information

May 31,		2014		2013		2012
Total interest income	$	Nil	$	393	$	1,275
Net and Comprehensive Loss	$	(15,102)	$	(128,225)	$	(159,784)
Loss per share	$	(0.00)	$	(0.01)	$	(0.01)
Total assets	$	5,267	$	35,250	$	118,127
Total long term liabilities	$	Nil	$	Nil	$	Nil
Cash dividends declared per share for each class of share	$	Nil	$	Nil	$	Nil

1.4 Results of Operations

Three months ended August 31, 2014 and 2013

During the three months ended August 31, 2014, the Company incurred a loss of $38,293 or $0.002 per share as compared to a loss of $45,721 or $0.002 per share during the first quarter ending August 31, 2013, a decrease in loss by $7,428. The decrease in loss was primarily due to the cancellation and reversal of management and administrative fees.

The following decreases in expense contributed to the decrease in loss:

- Management fees by $7,500 as a result of the cancellation of management and administrative services agreement during the year ended May 31, 2014; and
- Office and administration by $11,460 as a result of the cancellation of the management and administrative services agreement during the year ended May 31, 2014 and the reduction in general office costs as part of the Company's costs savings initiative.

Offsetting these decreases are increases in:

- Professional fees by $1,052 in connection with the Company's due diligence on the proposed transaction with WMode; and
- Regulatory and transfer agent fees by $10,628 for payment of fees to the TSX-V in connection with the Company's proposed transaction with Wmode and NEX reactivation.

1.5 Summary of Quarterly Results

The following is a summary of certain unaudited financial information for each of the last eight reported quarters:

Quarter ended	Interest income	Net Income (Loss)	Loss per share
August 31, 2014	$ –	$ (38,293)	$ (0.00)
May 31, 2014	–	87,227	(0.00)
February 28, 2014	–	(27,199)	(0.00)
November 30, 2013	–	(29,409)	(0.00)
August 31, 2013	–	(45,721)	(0.00)
May 31, 2013	1	(33,818)	(0.00)
February 28, 2013	7	(29,082)	(0.00)
November 30, 2012	170	(35,996)	(0.00)

August 31, 2013 – Higher net loss due to legal costs incurred in connection to the Carecorp due diligence.
May 31, 2014 – Net income due to the cancellation and reversal of management and administrative fees from prior periods.
August 31, 2014 – Higher net loss due to legal and regulatory costs incurred in connection to the WMode due diligence and filing fees.

1.6/1.7 Liquidity and Capital Resources

The Company reported working capital deficiency of $124,277 at August 31, 2014 compared to working capital deficiency of $86,147 at May 31, 2014, representing an increase in working capital deficiency of $38,130.

As at August 31, 2014, the Company had net cash on hand of $3,059 compared to $863 as at May 31, 2014, representing an increase of $2,196. During the three months ended August 31, 2014, the Company used $27,804 of its cash in operating activities, consisting primarily of due diligence costs and general and administrative expenditures. The Company also received $30,000 in note payable related to the Wmode transaction.

Current assets excluding cash as at August 31, 2014 consisted of receivables of $4,488, which comprised of government sales tax credits of $4,233 (May 31, 2014 - $2,252) and other receivables of $255 (May 31, 2014 - $236). As well as prepaids of $416 (May 31, 2014 - $416).

Current liabilities as at August 31, 2014 consisted of trade payables of accrued liabilities of $78,140 (May 31, 2014 - $64,636) and amounts due to related parties of $24,100 (May 31, 2014 - $25,278).

The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. To date, the Company has not generated any significant revenues and has not raised funds in the last twelve months. The Company has an accumulated deficit of $8,676,714, including a loss for the three months ended August 31, 2014 of $38,293 (2013 - $45,721). These uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

The Company entered into the LOI with Wmode, which will include raising funds through equity financings. See item 1.11 Proposed Transaction. Although the Company has been successful in raising funds in the past, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Risk and Uncertainties

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

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 primary exposure to credit risk is on its cash, which consist of bank deposits of $3,059. The Company limits its exposure to credit loss by placing its cash with a Canadian Chartered bank. While there is concentration of risk by holding all funds with one institution, management assesses credit risk of cash as very low due to the high credit quality rating the institution has with rating agencies.

The Company's secondary exposure to credit risk is on its receivables, which consist of refundable government sales taxes of $4,233 and amounts due from related parties of $255.

Liquidity and funding risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. As at August 31, 2014, the Company had a working capital deficiency of $124,277 (May 31, 2014 – $86,147). The Company has been successful in re-negotiating its indebtedness, however, there is no assurance the success of these efforts will continue.

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. Under current market conditions, both liquidity and funding risk are assessed as high.

Market Risk

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

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is exposed to interest rate risk as its bank accounts earn interest income at variable rates and are subject to the movement in interest rates. Management considers the interest rate to be minimal.

Currency Risk

Currency risk is the risk that exposes the Company to financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and is currently not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

The Company has no debt and is not subject to any externally imposed capital requirements.

1.8 Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements.

1.9 Related Party Transactions

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers. Key management personnel compensation comprised:

	2014	2013
Administrative services (a)	$ –	$ 7,500
Management services (a)	–	9,000
	$ –	$ 16,500

(a) On February 1, 2009, the Company entered into a management and administrative agreement with Varshney Capital Corp. ("VCC"), a company controlled by two common directors, whereby the Company agreed to pay management and administrative fees of $2,500 and $3,000 per month, respectively. During the year ended May 31, 2014, the Company cancelled its management and administrative services fees.

Prior to the cancellation, the Company incurred $nil (2013 - $7,500) for management fees and $nil (2013- $9,000) for administrative fees to VCC.

As at August 31, 2014, $24,100 (May 31, 2014 - $24,100) was due to VCC for an operating loan. The loan is unsecured, non interest bearing and has no fixed terms of repayment.

(b) As at August 31, 2014, $Nil (May 31, 2014, $1,178) was due to a director and officer of the Company for expense reimbursements.

(c) As at August 31, 2014, $255 (May 31, 2014 - $236) was due from companies with directors and officers in common. The amounts resulted from recovery of expenses, were included in receivables and repaid subsequent to August 31, 2014.

1.10 Fourth Quarter

Please refer to section *1.4 Results of Operations* in the MD&A for the year ended May 31, 2014.

1.11 Proposed Transaction

On April 7, 2014, the Company announced that it has entered into a LOI with Wmode, an arms' length private company incorporated under the laws of Alberta. It is contemplated that Wmode and Afrasia will enter into a business combination by way of a three corner amalgamation or plan of arrangement in a reverse take-over transaction (the "RTO"), which will result in Wmode becoming a wholly-owned subsidiary of Afrasia or otherwise combining its corporate existence with a wholly-owned Alberta incorporated subsidiary of Afrasia. The formal structure of the RTO is still subject to confirmation as the parties consider corporate, tax and securities law considerations applicable to the RTO. Once the structure is determined, the LOI will be superseded by a definitive agreement between Afrasia and Wmode, and parties will announce the signing of such definitive agreement and its general terms by news release.

Founded in 2000, Wmode is headquartered in Calgary, Alberta, Canada with offices in Toronto, Paris, San Francisco and Bern. In 2011, Wmode launched AppCarousel, which operates out of the San Francisco office.

Wmode is a leading technology and service company in the connected device, mobile and app-ecosystem sector. Wmode provides technology and operates a comprehensive suite of managed services for the recruitment, development, management, discovery, delivery and payment of mobile apps, content, and consumer services. Wmode has been providing services to large telecommunication device manufacturers and enterprise companies with mobile software services since 2001.

As part of and prior to closing the RTO, Afrasia anticipates a consolidation of its issued and outstanding securities on a ten (10) old for one (1) new basis, changing its name to Wmode Corp. or such other name that may be acceptable to applicable regulatory authorities and continuing its jurisdiction of incorporation into Alberta. Afrasia anticipates that upon completion of the RTO the Resulting Issuer will graduate from NEX to Tier 1 of the TSX-V as a Technology issuer.

Following the consolidation, Afrasia will have 2,002,666 common shares issued and outstanding (the "Afrasia Shares"). Wmode has 63,555,079 Class A common voting shares (collectively, the "Wmode Shares") issued and outstanding and 19,323,628 securities exercisable or exchangeable for, or convertible into, or other rights to acquire 19,323,628 Wmode Shares.

Prior to the closing of the RTO, Wmode proposes to complete a prospectus exempt private placement (the "First Wmode Placement"), of a gross amount of not less than $1,000,000 and up to $2,140,000, through the issuance of up to 7,642,857 units (the "Units"), each Unit consisting of one previously unissued Wmode Class A common share and one special warrant (a "Special Warrant") of Wmode at a price of $0.28 per Unit. Each Special Warrant will automatically convert, for no additional consideration and no further action by the holder, into 0.2 of a Wmode share if Wmode does not become a publicly traded issuer (the "Going Public Event") on or before the date which is nine (9) months from the closing of the first tranche of the First Wmode Private Placement (the "Going Public Deadline"). If the Going Public Event is completed before the Going Public Deadline, then the Special Warrants will be automatically cancelled and have no further force and effect.

Prior to the closing of the RTO, Wmode proposes to complete a prospectus exempt private placement (the "Debt Conversion Placement') through the conversion of current debt in Wmode (up to $465,000 plus interest) into up to 1,712,037 Wmode Shares on the same terms and conditions as issued under First Wmode Placement.

Immediately prior to the closing of the Transaction, Wmode proposes to complete a second prospectus exempt private placement (the "Second Wmode Placement"), of a gross amount of up to $3,210,000, through the issuance of up to 8,582,888 Wmode Class A common shares at a minimum offering price of $0.374 per share.

Wmode has engaged Canaccord Genuity Corp. to act as agent to conduct the above private placements on a commercially reasonable efforts basis.

Pursuant to the RTO, Afrasia Shares will be issued to the holders of Wmode Shares in exchange for all of the issued and outstanding Wmode Shares on the basis of 0.4675 Afrasia Share(s) for each Wmode Share (the “Exchange Ratio”). Assuming full completion of the Debt Conversion Placement and the First and Second Wmode Private Placements (collectively the "Financings"), there will be 82,904,053 Wmode Shares issued and outstanding on an undiluted basis.

On completion of the RTO based on the Exchange Ratio this represents 38,757,645 common shares or 95% of the Resulting Issuer. As a result of the Transaction, the Wmode Shares underlying Wmode’s outstanding securities exercisable or exchangeable for, or convertible into, or other rights to acquire Wmode Shares will be exercisable into Afrasia Shares on the same terms and conditions as such original outstanding Wmode securities (subject to adjustment as provided in the agreements that govern such securities or rights or as otherwise agreed to by the applicable parties to such agreements).

In accordance with TSX-V policies, Afrasia’s common shares are currently halted from trading and will remain so until certain documentation required by the TSX-V for the RTO can be provided to the TSX-V. The Afrasia common shares may resume trading, following the TSX-V’s review of the required documentation, or the shares may remain halted until completion of the RTO.

Completion of the consolidation and the RTO is conditional upon, among other things, receipt of all required regulatory and shareholder approvals, the negotiation and execution of definitive documentation and the completion of the financings.

Completion of the RTO is also subject to TSX-V acceptance and disinterested shareholder approval. The RTO cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

On July 10, 2014, the Company issued a promissory note to Wmode for a non-interest bearing loan of $30,000, in accordance with the terms of the LOI. If the LOI or definitive agreement is terminated, the loan is repayable within twelve months from termination date.

1.12 Critical Accounting Estimates

Not applicable to venture issuers.

1.13 Changes in Accounting Policies including Initial Adoption

Our significant accounting policies are set out in Note 2 of the audited financial statements for the year ended May 31, 2014. New and revised accounting standards and amendments that were issued and effective on June 1, 2014 are listed in the condensed interim financial statements for the three months ended August 31, 2014. The new and revised accounting standards and amendments did not have an impact on the Company's financial statements and did not result in any adjustments.

1.14 Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, receivables, trade payables and accrued liabilities, due to related parties and promissory note payable.

The Company has exposures to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are liquidity risk and funding risk.

1.15 Other Requirements

Summary of Outstanding Share Data as at October 6, 2014:

Authorized - Unlimited common shares without par value

Issued – common shares: 20,026,663

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

"Praveen Varshney"

Praveen Varshney, CPA, CA
President and Director

AFRASIA MINERAL FIELDS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

May 31, 2013

1.1 Date

This Management Discussion and Analysis ("MD&A") of Afrasia Mineral Fields Inc. (the "Company") has been prepared by management as of September 16, 2013 and should be read in conjunction with the audited financials statements and related notes thereto of the Company for the years ended May 31, 2013 and 2012, which were prepared in accordance with International Financial Reporting Standards ("IFRS").

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Issuer. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

1.2 Over-all Performance

The Company was incorporated on June 24, 1986 under the laws of British Columbia. The Company was listed on the TSX Venture Exchange ("TSX-V") under the symbol "AFS" and on September 29, 2008 the Company's listing was transferred from the TSX-V to the NEX board of the TSX-V. Effectively, the trading symbol for the Company changed from "AFS" to AFS.H".

During the year ended May 31, 2013, the Company entered into a Letter of Intent ("LOI") with Carecorp Holdings B.C. Ltd. ("CareCorp"), which is an arm's length private company Incorporated under the Laws of British Columbia. However, the LOI was terminated on February 28, 2013 as both parties were unable to negotiate and enter into a definitive agreement. Further discussion of the proposed transaction has been disclosed in section 1.10.

1.3 Selected Annual Information

May 31,	2013	2012	2011
Total interest and other income	$ 393	$ 1,275	$ 1,087
Net Loss	$ (128,225)	$ (159,784)	$ (157,726)
Loss per share	$ (0.01)	$ (0.01)	$ (0.01)
Total assets	$ 35,250	$ 118,127	$ 235,217
Total long term liabilities	$ Nil	$ Nil	$ Nil
Cash dividends declared per share for each class of share	$ Nil	$ Nil	$ Nil

1.4 Results of Operations

During the year ended May 31, 2013, the Company incurred a loss of $128,225 or $0.006 per share as compared to a loss of $159,784 or $0.008 per share during fiscal 2012, a decrease in loss by $31,559. The decrease in loss was primarily due to decreased consulting fees and travel and promotion expenses as compared to last fiscal year.

In fiscal 2012, the Company paid consulting fees of $10,687 for geological consulting services retained to evaluate an investment opportunity in the mining industry, which the Company subsequently decided not to pursue. There were no consulting fees paid in the current fiscal year.

Travel and promotion expenses decreased by $17,224 due to decreased travel expenses. In fiscal 2012, higher travel expenses were incurred by the Company's directors and consultants for property investigation and due diligence.

Office and administration costs decreased by $2,829, regulatory & transfer agent fees decreased by $1,438 and wages and benefits by $2,454 due to decreased level of business activities and the Company's cost savings efforts.

The decreases in the above expenses were partially offset by an increase in rent of $2,490.

1.5 Summary of Quarterly Results

The following is a summary of certain financial information concerning the Company for each of the last eight reported quarters:

Quarter ended	Interest and other income	Loss	Loss per share
May 31, 2013	$ 1	$ (33,818)	$ (0.00)
February 28, 2013	7	(29,082)	(0.00)
November 30, 2012	170	(35,996)	(0.00)
August 31, 2012	215	(29,329)	(0.00)
May 31, 2012	239	(38,419)	(0.01)
February 29, 2012	216	(29,968)	(0.00)
November 30, 2011	272	(40,471)	(0.00)
August 31, 2011	548	(50,926)	(0.00)

There have been no significant trends or variations over the past eight fiscal quarters.

1.6/1.7 Liquidity and Capital Resources

The Company reported working capital deficiency of $72,557 at May 31, 2013 compared to working capital $54,112 at May 31, 2012, representing a decrease in working capital of $126,669.

As at May 31, 2013, the Company had net cash and cash equivalents on hand of $18,531 compared to $104,211 as at May 31, 2012. During the year ended May 31, 2013, the Company used $85,680 of its cash in operating activities, consisting primarily of general and administrative expenditures and change in non-cash working capital items.

Current assets excluding cash as at May 31, 2013 consisted of receivables of $13,290 which consisted of GST/HST recoverable of $13,056 and other receivables of $234. Current assets excluding cash as at May 31, 2012 consisted of receivables of $9,348, which consisted of HST recoverable of $8,492, interest receivable of $456 and other receivables of $400.

Current liabilities as at May 31, 2013 consisted of trade payables of accrued liabilities of $14,981 and amounts due to related parties of $89,814. Current liabilities as at May 31, 2012 consisted of trade payables and accrued liabilities of $16,327 and amounts due to related parties of $43,120.

The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. To date, the Company has not generated any significant revenues and has not raised funds in the last twelve months. The Company has an accumulated deficit of $8,623,319, including a loss for the year ended May 31, 2013 of $128,225 (2012 - $159,784). These uncertainties may cast significant doubt upon the company's ability to continue as a going concern.

Management is continuing to evaluate and negotiate suitable business opportunities and actively targeting sources of additional financing. Although the Company has been successful in raising the funds in the past, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Risk and Uncertainties

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

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 primary exposure to credit risk is on its cash and cash equivalents, which consist of bank deposits of $18,531. The Company limits its exposure to credit loss by placing its cash and cash equivalents with a Canadian Chartered bank. While there is concentration of risk by holding all funds with one institution, management assesses credit risk of cash and cash equivalents as very low due to the high credit quality rating the institution has with rating agencies.

The Company's secondary exposure to risk is on its receivables. This risk is minimal as receivables consist of refundable government sales taxes.

Liquidity and funding risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its cash requirements at any point in time. As at May 31, 2013, the Company had cash on hand of $18,531, which is short to cover the current liabilities of $104,795. Therefore, significant additional funding will be required to fund operations for the next 12 months and in the future. There is a risk of failure to raise adequate capital when needed.

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. Under current market conditions, both liquidity and funding risk are assessed as high.

Market Risk

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

Currency Risk

Currency risk is the risk that exposes the Company to financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and is currently not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is exposed to interest rate risk as its bank accounts earn interest income at variable rates and are subject to the movement in interest rates. Management considers the interest rate to be minimal.

The Company has no debt and is not subject to any externally imposed capital requirements.

1.8 Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements during the year ended May 31, 2013.

1.9 Related Party Transactions

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers. Key management personnel compensation comprised:

		2013		2012
Administrative services (a)	$	36,000	$	36,000
Management services (a)		30,000		30,000
	$	66,000	$	66,000

(a) On February 1, 2009, the Company entered into a management and administrative agreement with Varshney Capital Corp. ("VCC"), a company controlled by two common directors, whereby the Company agreed to pay management and administrative fees of $2,500 and $3,000 per month, respectively.

During the year ended May 31, 2013, the Company incurred $30,000 (2012 – $30,000) for management fees and $36,000 (2012 – $36,000) for administrative fees to VCC.

As at May 31, 2013, $89,670 (2012 - $43,120) was due to VCC for management and administrative fees.

(b) As at May 31, 2013, a total of $234 (2012 - $400) was due from companies with directors and officers in common. The amounts resulted from recovery of expenses, were included in accounts receivable and repaid subsequent to May 31, 2013.

1.10 Fourth Quarter

On January 11, 2013, the Company entered into a LOI with CareCorp, a private company that provides care services for seniors residing in long-term nursing homes. CareCorp's business activities are carried out by CareCorp and two related private companies. However, the LOI terminated as both parties were unable to negotiate and enter into a definitive agreement by February 28, 2013, the expiry date of the LOI.

Pursuant to the LOI, the Company would have acquired all of the issued and outstanding shares of CareCorp in exchange for common shares of the Company in a reverse takeover transaction (the "RTO") such that CareCorp would have become a wholly-owned subsidiary of the Company. As part of and prior to closing the RTO, the Company anticipated a consolidation of its issued and outstanding common shares on a 2.5:1 basis.

Additionally, the Company contemplated the completion of a financing to raise gross proceeds of at least $375,000 prior to the termination of the LOI.

Management is continuing to evaluate and negotiate suitable business opportunities.

1.11 Proposed Transactions

None.

1.12 Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the determination of the useful lives of property and equipment, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets and liabilities, and the recoverability of receivables and prepaids. Actual results may differ from those estimates and judgments.

Judgments made by the management in the application of IFRS that have a significant effect on the financial statements and estimates with significant risk of material adjustment in the current and the following years are discussed in Note 2 of the audited financial statements for the year ended May 31, 2013.

1.13 Changes in Accounting Policies including Initial Adoption

Our significant accounting policies are set out in Note 2 of the audited financial statements for the year ended May 31, 2013.

1.14 Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, trade payables, and accrued liabilities and due to related parties.

The Company has exposures to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are liquidity risk, funding risk and interest rate risk.

1.15 Other Requirements

Summary of Outstanding Share Data as at September 16, 2013:

Authorized - Unlimited common shares without par value

Issued – common shares: 20,026,663

Additional disclosures pertaining to the Company’s management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

“Praveen Varshney”

Praveen Varshney, C.A.
President and Director

AFRASIA MINERAL FIELDS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

May 31, 2012

1.1 Date

This Management Discussion and Analysis ("MD&A") of Afrasia Mineral Fields Inc. ("Afrasia" or the "Company") has been prepared by management as of September 25, 2012 and should be read in conjunction with the audited financial statements and related notes thereto of the Company for the years ended May 31, 2012 and 2011, which were prepared in accordance with International Accounting Standards.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Issuer. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

1.2 Over-all Performance

The Company was incorporated on June 24, 1986 under the laws of British Columbia. The Company was listed on the TSX Venture Exchange ("TSX-V") under the symbol "AFS" and on September 29, 2008 the Company's listing was transferred from the TSX-V to the NEX board of the TSX-V. Effectively, the trading symbol for the Company changed from "AFS" to AFS.H".

The Company is in the process of identifying, evaluating and negotiating business opportunities in the resource industry.

1.3 Selected Annual Information

May 31,	2012	2011	2010
	(IFRS)	(IFRS)	(IFRS)
Total interest and other income	$ 1,275	$ 1,087	$ 2
Net Loss	$ (159,784)	$ (157,726)	$ (308,465)
Loss per share	$ (0.01)	$ (0.01)	$ (0.02)
Total assets	$ 118,127	$ 235,217	$ 737,097
Total long term liabilities	$ Nil	$ Nil	$ Nil
Cash dividends declared per share for each class of share	$ Nil	$ Nil	$ Nil

The Company's transition to IFRS did not result in adjustments of prior periods financial results.

1.4 Results of Operations

During the year ended May 31, 2012, the Company incurred a loss of $159,784 or $0.008 per share as compared to a loss of $157,726 or $0.008 per share in fiscal 2011, an increase in loss by $2,058. The increase in loss resulted from an increase in general and administrative expenses of $4,059 offset by increase in interest income accrued on a short-term guaranteed investment certificate ("GIC")

Total general and administration expenses increased by $4,059 due to increases in amortization of office equipment of $618, consulting fees of $10,687, rent of $2,749, travel and promotion of $13,028 and wages and benefits of $1,246, which were offset by decreases in office and administration costs of $8,835, professional fees of $14,859 and regulatory and transfer agent fees of $575.

The increase in consulting fees of $10,687 resulted from geological consulting services retained to evaluate an investment opportunity in the mining industry, which the Company subsequently decided not to pursue. No such costs were incurred during the same period in fiscal 2011.

The increase in travel and promotion of $13,028 was a result of the Company's directors and consultants visit to a mining site for their due diligence process. No such costs were incurred during the same period in fiscal 2011.

The Company recorded a decrease in costs for the following:

- Professional fees by $14,859 due to fewer legal services provided during the current year. In fiscal 2011, the Company incurred higher legal costs in connection with a proposed acquisition, which was terminated in August 2010 by mutual consent of the parties.
- Office and administrative costs by $8,835 due to decreased business activities; and
- Regulatory and transfer agent fees by $575 due to fewer transfer agent and shareholders services provided during the period. The Company also received a refund of regulatory fees of $560 from the TSX-V for fees paid in fiscal 2011.

1.5 Summary of Quarterly Results

The following is a summary of certain financial information concerning the Company for each of the last eight reported quarters:

Quarter ended	Interest and other income	Loss	Loss per share
May 31, 2012	$ 239	$ (38,419)	$ (0.01)
February 29, 2012	216	(29,968)	(0.00)
November 30, 2011	272	(40,471)	(0.00)
August 31, 2011	548	(50,926)	(0.00)
May 31, 2011	488	(39,670)	(0.01)
February 28, 2011	599	(30,502)	(0.00)
November 30, 2010	–	(37,806)	(0.00)
August 31, 2010	–	(49,748)	(0.01)

There have been no significant trends or variations over the past eight fiscal quarters

The Company's transition to IFRS did not result in adjustments of prior periods financial results.

1.6/1.7 Liquidity and Capital Resources

The Company reported working capital of $54,112 at May 31, 2012 compared to working capital $217,480 at May 31, 2011, representing a decrease in working capital of $163,368.

As at May 31, 2012, the Company had net cash and cash equivalents on hand of $104,211 compared to $227,806 as at May 31, 2011, a decrease of $123,595.

During the year ended May 31, 2012, the Company:

(a) used $118,937 of its cash in operating activities, consisting primarily of general and administrative expenditures and change in non-cash working capital items; and

(b) used $4,658 for the purchase of office equipment and office renovations.

Current assets excluding cash as at May 31, 2012 consisted of receivables of $9,348, which consisted of HST credits of $8,492, interest receivable of $456 and other receivables of $400. Current assets excluding cash as at May 31, 2011 consisted of receivables of $6,427, which consisted of HST credits of $5,003, interest receivable of $1,067 and other receivables of $357.

Current liabilities as at May 31, 2012 consisted of trades payable of $199, accrued liabilities of $16,128 and amounts due to related parties of $43,120. Current liabilities as at May 31, 2011 consisted of trades payable of $609, accrued liabilities of $16,013 and amounts due to related parties of $131.

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. Although the Company has been successful in raising the funds, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The Company has not had a history of operations or earnings and the overall success of the Company will be affected by its current or future business activities.

Risk and Uncertainties

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

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 primary exposure to credit risk is on its cash and cash equivalents, which consist of bank deposits of $4,211 and a GIC of $100,000. The Company limits its exposure to credit loss by placing its cash and cash equivalents with a Canadian Chartered bank. While there is concentration of risk by holding all funds with one institution, management assesses credit risk of cash and cash equivalents as very low due to the high credit quality rating the institution has with rating agencies.

The Company's secondary exposure to risk is on its receivables. This risk is minimal as receivables consist primarily of refundable HST from the Canadian Federal Government, and accrued interest on its GIC from a Canadian Chartered Bank.

Liquidity and funding risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its cash requirements at any point in time. The Company achieves this by maintaining sufficient cash and short-term investments. As at May 31, 2012, the Company had cash and cash equivalents on hand of $104,211, which is sufficient to cover its current liabilities of $59,447. However, significant additional funding will be required to fund operations for the next 12 months and in the future. There is a risk of failure to raise adequate capital when needed.

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. Under current market conditions, both liquidity and funding risk are assessed as high.

Market Risk

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

Currency Risk

Currency risk is the risk that exposes the Company to financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and is currently not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is exposed to interest rate risk as its bank deposits and short term GIC earn interest income at variable rates and are subject to the movements in interest rates. The redeemable GIC was earning a variable interest rate of 0.95% at May 31, 2012 and matures on December 6, 2012.

The Company has no debt and is not subject to any externally imposed capital requirements.

1.8 Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements during the year ended May 31, 2012.

1.9 Related Party Transactions

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers. Key management personal compensation comprised:

		2012		2011
Administrative services (a)	$	36,000	$	36,000
Management services (a)		30,000		30,000
	$	66,000	$	66,000

(a) On February 1, 2009, the Company entered into a management and administrative agreement with Varshney Capital Corp. ("VCC"), a company controlled by two common directors, whereby the Company agreed to pay management and administrative fees of $2,500 and $3,000 per month, respectively.

During the year ended May 31, 2012, the Company incurred $30,000 (2011 – $30,000) for management fees and $36,000 (2011 – $36,000) for administrative fees to VCC.

As at May 31, 2012, $43,120 (May 31, 2011 - $Nil) was due to VCC for management and administrative fees.

(b) As at May 31, 2012, $Nil (May 31, 2011 - $131) was due to a director of the Company.

(c) As at May 31, 2012, a total of $400 (2011 - $357) was due from companies with directors and officers in common. The amounts resulted from recovery of expenses, were included in accounts receivable and repaid subsequent to May 31, 2012.

1.10 Fourth Quarter and Subsequent Events

None

1.11 Proposed Transactions

While the Company continues to seek out and review potential business opportunities, there are no transactions that are currently under negotiation or proposed to be entered into.

1.12 Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the determination of the useful lives of property and equipment, fair value measurements for financial instruments and share-based compensation and other equity-based payments, and the recoverability and measurement of deferred tax assets and liabilities.

1.13 Changes in Accounting Policies including Initial Adoption

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"). Our significant accounting policies are set out in Note 2 of the audited annual financial statements of the Company, as at and for the year ended May 31, 2012.

Going concern issue

The 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 for the foreseeable future. The continuing operations of the Company are dependent upon its ability to identify and acquire a business opportunity, to raise adequate financing and to commence profitable operations in the future. To date, the Company has not generated any significant revenues. There is uncertainty and substantial doubt that the Company will be able to carry on as a going concern.

International Financial Reporting Standards (IFRS)

The May 31, 2012 audited annual financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") and IFRS 1, First Time Adoption of *IFRS*

("IFRS 1"). Subject to certain transition elections disclosed in Note 12, we have consistently applied the same accounting policies in our opening IFRS balance sheet as at June 1, 2010 and throughout all periods presented, as if these policies had always been in effect.

The Company's conversion plan to transition from Canadian GAAP to IFRS consists of four phases:

- Phase 1 (scoping and diagnostic) – Involved a preliminary diagnostic review of the reporting differences between Canadian GAAP and IFRS and the key areas that may be impacted.

- Phase 2 (Impact, analysis, quantification and evaluation) – Involved a detailed assessment and technical analysis of each reporting difference identified in Phase 1. IFRS conversion adjustments were quantified, accounting policies and procedures were reviewed and updated, IT systems and software were assessed, training was conducted and outstanding business activities such as budgeting and compensation were assessed.

- Phase 3 (Implementation phase) – This phase, was completed and includes the collection of financial information necessary to prepare financial statements for the May 31, 2011 year-end and the opening balance sheet as at June 1, 2010 in compliance with IFRS.

- Phase 4 (Monitoring phase) – This phase includes monitoring the changes to IFRS, monitoring the regulatory environment for the commentary on the future IFRS changes, commentary on financial reporting trends and analyzing the business plan of the Company to develop accounting policies, systems and internal controls for the evolution of the business.

Accounting Policies and Procedures

Based on the detailed assessment in Phase 2, a number of key accounting areas were identified where IFRS differs from Canadian GAAP. These key areas are explained below and separated into differences expecting to have a quantitative and qualitative difference and those expecting to have only a qualitative differences expecting. Impacts to the fiscal 2011 financial statements have been quantified where applicable.

Quantitative Impact

Management performed a detailed review of the Company's books and records in order to identify differences between GAAP and IFRS that affect the Company. After completing the review, no material adjustments were deemed necessary to convert the Company's financial reporting to IFRS.

Qualitative Impact

The following accounting policy differences are expected to impact the disclosures to the financial statements of the Company or the internal processes and procedures for financial reporting.

IFRS 1, First-time Adoption of IFRS

IFRS 1 provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective applications of IFRS.

The purpose of the options is to provide relief to companies and simplify the conversion process by not requiring them to recreate information that may not exist or may not have been collected at the inception of the transaction.

The Company has analyzed the exemptions available and has not utilized any of the exemptions.

Business Activities

IFRS are globally expected to result in higher volatility to net earnings and other performance measures, which could lead to effects felt throughout the Company's business activities.

From management's review of the Company's business activities, the conversion to IFRS will not have a material effect. There are not compensation considerations, financial contracts or business contracts that are linked to GAAP based metrics. The expected quantitative impact of the conversion to IFRS will not affect how the Company does business on a day to day basis and will not impact the internal business practices for decision making.

Internal Controls & Disclosure Controls and Procedures over Financial Reporting

The Company has reviewed its internal controls and disclosure controls and procedures over financial reporting and has determined that the impact on IFRS is not going to materially alter how transactions are initiated, recorded, processed and reported.

Financial Expertise

The Company's accounting department, senior management team and Directors have been appropriately trained based on the requirements of their respective roles. The Company has brought in outside consultants to help guide the transition and prepare the Company for future IFRS filings.

Information Technology

The Company's accounting information system comprises of accounting software, spreadsheets, databases and use of document processors. There were no numerical differences between Canadian GAAP and IFRS, limited resources in terms of accounting personnel and the complexity of the accounting information system is low. The accounting information system and size of the department is appropriate for the scale of the operation.

1.14 Financial Instruments and Other Instruments

The carrying amount of cash and cash equivalents, receivables, trades payable and accrued liabilities, and amounts due to and from related parties approximate fair value because of the short-term maturity of these items.

Please see Notes 2 and 10 in the notes to the audited financial statements of the Company, as at and for the years ended May 31, 2012 and 2011.

1.15 Other Requirements

Summary of Outstanding Share Data as at September 25, 2012:

Authorized - Unlimited common shares without par value

Issued – common shares: 20,026,663

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

"Praveen Varshney"

Praveen Varshney, C.A.
President and Director
September 25, 2012

SCHEDULE "D"

Unaudited Interim Financial Statements for Afrasia Mineral Fields Inc. for the six month period ended November 30, 2014

AFRASIA MINERAL FIELDS INC.

Condensed Interim Financial Statements

Six months ended November 30, 2014 and 2013

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

AFRASIA MINERAL FIELDS INC.

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Financial Statements

AFRASIA MINERAL FIELDS INC.

Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars – Unaudited)

	Note	November 30, 2014	May 31, 2014
		(unaudited)	(audited)
Assets			
Current assets			
Cash		**$ 599**	$ 863
Receivables	3	**4,281**	2,488
Prepaids		**1,483**	416
		6,363	3,767
Property and equipment	4	**1,173**	1,500
		$ 7,536	$ 5,267
Liabilities and Shareholders' Deficiency			
Current liabilities			
Trade payables and accrued liabilities	5	**$ 85,530**	$ 64,636
Due to related parties	7	**34,600**	25,278
Note payable	10	**30,000**	–
		150,130	89,914
Shareholders' Deficiency			
Share capital	6	**8,349,105**	8,349,105
Reserves	6	**204,669**	204,669
Deficit		**(8,696,368)**	(8,638,421)
		(142,594)	(84,647)
		$ 7,536	$ 5,267

Nature and continuance of operations (Note 1)
Proposed transaction (Note 10)

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

AFRASIA MINERAL FIELDS INC.

Statements of Changes in Deficiency
(Expressed in Canadian Dollars – Unaudited)

	Share Capital				
	Number of Shares	Amount	Reserves	Deficit	Total Deficiency
Balance, May 31, 2013	20,026,663	$ 8,349,105	$ 204,669	$ (8,623,319)	$ (69,545)
Net loss for the period	–	–	–	(75,130)	(75,130)
Balance, November 30, 2013	20,026,663	8,349,105	204,669	(8,698,449)	(144,675)
Net income for the period	–	–	–	60,028	60,028
Balance, May 31, 2014	20,026,663	8,349,105	204,669	(8,638,421)	(84,647)
Net loss for the period	–	–	–	(57,947)	(57,947)
Balance, November 30, 2014	**20,026,663**	**$ 8,349,105**	**$ 204,669**	**$ (8,696,368)**	**$ (142,594)**

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

AFRASIA MINERAL FIELDS INC.

Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollars – Unaudited)

	Note	Three months ended November 30, 2014	Three months ended November 30, 2013	Six months ended November 30, 2014	Six months ended November 30, 2013
Expenses:					
Amortization	4	**$ 164**	$ 222	**$ 327**	$ 1,072
Management fees	7	**–**	7,500	**–**	15,000
Office and administration	7	**652**	9,240	**967**	21,015
Professional fees		**10,118**	900	**27,215**	16,945
Regulatory and transfer agent fees		**3,217**	4,943	**16,793**	7,891
Rent		**4,858**	6,604	**12,000**	13,207
Travel and promotion		**645**	–	**645**	–
Net and comprehensive loss		**(19,654)**	(29,409)	**(57,947)**	(75,130)
Loss per common share					
Basic and diluted		**$ (0.001)**	$ (0.002)	**$ (0.003)**	$ (0.004)
Weighted average number of common shares outstanding					
Basic and diluted		**20,026,663**	20,026,663	**20,026,663**	20,026,663

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

AFRASIA MINERAL FIELDS INC.

Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars – Unaudited)

	Three months ended November 30, **2014**	Three months ended November 30, 2013	Six months ended November 30, **2014**	Six months ended November 30, 2013
Cash used in:				
Operating:				
Net loss and comprehensive loss	**$ (19,654)**	$ (29,409)	**$ (57,947)**	$ (75,130)
Item not involving cash:				
Amortization	**164**	222	**327**	1,072
Changes in non-cash working capital:				
Receivables	**207**	1,996	**(1,793)**	211
Prepaids	**(1,067)**	–	**(1,067)**	–
Trades payable and accrued liabilities	**7,390**	4,859	**20,894**	25,650
Due to related parties	**10,500**	17,685	**9,322**	30,666
	(2,460)	(4,647)	**(30,264)**	(17,531)
Financing:				
Proceeds from note payable	**–**	–	**30,000**	–
	–	–	**30,000**	–
Change in cash	**(2,460)**	(4,647)	**(264)**	(17,531)
Cash, beginning	**3,059**	5,647	**863**	18,531
Cash, ending	**$ 599**	$ 1,000	**$ 599**	$ 1,000

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Afrasia Mineral Fields Inc. (the "Company" or "Afrasia") was incorporated on June 24, 1986 under the laws of British Columbia. The Company was listed on the TSX Venture Exchange ("TSX-V") under the symbol "AFS" and on September 29, 2008 the Company's listing was transferred from the TSX-V to the NEX board of the TSX-V. Effectively, the trading symbol for the Company changed from "AFS" to AFS.H".

The Company's head office, principal address and records office is Suite 2050-1055 West Georgia Street, PO Box 11121, Royal Centre, Vancouver, BC V6E 3P3. The registered office is Suite 700-595 Burrard St., PO Box 49290, Vancouver, BC V7X 1S8.

On April 7, 2014, the Company entered into a Letter of Intent (the "LOI") with Wmode Inc. ("Wmode"), an arms' length private company incorporated under the laws of Alberta. Wmode is a leading technology and service company in the connected device, mobile and app-ecosystem sector. Further discussion of the proposed transaction has been disclosed in Note 10.

These 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 for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. To date, the Company has not generated any significant revenues and has not raised funds in the last twelve months. The Company has an accumulated deficit of $8,696,368 including a loss for the period ended November 30, 2014 of $57,947 (2013 - $75,130). These uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

These financial statements do not include any adjustments relating to the recoverability and classification of assets and liabilities which might be necessary should the Company be unable to continue in existence.

The Company has never paid dividends.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

The interim financial statements were authorized for issue on January 26, 2015 by the directors of the Company.

Statement of compliance and conversion to International Financial Reporting Standards ("IFRS")

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these interim financial statements comply with International Accounting Standards ("IAS") 34 "Interim Financial Reporting".

Basis of presentation

The condensed interim financial statements of the Company have been prepared on an accrual basis except for cash flow information, and are based on historical costs, modified where applicable. The condensed interim financial statements are presented in Canadian dollars unless otherwise noted.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Significant accounting judgements, estimates and assumptions

The preparation of these condensed interim 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 the reported expenses during the period. Actual results could differ from these estimates.

The preparation of these condensed interim financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The recognition of deferred tax assets and liabilities.

ii) The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

Summary of significant accounting policies

New standards adopted during the year

Effective June 1, 2014, the following standards were adopted but did not have a material impact on the financial statements.

- IAS 32 (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities.
- IFRIC 21, Levies: An interpretation of IAS 37, Provisions, Contingent Liabilities and Contingent Assets, on the accounting for levies imposed by governments.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.
- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.
- IFRS 10 Investment Entities – Amendment: effective for periods beginning on or after January 1, 2014.

(Expressed in Canadian Dollars – Unaudited)

3. RECEIVABLES

	November 30, 2014	May 31, 2014
Government Sales Tax credits	$ 4,063	$ 2,252
Other receivables (Note 7(c))	218	236
	$ 4,281	$ 2,488

4. PROPERTY AND EQUIPMENT

	Computer	Equipment	Furniture	Leasehold improvements	Total
Cost:					
At May 31, 2013, 2014 and November 30, 2014	$ 2,350	$ 5,063	$ 1,772	$ 2,308	$ 11,493
Amortization:					
At May 31, 2013	$ 1,583	$ 4,701	$ 1,505	$ 692	$ 8,481
Amortization	421	362	267	462	1,512
At May 31, 2014	2,004	5,063	1,772	1,154	9,993
Amortization	96	–	–	231	327
At November 30, 2014	$ 2,100	$ 5,063	$ 1,772	$ 1,385	10,320
Net book value:					
At May 31, 2014	$ 346	$ –	$ –	$ 1,154	$ 1,500
At November 30, 2014	$ 250	$ –	$ –	$ 923	$ 1,173

5. TRADE PAYABLES AND ACCRUED LIABILITIES

	November 30, 2014	May 31, 2014
Trade payables	$ 85,530	$ 34,627
Accrued liabilities	–	30,009
	$ 85,530	$ 64,636

6. SHARE CAPITAL AND RESERVES

(a) Authorized

Unlimited number of common shares without par value.

(Expressed in Canadian Dollars – Unaudited)

6. SHARE CAPITAL AND RESERVES (cont'd)

(b) Issued – common shares

There were no share issuances during the period ended November 30, 2014 and during the year ended May 31, 2014.

(c) Share options

The Company maintains a 10% rolling share option plan (the "Plan") that enables management to grant options to directors, officers, employees and other service providers. The Company follows the Exchange policies where the number of common shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares of the Company from time to time at the date of granting of options and have a maximum of 10 years. Each option agreement with the grantee sets forth, among other things, the number of options granted, the exercise price and the vesting conditions of the options as determined by the Board of Directors. There were no options granted or outstanding at November 30, 2014 and May 31, 2014.

7. RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers. Key management personnel compensation for the six month period ended November 30, 2014 and 2013 comprised of:

		2014		2013
Administrative services (a)	$	–	$	7,500
Management services (a)		–		9,000
	$	–	$	16,500

(a) On February 1, 2009, the Company entered into a management and administrative agreement with Varshney Capital Corp. ("VCC"), a company controlled by two common directors, whereby the Company agreed to pay management and administrative fees of $2,500 and $3,000 per month, respectively. During the year ended May 31, 2014, the Company cancelled its management and administrative services fees.

Prior to the cancellation, the Company incurred $nil (2013 - $7,500) for management fees and $nil (2013- $9,000) for administrative fees to VCC.

As at November 30, 2014, $34,600 (May 31, 2014 - $24,100) was due to VCC for an operating loan. The loan is unsecured, non interest bearing and has no fixed terms of repayment.

(b) As at November 30, 2014, $Nil (May 31, 2014 - $1,178) was due to a director and officer of the Company for expense reimbursements.

(c) As at November 30, 2014, $218 (May 31, 2014 - $236) was due from companies with directors and officers in common. The amounts resulted from a recovery of expenses and were included in receivables and repaid subsequent to November 30, 2014.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

At November 30, 2014 and May 31, 2014, the Company's financial instruments consist of cash, receivables, trade payables and accrued liabilities, due to related parties and note payable. There were no transfers between fair value levels during the period ended November 30, 2014.

Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of receivables and trade payables and accrued liabilities, due to related parties and note payable approximate their fair value because of the short-term nature of these instruments or their ability of prompt liquidation.

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

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 primary exposure to credit risk is on its cash. As a majority of the Company's cash is held by a Canadian bank, there is a concentration of credit risk with one bank in Canada. While there is concentration of risk holding all funds with one institution, this risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As at November 30, 2014, the Company has cash on hand of $599 (May 31, 2014 - $863). Management assesses credit risk of cash as low.

The Company's secondary exposure to credit risk is on its receivables. This risk is minimal as receivables consist of refundable government sales taxes of $4,063 (May 31, 2014 – $2,252) and amounts due from related parties of $218 (May 31, 2014 – $236).

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 operates only in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account earns interest income at variable rates and is subject to the movement in interest rates. Management considers the interest rate risk to be minimal.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. As at November 30, 2014, the Company had a working capital deficiency of $143,767 (May 31, 2014 - $86,147). The Company has been successful in re-negotiating its indebtedness and obtaining short-term financing from a related party however there is no assurance the success of these efforts will continue.

9. CAPITAL DISCLOSURE

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements.

10. PROPOSED TRANSACTION

On April 7, 2014, the Company announced that it has entered into a LOI with Wmode, an arms' length private company incorporated under the laws of Alberta. It is contemplated that Wmode and Afrasia will enter into a business combination by way of a three corner amalgamation or plan of arrangement in a reverse take-over transaction (the "RTO"), which will result in Wmode becoming a wholly-owned subsidiary of Afrasia or otherwise combining its corporate existence with a wholly-owned Alberta incorporated subsidiary of Afrasia. The formal structure of the RTO is still subject to confirmation as the parties consider corporate, tax and securities law considerations applicable to the RTO. Once the structure is determined, the LOI will be superseded by a definitive agreement between Afrasia and Wmode, and parties will announce the signing of such definitive agreement and its general terms by news release.

As part of and prior to closing the RTO, Afrasia anticipates a consolidation of its issued and outstanding securities on a ten (10) old for one (1) new basis, changing its name to Wmode Corp. or such other name that may be acceptable to applicable regulatory authorities and continuing its jurisdiction of incorporation into Alberta. Afrasia anticipates that upon completion of the RTO the Resulting Issuer will graduate from NEX to Tier 1 of the TSX-V as a Technology issuer.

Pursuant to the RTO, Afrasia Shares will be issued to the holders of Wmode Shares in exchange for all of the issued and outstanding Wmode Shares on the basis of 0.4675 Afrasia Share(s) for each Wmode Share (the "Exchange Ratio").

In accordance with Exchange policies, Afrasia's common shares are currently halted from trading and will remain so until certain documentation required by the Exchange for the RTO can be provided to the TSX-V. The Afrasia common shares may resume trading, following the Exchange's review of the required documentation, or the shares may remain halted until completion of the RTO.

Completion of the consolidation and the RTO is conditional upon, among other things, receipt of all required regulatory and shareholder approvals, the negotiation and execution of definitive documentation and the completion of the financings.

Completion of the RTO is also subject to TSX-V acceptance and disinterested shareholder approval. The RTO cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

On July 10, 2014, the Company issued a promissory note to Wmode for a non-interest bearing loan of $30,000, in accordance to the terms of the LOI. If the LOI or definitive agreement is terminated, the loan is repayable within twelve months from termination date.

SCHEDULE "E"

Management Discussion and Analysis of Afrasia Mineral Fields Inc. for the Six Month Interim Period ended November 30, 2014

AFRASIA MINERAL FIELDS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

November 30, 2014

1.1 Date

This Management Discussion and Analysis (“MD&A”) of Afrasia Mineral Fields Inc. (the “Company”) has been prepared by management as of January 26, 2015 and should be read in conjunction with the condensed interim financial statements and related notes thereto of the Company for the six months ended November 30, 2014 and 2013 and the audited financial statements and related notes thereto of the Company for the years ended May 31, 2014 and 2013, which were prepared in accordance with International Financial Reporting Standards (“IFRS”).

This MD&A contains forward-looking information which reflects management's expectations regarding the Company’s growth, results of operation, performance and business prospects and opportunities. The use of words such as “anticipate”, “continue”, “estimate", "expect”, “may”, “will”, “project”, “should”, believe”, outlook”, “forecast” and similar expressions are intended to identify forward-looking statements.

Forward-looking statements in this MD&A include, but are not limited to, the following:
- management expectations of future activities and results;
- the Company’s ability to finalize and complete a proposed transaction with Wmode Inc. ("Wmode") in accordance with the expected terms and within the anticipated time-frames;
- the ability to complete financings on terms acceptable to the Company;
- the ability to sign a definitive agreement to complete the business combination with Wmode, integrate efficiently and carry on its business;
- the ability to obtain regulatory and shareholder approval of the transaction; and
- the ability of the resulting issuer to graduate from NEX to Tier 1 of the TSX Venture Exchange (the “TSX-V”).

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Many of these risks, uncertainties and assumptions are beyond our ability to control or predict. Because of these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements.

1.2 Overall Performance

The Company was incorporated on June 24, 1986 under the laws of British Columbia. The Company was listed on the TSX-V under the symbol “AFS” and on September 29, 2008 the Company’s listing was transferred from the TSX-V to the NEX board of the TSX-V. Effectively, the trading symbol for the Company changed from “AFS” to AFS.H”.

On April 7, 2014, the Company entered into a Letter of Intent (the "LOI") with Wmode, which is an arms’ length private company incorporated under the laws of Alberta. Wmode is a leading technology and service company in the connected device, mobile and app-ecosystem sector. Further discussion of the proposed transaction has been disclosed in item 1.11 Proposed Transaction.

1.3 Selected Annual Information

May 31,		2014		2013		2012
Total interest income	$	Nil	$	393	$	1,275
Net and Comprehensive Loss	$	(15,102)	$	(128,225)	$	(159,784)
Loss per share	$	(0.00)	$	(0.01)	$	(0.01)
Total assets	$	5,267	$	35,250	$	118,127
Total long term liabilities	$	Nil	$	Nil	$	Nil
Cash dividends declared per share for each class of share	$	Nil	$	Nil	$	Nil

1.4 Results of Operations

Six months ended November 30, 2014 and 2013

During the six months ended November 30, 2014, the Company incurred a loss of $57,947 or $0.003 per share as compared to a loss of $75,130 or $0.004 per share during the same period last year, a decrease in loss by $17,183. The decrease in loss was primarily due to the cancellation and reversal of management and administrative fees partially offset by increases in legal and regulatory fees incurred in connection with the proposed transaction with Wmode.

The following decreases in expense contributed to the decrease in loss:

- Management fees by $15,000 as a result of the cancellation of management and administrative services agreement during the year ended May 31, 2014;
- Office and administration by $20,048 as a result of the cancellation of the management and administrative services agreement during the year ended May 31, 2014; and
- Rent by $1,207 due to cancellation of office rent arrangements effective November 1, 2014.

Offsetting these decreases are increases in:

- Professional fees by $10,270 in connection with the Company's due diligence on the proposed transaction with WMode; and
- Regulatory and transfer agent fees by $8,902 for payment of fees to the TSX-V in connection with the Company's proposed transaction with Wmode and NEX reactivation.

Three months ended November 30, 2014 and 2013

During the three months ended November 30, 2014, the Company incurred a loss of $19,654 or $0.001 per share as compared to a loss of $29,409 or $0.002 per share during the same period last year, a decrease in loss by $9,755.

The significant variations in operating expenses during the comparative quarters were as follows:

- Management fees decreased by $7,500 as a result of the cancellation of management and administrative services agreement during the year ended May 31, 2014;
- Office and administration decreased by $8,588 as a result of the cancellation of the management and administrative services agreement during the year ended May 31, 2014;
- Rent decreased by $1,746 due to cancellation of office rent arrangements effective November 1, 2014; and
- Professional fees increased by $9,218 due to legal fees incurred in connection with the proposed transaction with Wmode.

1.5 Summary of Quarterly Results

The following is a summary of certain unaudited financial information for each of the last eight reported quarters:

Quarter ended	Interest income	Net Income (Loss)	Loss per share
November 30, 2014	$ –	$ (19,654)	$ (0.00)
August 31, 2014	–	(38,293)	(0.00)
May 31, 2014	–	87,227	(0.00)
February 28, 2014	–	(27,199)	(0.00)
November 30, 2013	–	(29,409)	(0.00)
August 31, 2013	–	(45,721)	(0.00)
May 31, 2013	1	(33,818)	(0.00)
February 28, 2013	7	(29,082)	(0.00)

August 31, 2013 – Higher net loss due to legal costs incurred in connection to the Carecorp due diligence.
May 31, 2014 – Net income due to the cancellation and reversal of management and administrative fees from prior periods.
August 31, 2014 – Higher net loss due to legal and regulatory costs incurred in connection to the WMode due diligence and filing fees.

1.6/1.7 Liquidity and Capital Resources

The Company reported working capital deficiency of $143,767 at November 30, 2014 compared to working capital deficiency of $86,147 at May 31, 2014, representing an increase in working capital deficiency of $57,620.

As at November 30, 2014, the Company had net cash on hand of $599 compared to $863 as at May 31, 2014, representing a decrease of $264. During the six months ended November 30, 2014, the Company used $30,264 of its cash in operating activities, consisting primarily of due diligence costs and general and administrative expenditures. The Company also received $30,000 in note payable related to the Wmode transaction.

Current assets excluding cash as at November 30, 2014 consisted of receivables of $4,281, which comprised of government sales tax credits of $4,063 (May 31, 2014 - $2,252) and other receivables of $218 (May 31, 2014 - $236), as well as prepaids of $1,483 (May 31, 2014 - $416).

Current liabilities as at November 30, 2014 consisted of trade payables of accrued liabilities of $85,530 (May 31, 2014 - $64,636), amounts due to related parties of $34,600 (May 31, 2014 - $25,278) and note payable of $30,000 (May 31, 2014 - $nil).

The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. To date, the Company has not generated any significant revenues and has not raised funds in the last twelve months. The Company has an accumulated deficit of $8,696,368, including a loss for the six months ended November 30, 2014 of $57,947 (2013 - $75,130). These uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

The Company entered into the LOI with Wmode, which will include raising funds through equity financings. See item 1.11 Proposed Transaction. Although the Company has been successful in raising funds in the past, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Risk and Uncertainties

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

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 primary exposure to credit risk is on its cash, which consist of bank deposits of $599. The Company limits its exposure to credit loss by placing its cash with a Canadian Chartered bank. While there is concentration of risk by holding all funds with one institution, management assesses credit risk of cash as very low due to the high credit quality rating the institution has with rating agencies.

The Company's secondary exposure to credit risk is on its receivables, which consist of refundable government sales taxes of $4,063 and amounts due from related parties of $218.

Liquidity and funding risk
Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. As at November 30, 2014, the Company had a working capital deficiency of $143,767 (May 31, 2014 – $86,147). The Company has been successful in re-negotiating its indebtedness, however, there is no assurance the success of these efforts will continue.

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. Under current market conditions, both liquidity and funding risk are assessed as high.

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

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is exposed to interest rate risk as its bank accounts earn interest income at variable rates and are subject to the movement in interest rates. Management considers the interest rate to be minimal.

Currency Risk
Currency risk is the risk that exposes the Company to financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and is currently not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

The Company has no debt and is not subject to any externally imposed capital requirements.

1.8 Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements.

1.9 Related Party Transactions

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers. Key management personnel compensation comprised of:

	2014	2013
Administrative services (a)	$ –	$ 7,500
Management services (a)	–	9,000
	$ –	$ 16,500

(a) On February 1, 2009, the Company entered into a management and administrative agreement with Varshney Capital Corp. ("VCC"), a company controlled by two common directors, whereby the Company agreed to pay management and administrative fees of $2,500 and $3,000 per month, respectively. During the year ended May 31, 2014, the Company cancelled its management and administrative services fees.

Prior to the cancellation, the Company incurred $nil (2013 - $15,000) for management fees and $nil (2013- $18,000) for administrative fees to VCC.

As at November 30, 2014, $34,600 (May 31, 2014 - $24,100) was due to VCC for an operating loan. The loan is unsecured, non interest bearing and has no fixed terms of repayment.

(b) As at November 30, 2014, $Nil (May 31, 2014 - $1,178) was due to a director and officer of the Company for expense reimbursements.

(c) As at November 30, 2014, $218 (May 31, 2014 - $236) was due from companies with directors and officers in common. The amounts resulted from recovery of expenses, were included in receivables and repaid subsequent to November 30, 2014.

1.10 Fourth Quarter

Please refer to section *1.4 Results of Operations* in the MD&A for the year ended May 31, 2014.

1.11 Proposed Transaction

On April 7, 2014, the Company announced that it has entered into a LOI with Wmode, an arms' length private company incorporated under the laws of Alberta. It is contemplated that Wmode and Afrasia will enter into a business combination by way of a three corner amalgamation or plan of arrangement in a reverse take-over transaction (the "RTO"), which will result in Wmode becoming a wholly-owned subsidiary of Afrasia or otherwise combining its corporate existence with a wholly-owned Alberta incorporated subsidiary of Afrasia. The formal structure of the RTO is still subject to confirmation as the parties consider corporate, tax and securities law considerations applicable to the RTO. Once the structure is determined, the LOI will be superseded by a definitive agreement between Afrasia and Wmode, and parties will announce the signing of such definitive agreement and its general terms by news release.

Founded in 2000, Wmode is headquartered in Calgary, Alberta, Canada with offices in Toronto, Paris, San Francisco and Bern. In 2011, Wmode launched AppCarousel, which operates out of the San Francisco office.

Wmode is a leading technology and service company in the connected device, mobile and app-ecosystem sector. Wmode provides technology and operates a comprehensive suite of managed services for the recruitment, development, management, discovery, delivery and payment of mobile apps, content, and consumer services. Wmode has been providing services to large telecommunication device manufacturers and enterprise companies with mobile software services since 2001.

As part of and prior to closing the RTO, Afrasia anticipates a consolidation of its issued and outstanding securities on a ten (10) old for one (1) new basis, changing its name to Wmode Corp. or such other name that may be acceptable to applicable regulatory authorities and continuing its jurisdiction of incorporation into Alberta. Afrasia anticipates that upon completion of the RTO the Resulting Issuer will graduate from NEX to Tier 1 of the TSX-V as a Technology issuer.

Following the consolidation, Afrasia will have 2,002,666 common shares issued and outstanding (the “Afrasia Shares”). Wmode has 63,555,079 Class A common voting shares (collectively, the “Wmode Shares”) issued and outstanding and 19,323,628 securities exercisable or exchangeable for, or convertible into, or other rights to acquire 19,323,628 Wmode Shares.

Prior to the closing of the RTO, Wmode proposes to complete a prospectus exempt private placement (the "First Wmode Placement"), of a gross amount of not less than $1,000,000 and up to $2,140,000, through the issuance of up to 7,642,857 units (the "Units"), each Unit consisting of one previously unissued Wmode Class A common share and one special warrant (a "Special Warrant") of Wmode at a price of $0.28 per Unit. Each Special Warrant will automatically convert, for no additional consideration and no further action by the holder, into 0.2 of a Wmode share if Wmode does not become a publicly traded issuer (the "Going Public Event") on or before the date which is nine (9) months from the closing of the first tranche of the First Wmode Private Placement (the "Going Public Deadline"). If the Going Public Event is completed before the Going Public Deadline, then the Special Warrants will be automatically cancelled and have no further force and effect.

Prior to the closing of the RTO, Wmode proposes to complete a prospectus exempt private placement (the "Debt Conversion Placement') through the conversion of current debt in Wmode (up to $465,000 plus interest) into up to 1,712,037 Wmode Shares on the same terms and conditions as issued under First Wmode Placement.

Immediately prior to the closing of the Transaction, Wmode proposes to complete a second prospectus exempt private placement (the "Second Wmode Placement"), of a gross amount of up to $3,210,000, through the issuance of up to 8,582,888 Wmode Class A common shares at a minimum offering price of $0.374 per share.

Wmode has engaged Canaccord Genuity Corp. to act as agent to conduct the above private placements on a commercially reasonable efforts basis.

Pursuant to the RTO, Afrasia Shares will be issued to the holders of Wmode Shares in exchange for all of the issued and outstanding Wmode Shares on the basis of 0.4675 Afrasia Share(s) for each Wmode Share (the "Exchange Ratio"). Assuming full completion of the Debt Conversion Placement and the First and Second Wmode Private Placements (collectively the "Financings"), there will be 82,904,053 Wmode Shares issued and outstanding on an undiluted basis.

On completion of the RTO based on the Exchange Ratio this represents 38,757,645 common shares or 95% of the Resulting Issuer. As a result of the Transaction, the Wmode Shares underlying Wmode's outstanding securities exercisable or exchangeable for, or convertible into, or other rights to acquire Wmode Shares will be exercisable into Afrasia Shares on the same terms and conditions as such original outstanding Wmode securities (subject to adjustment as provided in the agreements that govern such securities or rights or as otherwise agreed to by the applicable parties to such agreements).

In accordance with TSX-V policies, Afrasia's common shares are currently halted from trading and will remain so until certain documentation required by the TSX-V for the RTO can be provided to the TSX-V. The Afrasia common shares may resume trading, following the TSX-V's review of the required documentation, or the shares may remain halted until completion of the RTO.

Completion of the consolidation and the RTO is conditional upon, among other things, receipt of all required regulatory and shareholder approvals, the negotiation and execution of definitive documentation and the completion of the financings.

Completion of the RTO is also subject to TSX-V acceptance and disinterested shareholder approval. The RTO cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

On July 10, 2014, the Company issued a promissory note to Wmode for a non-interest bearing loan of $30,000, in accordance with the terms of the LOI. If the LOI or definitive agreement is terminated, the loan is repayable within twelve months from termination date.

1.12 Critical Accounting Estimates

Not applicable to venture issuers.

1.13 Changes in Accounting Policies including Initial Adoption

Our significant accounting policies are set out in Note 2 of the audited financial statements for the year ended May 31, 2014. New and revised accounting standards and amendments that were issued and effective on June 1, 2014 are listed in the condensed interim financial statements for the six months ended November 30, 2014. The new and revised accounting standards and amendments did not have an impact on the Company's financial statements and did not result in any adjustments.

1.14 Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, receivables, trade payables and accrued liabilities, due to related parties and note payable.

The Company has exposures to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are liquidity risk and funding risk.

1.15 Other Requirements

Summary of Outstanding Share Data as at January 26, 2015:

Authorized - Unlimited common shares without par value

Issued – common shares: 20,026,663

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

"Praveen Varshney"

Praveen Varshney, CPA, CA
President and Director
January 26, 2015

SCHEDULE "F"

Audited Consolidated Financial Statements for WMode Inc. for the Financial Years ended December 31, 2013, December 31, 2012 and December 31, 2011 and the Unaudited Interim Financial Statements for WMode Inc. for the nine months ended September 30, 2014

Consolidated Financial Statements of

WMODE INC.

Years ended December 31, 2013, 2012 and 2011

KPMG LLP
205-5th Avenue SW
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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Wmode Inc.

We have audited the accompanying consolidated financial statements of Wmode Inc., which comprise the consolidated statements of financial position as at December 31, 2013, 2012, 2011 and January 1, 2011, the consolidated statements of comprehensive income and loss, changes in equity and cash flows for the years ended December 31, 2013, 2012 and 2011, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Wmode Inc. as at December 31, 2013, 2012, 2011 and January 1, 2011, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2013, 2012 and 2011 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to note 2(a) in the consolidated financial statements which indicates that the Company has a working capital deficiency at December 31, 2013 and has relied, in part, on term debt to fund operations and settle obligations as they become due. These conditions, along with other matters as set forth in note 2(a), indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

KPMG LLP

Chartered Accountants

February 5, 2015
Calgary, Canada

WMODE INC.

Consolidated Statements of Financial Position

December 31, 2013, 2012, 2011 and January 1, 2011
(in Canadian Dollars)

	December 31, 2013	December 31, 2012	December 31, 2011	January 1, 2011
				(note - 23)
Assets				
Current assets:				
Cash and cash equivalents (note 5)	$ 76,206	$ 182,556	$ 855,589	$ 967,013
Accounts receivable (note 6)	1,293,845	1,077,404	900,868	691,107
Prepaid expenses	37,314	40,915	39,083	133,087
Financial instruments (note 20)	–	–	–	22,500
	1,407,365	1,300,875	1,795,540	1,813,707
Property and equipment (note 7)	539,147	921,869	1,209,287	1,413,455
Intangible assets (note 8)	1,043,748	525,014	392,279	87,327
Goodwill (note 9)	83,349	83,349	83,349	83,349
Total assets	$ 3,073,609	$ 2,831,107	$ 3,480,455	$ 3,397,838
Liabilities and Shareholders' Deficiency				
Current liabilities:				
Operating bank loan (note 10(a))	$ 894,810	$ 717,412	$ –	$ –
Accounts payable and accrued liabilities (note 11)	1,280,881	1,459,780	1,723,314	1,587,586
Current portion of secured term debt (note 10)	733,333	733,333	1,044,289	1,358,958
Current portion of finance leases (note 12)	14,348	137,521	330,386	261,661
Current portion of convertible debentures (note 13(a))	400,876	1,115,665	–	–
Financial instruments (note 20)	29,100	–	88,720	–
Notes payable to related parties (note 21)	250,000	–	140,000	–
Deferred income	–	–	158,439	68,103
	3,603,348	4,163,711	3,485,148	3,276,308
Secured term debt (note 10)	348,856	1,070,367	1,571,364	2,272,199
Finance leases (note 12)	14,366	21,173	273,007	429,887
Unsecured convertible debentures (note 13(b))	441,355	–	–	–
Long term royalty (note 14)	779,828	–	–	–
Derivative liabilities (note 15)	1,047,214	1,070,403	510,834	354,603
Convertible debentures (note 13(a))	–	–	2,764,299	2,368,513
Shareholders' deficiency:				
Share capital (note 16(b))	14,338,302	14,260,882	11,903,851	11,869,357
Equity reserve (note 16(d))	1,745,067	1,641,792	1,620,732	1,574,237
Warrants (note 16(e))	120,837	15,452	15,452	15,452
Deficit	(19,365,564)	(19,412,673)	(18,664,232)	(18,762,718)
	(3,161,358)	(3,494,547)	(5,124,197)	(5,303,672)
Future operations (note 2(a))				
Operating leases and commitments (notes 15, 16(b) and 17)				
Subsequent events (notes 10(a), 10(b), 13, 16, 21(a)(i) and 22)				
Total liabilities and shareholders' deficit	$ 3,073,609	$ 2,831,107	$ 3,480,455	$ 3,397,838

See accompanying notes to consolidated financial statements.

Approved by the Board:

______________________________ Director

______________________________ Director

WMODE INC.

Consolidated Statements of Comprehensive Income and Loss

Years ended December 31, 2013, 2012 and 2011
(in Canadian Dollars)

	2013	2012	2011
Revenue:			
Managed services	$ 7,265,520	$ 7,333,284	$ 6,456,401
Integration and other professional services	1,226,617	1,989,044	2,475,763
	8,492,137	9,322,328	8,932,164
Expenses (income):			
Operating expenses (note 14)	939,284	1,006,102	873,602
Salaries and benefits	4,970,965	5,408,212	4,901,693
General and administration	1,418,595	1,529,634	1,369,766
Share-based compensation	173,275	52,344	47,245
Distribution rights (note 17(c))	240,000	120,000	–
Foreign exchange (gain) loss	51,078	(153,959)	31,601
Additional contingent consideration	–	–	20,250
Depreciation of property and equipment	402,095	410,048	546,423
Amortization of intangible assets	241,983	145,227	22,895
Income before the undernoted items	54,862	804,720	1,118,689
Net finance costs (note 18)	7,753	1,553,161	1,020,203
Net income (loss) and comprehensive income (loss)	$ 47,109	$ (748,441)	$ 98,486

Per share amounts:

	2013	2012	2011
Net income (loss) and comprehensive income (loss) per share:			
Basic	$ 0.00	$ (0.01)	$ 0.00
Diluted	$ 0.00	$ (0.01)	$ 0.00
Weighted average number of shares:			
Basic	63,307,044	54,800,296	46,777,048
Diluted	66,715,211	54,800,296	50,606,667

See accompanying notes to consolidated financial statements.

WMODE INC.

Consolidated Statements of Changes in Equity

Years ended December 31, 2013, 2012 and 2011
(in Canadian Dollars)

	Share Capital	Equity Reserve	Warrants	Deficit	Total Deficiency
Balance at January 1, 2011	$11,869,357	$ 1,574,237	$ 15,452	$ (18,762,718)	$ (5,303,672)
Net income and comprehensive income for the period	–	–	–	98,486	98,486
Shares issued	1,494	–	–	–	1,494
Contingency equity issued	–	20,250	–	–	20,250
Exercise of options	12,000	–	–	–	12,000
Exercise of options, from equity reserve	21,000	(21,000)	–	–	–
Share-based compensation	–	47,245	–	–	47,245
Balance at December 31, 2011	11,903,851	1,620,732	15,452	(18,664,232)	(5,124,197)
Net loss and comprehensive loss for the period	–	–	–	(748,441)	(748,441)
Issued on conversion of convertible debenture (note 13(a))	2,324,247	–	–	–	2,324,247
Contingency equity issued	31,284	(31,284)	–	–	–
Exercise of options	1,500	–	–	–	1,500
Share-based compensation	–	52,344	–	–	52,344
Balance at December 31, 2012	14,260,882	1,641,792	15,452	(19,412,673)	(3,494,547)
Net income and comprehensive income for the period	–	–	–	47,109	47,109
Value of warrants issued (note 16(e))	–	–	105,385	–	105,385
Shares issued to settle contract fees (note 16(b))	70,000	–	–	–	70,000
Exercise of options	7,420	–	–	–	7,420
Share-based compensation	–	103,275	–	–	103,275
Balance at December 31, 2013	$ 14,338,302	$ 1,745,067	$ 120,837	$ (19,365,564)	$ (3,161,358)

See accompanying notes to consolidated financial statements.

WMODE INC.

Consolidated Statements of Cash Flows

Years ended December 31, 2013, 2012 and 2011
(in Canadian Dollars)

	2013	2012	2011
Cash flows from (used in) operating activities:			
Net income (loss) and comprehensive income (loss) for the year	$ 47,109	$ (748,441)	$ 98,486
Items not involving cash:			
Depreciation and amortization	644,078	555,275	569,318
Share-based compensation	173,275	52,344	47,245
Finance costs (note 18)	7,753	1,553,161	1,020,203
Additional contingent consideration	–	–	20,250
	872,215	1,412,339	1,755,502
Change in non-cash operating working capital:			
Accounts receivable	(216,441)	(176,536)	(209,761)
Prepaid expenses	3,601	(1,832)	94,004
Accounts payable and accrued liabilities	(178,899)	(263,534)	135,728
Deferred income	–	(158,439)	90,336
	480,476	811,998	1,865,809
Interest paid	(220,887)	(385,268)	(364,309)
	259,589	426,730	1,501,500
Cash flows from (used in) financing activities:			
Proceeds from issuance of royalty net of finance fees	795,210	–	–
Proceeds from issuance of unsecured convertible debentures	465,000	–	–
Proceeds (repayment) of notes payable to related parties	250,000	(140,000)	140,000
Bank operating loan	177,398	717,412	–
Repayments of secured term debt	(733,333)	(2,992,350)	(1,025,163)
Repayments of convertible debentures	(417,564)	(10,874)	–
Repayments of finance leases	(129,980)	(444,699)	(363,423)
Issuance of shares for cash	7,420	1,500	12,000
Proceeds on secured term debt net of finance fees	–	2,164,074	–
Repayment of employee loans to purchase debentures	–	5,766	18,496
	414,151	(699,171)	(1,218,090)
Cash flows from (used in) investing activities:			
Increase in intangible assets	(760,717)	(277,962)	(327,847)
Purchase of property and equipment	(19,373)	(122,630)	(66,987)
	(780,090)	(400,592)	(394,834)
Decrease in cash and cash equivalents	(106,350)	(673,033)	(111,424)
Cash and cash equivalents, beginning of year	182,556	855,589	967,013
Cash and cash equivalents, end of year	$ 76,206	$ 182,556	$ 855,589

See accompanying notes to consolidated financial statements.

1. Nature of operations:

Wmode Inc. (the "Company" or “Wmode”) is a company domiciled in Canada. The primary office is located at 3553 – 31 Street NW, Calgary, Alberta. The Company was incorporated under the Business Corporations Act of Alberta on September 1, 2000 and commenced operations on October 1, 2000. The Company and its subsidiaries principal business activity is the marketing, sales, operation and development of services for the management, control, delivery and payment of wireless internet media.

2. Future operations and capital disclosures:

(a) Future operations:

At December 31, 2013, the Company has a working capital deficiency of $2,195,983 which includes term loan debt and finance lease payments of $747,681 due in 2014 and convertible debt of $400,876 that must be repaid in 2014. To date, the Company has utilised debt and operating cash flows to finance its operations. The Company has entered into multi-year revenue contracts to provide the cash flow to repay its debt obligations as they arise and to fund its operations. In the event the Company does not generate sufficient cash flow from these contracts or receive continued support from its lenders or obtain additional cashflow through issuance of equity securities (note 16(b)), there may be significant doubt that the Company will be able to continue to generate sufficient cash flow from operations to fund its debt obligations and to maintain and grow its existing customer relationships.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will be able to realize its assets and discharge its obligations in the normal course of operations. These consolidated financial statements do not include any adjustments that might result should the going concern principle not be applicable.

(b) Capital disclosures:

The Company’s objectives in managing capital are to safeguard its ability to continue as a going concern, to sustain future development of its business, generate sufficient cash to meet its anticipated operating and capital requirements and settle its financial obligations as they become due.

In determining the amount of cash reserves carried for operating needs, the Company considers the planning and operating risk inherent in its operations, particularly the risk associated with potential and unanticipated changes to the amount or timing of revenues from its customers and the renewal of its contractual relationships. The Company allows for reasonable levels of contingencies in its financial projections to ensure that it can continue to fulfil its objectives and serve its customers in an effective and timely manner.

2. Future operations and capital disclosures (continued):

(b) Capital disclosures (continued):

The Company's capital consists of its share capital and deficit. The Board of Directors does not establish quantitative return on capital criteria for management, but rather promotes year over year sustainable growth in cash flow. There were no changes in the Company's approach to capital management during the year.

The secured term debt (note 10) is subject to certain financial covenants. At December 31, 2013, the Company was in compliance with the financial covenants. The secured term debt contains a material adverse change clause relating to financial stability and for which the lender can ultimately demand immediate repayment.

The convertible debentures and obligations under finance leases contain no financial covenants, cross default clauses or other restrictions.

3. Basis of presentation:

(a) Statement of compliance:

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These are the Company's first consolidated financial statements prepared in accordance with IFRS and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 23.

The consolidated financial statements were authorized for issue by the Board of Directors on February 5, 2015.

(b) Basis of measurement:

The consolidated financial statements have been prepared on the historical cost basis except for derivative instruments which are stated at fair value.

(c) Functional and presentation currency:

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company.

3. Basis of presentation (continued):

(d) Use of estimates and judgments:

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

Note 4(j) – revenue recognition; key assumptions about the service period and the stage of services provided

Note 15 – derivative liabilities; key assumptions about the fair value of the respective instruments

Note 22(b) – contingent consideration; key assumptions about the fair value

Note 22(b) – acquistion of subsidiary; fair value measured on a provisional basis

The Company reviews significant unobservable inputs and valuations. If third party information such as broker quotes is used to measure fair value then the Company assesses the evidence obtained from the third parties to support the valuations in the financial statements.

When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other that quoted prices included in Level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 16(c) - share-based compensation arrangements. Note 15(b)(i) – valuation of the Company's equity securities. Note 20 – financial instrument foreign exchange contracts.

4. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and in preparing the opening IFRS statement of financial position at January 1, 2011 for the purposes of the transition to IFRS.

(a) Basis of consolidation:

(i) Business combinations:

For acquisitions on or after January 1, 2011, the Company measures goodwill as the fair value of the consideration transferred, less the net recognized amount (primarily fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in net income or loss. Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred. On adoption of IFRS, the Company elected not to restate past business combinations occurring prior to January 1, 2011.

(ii) Subsidiaries:

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The consolidated financial statements include the accounts of the Company's subsidiaries in Switzerland named Wmode GmbH, in United Kingdom named Wmode Limited and in United States named AppCarousel Inc. which are all wholly-owned and Redwood Technologies Inc., which is a 98.1% owned Canadian subsidiary. The Company’s subsidiaries are inactive.

(iii) Transactions eliminated on consolidation:

Intra-company balances and transactions, and any unrealized income and expenses arising from intra-company transactions, are eliminated in preparing the consolidated financial statements.

4. Significant accounting policies (continued):

(b) Foreign currency translation and transactions:

IFRS requires that the functional currency of each entity in the consolidated Company be determined separately in accordance with the indicators as per IAS 21, *The Effect of Changes in Foreign Exchange Rates*, and should be measured using the currency of the primary economic environment in which the entity operates. The Company's functional currency is the Canadian dollar.

Accounts of foreign operations, are not significant as all of the Company's subsidiaries are inactive.

Transactions in foreign currencies are comprised of sales to foreign customers and purchases from foreign suppliers. These transactions are recorded using the functional currency of the respective Company entity at exchange rates at the dates of the transactions. The related receivables and payables denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates at that date. The resulting foreign currency gains or losses are recognized on a net basis within finance income and finance costs in net income or loss.

(c) Financial instruments:

(i) Non-derivative financial assets:

The Company initially recognizes loans and receivables on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company's financial assets are comprised of loans and receivables and cash and cash equivalents.

4. Significant accounting policies (continued):

(c) Financial instruments (continue):

(i) Non-derivative financial assets (continue):

Loans and receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise accounts receivable.

Cash and cash equivalents:

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) Non-derivative financial liabilities:

The Company initially recognizes financial liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company has the following financial liabilities: loans and borrowings, bank overdrafts, and accounts payable and accrued liabilities.

Such financial liabilities are recognized initially at fair value minus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

4. Significant accounting policies (continued):

(c) Financial instruments (continued):

(iii) Share capital:

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any income tax effects.

(iv) Derivative financial instruments:

The Company uses derivative financial instruments to manage exposure to volatility in foreign exchange rates. Foreign exchange currency financial instruments that do not qualify as hedges, or have not been designated as such, are recorded at fair value on inception. Gains or losses on these financial instruments are reflected in net earnings when the gain or loss is realized. Unrealized gains and losses on these instruments are recognized in net earnings with a related asset or liability recognized on the balance sheet at fair value at the end of each reporting period. The estimated fair value of these instruments is based on quoted exchange rates.

(v) Embedded derivatives:

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related and a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative. Subsequent to initial recognition these financial liabilities are measured at fair value.

(d) Cash and cash equivalents:

Cash and cash equivalents consists of cash on hand and term deposits with a Canadian chartered bank with original maturity dates of three months or less.

(e) Property and equipment:

(i) Recognition and measurement:

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized net within other income in net income or loss.

4. Significant accounting policies (continued):

(e) Property and equipment (continued):

(ii) Subsequent costs:

The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in net income or loss as incurred.

(iii) Depreciation:

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in net income or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives are as follows:

Computer equipment and software	4 years
Furniture and fixtures	4 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

4. Significant accounting policies (continued):

(f) Intangible assets:

(i) Goodwill:

Goodwill arises upon the acquisition of subsidiaries or assets that constitute a business. For measurement of goodwill at initial recognition, see note 4(a)(i). Goodwill is measured at cost less accumulated impairment losses.

(ii) Research and development:

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in net income or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Capitalized development expenditures are measured at cost less accumulated amortization and accumulated impairment losses.

(iii) Other intangible assets:

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

(iv) Subsequent expenditure:

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in net income or loss as incurred.

(v) Amortization:

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in net income or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Software	4 and 5 years
Patents	2 years

4. Significant accounting policies (continued):

(g) Leased assets:

Leases in which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognized in the Company's statement of financial position.

(h) Impairment:

(i) Financial assets (including receivables):

Loans and receivables are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, and indications that a debtor or issuer will enter bankruptcy.

The Company considers evidence of impairment for receivables at a specific asset level. All individual receivables are assessed for specific impairment.

(ii) Non-financial assets:

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated annually on December 31.

4. Significant accounting policies (continued):

(h) Impairment (continued):

(ii) Non-financial assets (continued):

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 Company 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”). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

The Company’s 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 net income 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 CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, 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.

4. Significant accounting policies (continued):

(i) Share-based payments:

The Company awards stock options to certain directors, officers, consultants and employees of the Company, from time to time, on a discretionary basis subject to certain terms and conditions. Stock options are measured at fair value at the date of grant. Fair value is measured by using Black Scholes option pricing model, taking into account the terms and conditions upon which the equity instruments were granted and also based on management's best estimate of the expected life of such stock options. The fair value of such awards is expensed over the vesting period with a corresponding increase in reserve under equity. Upon exercise of stock-options, proceeds received are credited to share capital.

(j) Revenue recognition:

The Company enters into long-term managed service contracts for the operation of a customers' wireless data billing and management systems. Revenue is recognized over the service period as services are performed. Integration and other professional services are recognized as work is performed.

Certain ongoing contracts provide for revenue sharing with the Company. Under these agreements a portion of the fees charged is paid to the Company in accordance with the terms of the contracts. Those fees are recognized as revenue when they become payable to the Company and collection is reasonably assured.

Revenue under such contractual arrangements is not recognized before there is persuasive evidence that an arrangement exists, delivery has occurred, the fee is fixed and determinable, and the collectability of outstanding amounts is reasonably assured. The Company assesses collectability relative to customer payment histories, credit checks, the nature of the customer and other relevant information.

(k) Government grants:

Government grants are recognized initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognized in net income or loss as other income on a systematic basis in the same periods in which the expenses are recognized. Grants that compensate the Company for the cost of an asset are recognized in net income or loss on a systematic basis over the useful life of the asset.

During the year, the Company received investment tax credits from current and prior years of $82,529 to reduce intangible assets (2012 - $93,000; 2011 - $140,000 - to reduce salaries and benefits expense).

4. Significant accounting policies (continued):

(l) Lease payments:

Payments made under operating leases are recognized in net income or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(m) Finance income and finance costs:

Finance income comprises gains or losses on foreign exchange contracts which are fair valued at each balance sheet date.

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in net income or loss using the effective interest method.

(n) Income tax:

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

4. Significant accounting policies (continued):

(n) Income tax (continued):

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable net income or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(o) Per share amounts:

Basic and diluted per share amounts are calculated using the weighted average number of shares outstanding during the period. Basic per share amounts are calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted per share amounts are determined by adjusting the profit or loss attributable to shareholders and weighted average of share outstanding for the effects of all dilutive potential share options.

(p) New standards and interpretations not yet adopted:

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2013, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Company, however, the extent of the impact has not yet been determined.

5. Cash and cash equivalents:

	December 31, 2013	December 31, 2012	December 31, 2011	January 1, 2011
Bank balances	$ 71,740	$ 165,867	$ 711,147	$ 962,589
Cash and cash equivalents	4,466	16,689	144,442	4,424
Cash and cash equivalents	$ 76,206	$ 182,556	$ 855,589	$ 967,013

6. Accounts receivable:

Trade and other receivables	December 31, 2013	December 31, 2012	December 31, 2011	January 1, 2011
Trade receivables	$ 1,302,224	$ 1,074,249	$ 1,013,871	$ 864,058
Other receivables	67,588	92,906	–	–
Allowance for doubtful accounts	(75,967)	(89,751)	(113,003)	(172,951)
Current trade and other receivables	$ 1,293,845	$ 1,077,404	$ 900,868	$ 691,107

Accounts receivable aging	December 31, 2013	December 31, 2012	December 31, 2011	January 1, 2011
0 to 30 days	$ 941,387	$ 945,685	$ 769,444	$ 346,926
31 to 60 days	224,597	12,500	6,942	170,603
61 to 90 days	81,495	–	29,285	67,137
Over 90 days	46,366	119,219	95,197	106,441
	$ 1,293,845	$ 1,077,404	$ 900,868	$ 691,107

Reconciliation of changes in the allowance for doubtful accounts	December 31, 2013	December 31, 2012	December 31, 2011	January 1, 2011
Balance beginning of year	$ 89,751	$ 113,003	$ 172,951	$ 42,385
Provision	75,967	89,751	113,003	172,951
Accounts receivable written off	(89,751)	(113,003)	(172,951)	(42,385)
	$ 75,967	$ 89,751	$ 113,003	$ 172,951

6. Accounts receivable (continued):

The Company's two most significant customers account for $380,567 (December 31, 2012 - $540,000; December 31, 2011 - $357,225) of the carrying amount at December 31, 2013.

The impairment loss as at December 31, 2013 relates to several customers that have indicated they are not expecting to be able to pay their outstanding balances, mainly due to economic circumstances. The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historic payment behaviour and analyses of the underlying customers' credit ratings.

Based on historic default rates, the Company believes that, apart from the above, no impairment allowance is necessary in respect of accounts receivable not past due or past due by up to 30 days relates to customers that have a good payment record with the Company.

Credit risk management:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the default risk of the industry in which customers operate, as these factors may have an influence on credit risk. Approximately 77% (2012 – 86%; 2011 – 87%) of the Company's revenue is attributable to sales transactions with two customers under a contract due for renewal in December 2014.

Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

7. Property and equipment:

Cost	Computer equipment and software	Furniture and fixtures	Total
Balance, January 1, 2011	$ 3,034,158	$ 248,966	$ 3,283,124
Additions	335,436	6,819	342,255
Balance, December 31, 2011	3,369,594	255,785	3,625,379
Additions	119,170	3,460	122,630
Computer equipment and software no longer in use	(452,667)	–	(452,667)
Balance, December 31, 2012	3,036,097	259,245	3,295,342
Additions	19,373	–	19,373
Balance, December 31, 2013	$ 3,055,470	$ 259,245	$ 3,314,715

Accumulated Depreciation	Computer equipment and software	Furniture and fixtures	Total
Balance, January 1, 2011	$ 1,701,572	$ 168,097	$ 1,869,669
Depreciation	512,462	33,961	546,423
Balance, December 31, 2011	2,214,034	202,058	2,416,092
Depreciation	382,096	27,952	410,048
Computer equipment and software no longer in use	(452,667)	–	(452,667)
Balance, December 31, 2012	2,143,463	230,010	2,373,473
Depreciation	379,117	22,978	402,095
Balance, December 31, 2013	$ 2,522,580	$ 252,988	$ 2,775,568

7. Property and equipment (continued):

Carrying amounts	Computer equipment and software	Furniture and fixtures	Total
At January 1, 2011	$ 1,332,586	$ 80,869	$ 1,413,455
At December 31, 2011	1,155,560	53,727	1,209,287
At December 31, 2012	892,634	29,235	921,869
At December 31, 2013	532,890	6,257	539,147

Included in computer equipment at December 31, 2013 are assets under finance lease with a total cost of $328,431 (December 31, 2012 - $413,974; December 31, 2011 - $1,182,562, January 1, 2011 - $907,294) and accumulated depreciation of $209,450 (December 31, 2012 - $195,828; December 31, 2011 - $467,326, January 1, 2011 - $206,094). These assets are security for the finance leases (note 12).

8. Intangible assets:

Cost	Software	Patent and deposits	Total
Balance, January 1, 2011	$ 72,032	$ 90,436	$ 162,468
Additions	311,158	16,689	327,847
Intangible assets no longer in use	–	(71,391)	(71,391)
Balance, December 31, 2011	383,190	35,734	418,924
Additions	260,772	17,190	277,962
Balance, December 31, 2012	643,962	52,924	696,886
Additions	745,134	15,583	760,717
Balance, December 31, 2013	$ 1,389,096	$ 68,507	$ 1,457,603

8. Intangible assets (continued):

Accumulated Amortization	Software	Patent and deposits	Total
Balance, January 1, 2011	$ 3,750	$ 71,391	$ 75,141
Amortization	15,000	7,895	22,895
Intangible assets no longer in use	–	(71,391)	(71,391)
Balance, December 31, 2011	18,750	7,895	26,645
Amortization	133,227	12,000	145,227
Balance, December 31, 2012	151,977	19,895	171,872
Amortization	221,881	20,102	241,983
Balance, December 31, 2013	$ 373,858	$ 39,997	$ 413,855

Carrying amounts	Software	Patent and deposits	Total
At January 1, 2011	$ 68,282	$ 19,045	$ 87,327
At December 31, 2011	364,440	27,839	392,279
At December 31, 2012	491,985	33,029	525,014
At December 31, 2013	1,015,238	28,510	1,043,748

No amortization was taken on software costs in the amount of $260,295 (December 31, 2012 - $34,000; December 31, 2011 - $311,000, January 1, 2011 - $nil) as the assets were not available for use.

9. Goodwill impairment testing:

The Company has one CGU. The Company determines the recoverable amount of its CGU based on an enterprise valuation approach. The primary sources of information is derived from past experience, actual operating results and the valuation of the Company's stock. Key assumptions used in the estimation of an enterprise valuation approach was the Level 3 input which was the fair value of the Company's stock (see note 15(b)).

At December 31, 2013, the Company recognized no impairment losses on goodwill (2012 - $nil; 2011 - $nil).

10. Operating bank loan and secured term debt:

	December 31,			January 1,
	2013	2012	2011	2011
Royal Bank of Canada secured term loan	$ 1,082,189	$ 1,803,700	$ –	$ –
Wellington secured debenture	–	–	2,615,653	3,631,157
	1,082,189	1,803,700	2,615,653	3,631,157
Less current portion	(733,333)	(733,333)	(1,044,289)	(1,358,958)
	$ 348,856	$ 1,070,367	$ 1,571,364	$ 2,272,199

(a) Royal Bank of Canada operating bank loan and secured term loan:

The Company has a loan agreement with the Royal Bank of Canada ("RBC"). The agreement provided for a term loan of $2,200,000 and a revolving demand operating line as at December 31, 2013 to a maximum of $1,300,000 (2012 - $900,000; 2011 - $nil). In addition to the above, a Visa with a maximum limit of $50,000 is issued from RBC. The term loan is repayable over 36 months at the rate of $61,111 principal only per month and bears interest at bank's prime plus 2.5%. The operating line bears interest at the bank's prime plus 3.5%. Bank prime was 3% during 2013 (2012 – 3%). Both loans are secured by a first ranking charge over all of the assets of the Company and its subsidiaries and are subject to covenants related to financial performance. As at December 31, 2013, the Company had drawn $894,810 (2012 - $717,412) on the operating line. The annual principal repayments on the term loan are 2014 - $733,333 and 2015 - $348,856. Amounts available under the operating line are subject to margin requirements of 75% of accounts receivable. As at December 31, 2013 the amount available was $936,773.

In 2012, the Company paid a finance fee in the amount of $35,926 and amortization on the finance fee during the year was $11,822 (2012 - $6,293; 2011 - $nil).

10. Bank operating loan and secured term debt (continued):

(a) Royal Bank of Canada operating bank loan and secured term loan (continued):

On June 5, 2014, the Company entered into an amended loan agreement with RBC. The amended agreement provides for a first term loan of $794,444, a second term loan of $900,000 and a revolving demand operating line to a maximum of $1,600,000. In addition to the above, a Visa with a maximum limit of $50,000 is issued from RBC. The first term loan is repayable over 36 months at the rate of $22,068 plus interest and bears interest at bank's prime plus 4.5%. The second term loan is repayable at the monthly rate of $25,000 plus interest with the remainder due on May 30, 2017 and bears interest at bank's prime plus 5.0%. The operating line bears interest at bank's prime plus 2.5%. The loans are secured by a first ranking charge over all of the assets of the Company and its subsidiaries and an assignment of a material revenue contract and are subject to covenants related to financial performance and contains material adverse change clauses related to revenue contracts.

The annual scheduled principal repayments on the amended term loans are 2014 - $638,888, 2015 - $564,804, 2016 - $564,804 and 2017 - $231,504 (including payments required under the agreement with RBC prior to the amendment). The amended loan agreement has a repayment provision for the term loans based on calculated free cash flow, defined as Earnings Before Interest, Taxes, Depreciation and Amortization (as detailed in the amended agreement) for such year less scheduled principal and interest payments on the RBC debt, cash taxes and capital expenditures, which could require a principal repayment equal to 25% of calculated free cash flow, payable 45 days after year end. Amounts available under the operating line are subject to margin requirements as specified in the agreement.

Subsequent to year end, the Company obtained a letter from the RBC indicating that the covenants under the agreement are to be calculated using the Company's financial statements under IFRS beginning for the quarter ended September 30, 2014.

(b) Wellington secured debenture and warrants:

The Wellington secured debenture was repaid in 2012. The Debenture had an annual interest rate of 12.75%. The monthly payments of principal and interest were $145,530 from January 1, 2011 to March 31, 2011, then reduced to $110,000 from April 1, 2011 to November 30, 2013 and the remainder was due on December 31, 2013. The secured debenture was collateralized by a charge over all of the assets of the Company and its subsidiaries.

10. Bank operating loan and secured term debt (continued):

(b) Wellington secured debenture and warrants (continued):

In connection with this secured debenture financing, the Company issued a Series B Special Warrant. The Series B Special Warrant entitles the holder to receive Share Purchase Warrants. The holder will have the option to receive Share Purchase Warrants equal to the greater of:

(i) the quotient of 40% of $5,500,000 divided by the exercise price. The exercise price shall be equal to 70% of the per share price paid on the next equity financing round of not less than $5,000,000. Each Purchase Warrant will entitle the holder to purchase one class A common share at the ‘to be determined’ exercise price.

(ii) 5% of the class A common shares of the Company outstanding at December 31, 2009 on a fully diluted basis. Each Purchase Warrant will entitle the holder to purchase one class A common share for no additional consideration. The agreement contains an anti-dilution clause for any class A common shares issued after December 31, 2009 at a value of less than $0.17 per share. The number of purchase warrants determined on December 31, 2009 under this scenario is 3,360,136 warrants and has not changed due to anti-dilution.

The Series B special warrants did not expire with the repayment of the Wellington secured debenture and the warrants do not have an expiry date.

The secured debenture is a financial instrument comprising both a debt component and a derivative liability being the warrants which have been fair valued on initial recognition. The valuation approach involved determining a fair value for the warrants and then using the residual method to allocate a value to the debt component. The fair value of the warrants on initial recognition was determined to be $269,000. In 2010, the $4,500,000 was allocated to these components resulting in $4,231,000 and $269,000 being allocated to the liability and derivative liability, being the warrants, respectively.

Accretion expense during the year was $nil (2012 - $3,726; 2011 - $9,659).

In 2012, the Company settled the secured debentures with the difference between the cash paid of $2,075,683 and the carrying amount on settlement of the secured debenture of $2,069,379 being recognized as a loss on debt settlement in the amount of $6,304 which is included in net finance costs (note 18).

10. Bank operating loan and secured term debt (continued):

(b) Wellington secured debenture and warrants (continued):

The warrants are a derivative liability and is required to be fair valued at each balance sheet date. The fair value changes are included in net finance costs as follows:

	December 31, 2013	December 31, 2012	December 31, 2011	January 1, 2011
Balance opening	$ 752,610	$ 369,615	$ 269,000	$ 269,000
Change in fair value (gain) loss	–	382,995	100,615	n.a.
Balance at December 31	$ 752,610	$ 752,610	$ 369,615	$ 269,000

The Black-Scholes value of the warrants was determined to be $0.09 (2012 - $0.08; 2011 - $n.a.) with fair value assumptions used for the derivative liability as follows:

	2013	2012	2011
Fair value of the Company's stock	$0.15	$0.13	$0.11
Expected warrants to be issued under note 10(b)(i) above	20,952,381	24,175,824	–
Expected volatility	60%	60%	–
Risk-free rate	1.1%	1.2%	–
Probability of material financing event	40%	40%	–
Expected warrants to be issued under note 10(b)(ii) above	–	–	3,360,136

Subsequent to year end, the Company and the holder of Series B special warrants amended the terms. Upon the occurrence of a going public event similar to that described in note 13(b), these warrants automatically convert into 3,500,000 class A common shares of Wmode for no additional consideration if such event occurs prior to December 31, 2015.

11. Accounts payable and accrued liabilities:

	December 31, 2013	December 31, 2012	December 31, 2011	January 1, 2011
Trade payables	$ 301,829	$ 217,709	$ 154,511	$ 221,324
Content provider payables	522,401	930,840	1,269,682	682,161
Non-trade payables and accrued expenses	361,190	212,114	200,007	370,628
Wages and salaries payable	95,461	99,117	99,114	313,473
	$ 1,280,881	$ 1,459,780	$ 1,723,314	$ 1,587,586

The Company's exposure to liquidity and currency risk related to accounts payable and accrued liabilities is disclosed in note 20.

12. Finance leases:

The Company has certain computer equipment under finance leases. Estimated lease payments are as follows:

	December 31, 2013	December 31, 2012	December 31, 2011	January 1, 2011
Year ended December 31:				
2011	$ –	$ –	$ –	$ 309,808
2012	–	–	356,751	269,207
2013	–	146,653	270,689	175,988
2014	16,682	10,965	20,674	17,592
2015	13,624	11,161	4,398	4,398
2016	995	–	–	–
	31,301	168,779	652,512	776,993
Less amount representing interest	2,587	10,085	49,119	85,445
Present value of net minimum finance lease payments	28,714	158,694	603,393	691,548
Current portion of obligations under finance lease	14,348	137,521	330,386	261,661
	$ 14,366	$ 21,173	$ 273,007	$ 429,887

The computer equipment under finance lease has been recognized in property and equipment at the present value of the minimum lease payments. Finance leases are secured by the related computer equipment. Interest charges of $9,335 (2012 - $27,387, 2011 - $61,909) relating to finance leases has been included in net finance costs (note 18).

13. Convertible debentures:

(a) Secured convertible debentures:

	December 31, 2013	December 31, 2012	December 31, 2011	January 1, 2011
Secured convertible debentures, with interest at 7% per annum, due December 31, 2013	$ 2,613,366	$ 2,613,366	$ 2,613,366	$ 2,613,366
Add accrued interest	1,057,157	994,887	622,134	416,214
Less redemptions	(93,585)	(93,585)	(82,711)	(82,711)
Less initial allocation to equity components	(890,945)	(890,945)	(890,945)	(890,945)
Accretion and changes in fair value of equity components	890,945	816,189	508,221	336,851
Less conversion to common shares, carrying amount of $1,963,493 and loss on settlement of $360,754	(2,324,247)	(2,324,247)	–	–
Less repayments	(417,564)	–	–	–
Less conversion to warrants	(83,513)	–	–	–
Less debt portion of gain on settlement	(334,050)	–	–	–
Other	–	–	(5,766)	(24,262)
	417,564	1,115,665	2,764,299	2,368,513
Remaining accretion	(16,688)	–	–	–
Current portion due in 2014	(400,876)	(1,115,665)	–	–
	$ –	$ –	$ 2,764,299	$ 2,368,513

The secured convertible debentures bore interest at 7%, were repayable, principal and accrued interest, on December 31, 2013 and were secured by a charge over all of the assets of the Company and its subsidiaries. These debentures were subordinate to the operating bank loan and the secured term loan (note 10).

The debentures were automatically convertible at the conversion price ("Conversion Price") if one of the following occur, 1) after a conversion of the debentures, Shareholders' Equity, as set out in the Company's pro forma financial statements, is greater than $2,000,000, 2) upon an initial public offering, or 3) sale of all the shares or assets of the Company. The Conversion Price is defined as the lesser of $0.25 per common share and the price of the shares for the conversion event less 20% but not less than $0.15 per common share.

In connection with the secured convertible debenture financing, the Company had issued 10,453,465 warrants in 2008. Each warrant entitled the holder to purchase one class A common share at the greater of 70% of the conversion price as defined above and $0.15 if no conversion price is established, before June 30, 2012.

13. Convertible debentures (continued):

(a) Secured convertible debentures (continued):

The secured convertible debentures were a financial instrument comprising both a debt component and derivative liability components being the conversion feature and the warrants which have been fair valued on recognition. The valuation approach involved determining a fair value for the secured convertible debentures in the absence of the conversion feature and warrants and then using the residual method to allocate a value to the derivative liability components. The fair value of the debt component was determined using an interest rate of 15% with the residual being recorded as the value of the derivative liabilities. In 2008, the $2,613,366 was allocated to these components using the present value of the interest and principal payments of the secured convertible debentures resulting in $1,722,421 allocated to the convertible debenture liability and $408,810 and $482,135 being allocated to the derivative liabilities, being the conversion feature and warrant, respectively.

The convertible debenture liability component is then accreted to the face value of the secured convertible debenture over its original term ending on December 31, 2013 using the effective interest method. During 2013, $68,333 (2012 - $126,173; 2011 - $171,370) has been charged to accretion expense.

In 2012, the Company offered to the secured convertible debenture holders the right to convert the principal amount of the debentures, any interest accrued thereon and any interest accruing to December 31, 2013, into fully paid and non-assessable class A common shares, at a conversion price of $0.15 per share, and contingent on the Company extending the maturity date of any unexercised warrants to December 31, 2014. On June 30, 2012, secured convertible debenture holders converted an aggregate principal amount of $1,626,722 and interest accrued thereon to June 30, 2012 of $473,878 and interest accruing to December 31, 2013 of $223,647 into 15,505,445 class A common shares of the Company. The common shares issued were recognized at their fair value of $0.15 per common share, and the difference between the total fair value of the shares of $2,324,247 and the carrying amount of the debt and derivative liability, being the conversion feature, of $1,963,493 was recorded as a loss on debt settlement in the amount of $360,754.

On June 30, 2012, warrants to purchase 3,913,371 common shares expired, these were held by debenture holders who did not convert. The maturity date of 6,540,094 warrants held by debenture holders who did convert was extended to December 31, 2014. The warrant extension resulted in a finance fee expense of $144,145 which was the incremental fair value on the date of extension and has been recorded as an increase to the derivative liability and a finance fee expense. Subsequent to year end, 141,200 of these warrants were exercised for proceeds of $24,710.

13. Convertible debentures (continued):

(a) Secured convertible debentures (continued):

Subsequent to year end, the remaining 6,398,894 warrants issued in connection with the secured convertible debentures were extended to an expiry date of December 31, 2016 from December 31, 2014 and the exercise price on these warrants was fixed at $0.20 per warrant.

At November 18, 2013, the remaining principal and interest accrued on the secured convertible debentures amounted to $1,252,691. On this date, the Company entered into an agreement with all of the remaining secured convertible debenture holders whereby the Company redeemed all the secured convertible debentures in return for cash, a revised debenture, and warrants as follows:

(i) On November 18, 2013, the Company paid to the debenture holders $417,564, being 1/3 of the principal and interest amount of these remaining secured convertible debentures;

(ii) $417,564 shall be repayable by the Company in 4 equal instalments on January 15, 2014, April 15, 2014, July 15, 2014 and October 15, 2014. The Company is not required to pay any interest on such amounts. The balance remaining no longer has any security or conversion features. The remaining balance is a financial instrument which has been fair valued on recognition. The valuation approach involved determining a fair value for a comparable debt in the market place. The present value of the principal payments of the loan payable using a market interest rate of 9% is $397,889. Accretion expense was $2,987 during 2013. Subsequent to year end, the Company has made the all four payments under this arrangement.

(iii) The Debenture holders also received 1,670,253 share purchase warrants, for settlement of $417,563 under the agreement, each entitling the holder to purchase one share of the Company for a period of 3 years from issuance at a price of $0.20 per share exercisable upon being granted. The warrants were valued using Black-Scholes under the same terms as note 16(c) at $0.05 per warrant for $83,513 (note 16(e)).

The new debt and the share purchase warrants issued to settle the remaining secured convertible debentures were initially recognized at fair value. The difference between the sum of the cash paid along with the amounts recognized for the new instruments issued of $898,966 and the carrying amount on settlement of the secured convertible debentures, including the value of the conversion feature, of $1,276,382 was recognized as a gain on debt settlement in the amount of $377,416 and has been included in net finance costs (note 18).

13. Convertible debentures (continued):

(a) Secured convertible debentures (continued):

As at December 31, 2013, secured convertible debentures payable to directors, officers and employees, were $nil (2012 - $nil; 2011 - $1,178,479).

The conversion feature on the secured convertible debentures is a derivative liability and is required to be fair valued at each balance sheet date. The fair value changes are included in net finance costs as follows:

	December 31, 2013	December 31, 2012	December 31, 2011	January 1, 2011
Balance opening	$ 56,188	$ 57,591	$ 27,064	$ 27,064
Change in fair value (gain) loss	(26,075)	43,284	30,527	n.a.
Transferred to debt settlement gain or loss	(30,113)	(44,687)	–	n.a.
Balance at December 31	$ –	$ 56,188	$ 57,591	$ 27,064

The Black-Scholes value of the conversion feature was determined to be $0.01 (2012 - $0.02; 2011 - $0.03) and conversion feature fair value assumptions used for the derivative liability are as follows:

	2013	2012	2011
Fair value of the Company's stock	$0.15	$0.13	$0.11
Probability of an equity financing as specified in the agreement	40%	40%	10%
Expected common shares to be issued	6,022,548	7,936,140	21,018,593

The warrants issued in connection with the secured convertible debentures are a derivative liability and are required to be fair valued at each balance sheet date. The fair value changes are included in net finance costs as follows:

	December 31, 2013	December 31, 2012	December 31, 2011	January 1, 2011
Balance opening	$ 261,604	$ 83,628	$ 58,539	$ 58,539
Change in fair value (gain) loss	–	33,831	25,089	n.a.
Fair value extension of warrants	–	144,145	–	n.a
Balance at December 31	$ 261,604	$ 261,604	$ 83,628	$ 58,539

13. Convertible debentures (continued):

(a) Secured convertible debentures (continued):

The Black-Scholes value of the warrants was determined to be $0.04 (2012 - $0.04; 2011 - $0.01). The Black-Scholes value of the incremental fair value of the warrant extension in 2012 was determined to be $0.02. The warrants fair value assumptions used for the derivative liability are as follows:

	2013	2012	2011
Fair value of the Company's stock	$0.15	$0.13	$0.11
Expected warrants to be issued	6,540,094	6,540,094	10,453,465

(b) Unsecured convertible debentures:

On November 8, 2013, the Company issued $465,000 in unsecured convertible debentures, $290,000 of which were purchased by executives and directors of the Company.

The principal amount owing under the unsecured convertible debentures, along with any unpaid and accrued interest, are due on February 28, 2015 (the "Maturity Date"). No interest on the unsecured debentures is payable if the Going Public Event (as defined below) occurred prior to March 31, 2014 (the "Going Public Event Deadline"). If the Going Public Event does not occur prior to the Going Public Event Deadline, the unsecured convertible debentures shall bear interest at a rate of 8.0% per annum compounded annually, payable quarterly to each debenture holder for the period from the date of issue to the earlier of the Conversion Date (as defined below) and the Maturity Date. Aggregate interest accrued for the period from the date of issue to the Going Public Event Deadline shall be payable to each debenture holder on April 15, 2014. Interest of $5,362 has been accrued at December 31, 2013.

13. Convertible debentures (continued):

(b) Unsecured convertible debentures (continued):

"Going Public Event" means (i) an initial public offering and concurrent listing of the common shares of the Company (the "Shares") on a recognized stock exchange in Canada or the United States; (ii) a reverse take-over in which shares or securities received are listed on a recognized stock exchange in Canada or the United States; or (iii) a transaction that provides the holder of the Company's shares with comparable liquidity (including securities free of statutory hold periods) that such holders would have received if a public offering occurred, whether by means of a merger, amalgamation, arrangement, take-over bid, insider bid, reorganization, joint venture, sale of all or substantially all assets of the Company, exchange of assets or similar transaction or other combination with a public corporation listed on a recognized stock exchange in Canada or the United States. On the date of the Going Public Event and prior to the Maturity Date (the "Conversion Date"), the unsecured debentures shall be automatically converted into class A common shares at a conversion price equal to 85% of the issue price per share of any initial public offering or other financing undertaken in conjunction with the Going Public Event. Any unpaid and accrued interest will be paid in cash to the debenture holder in advance of any conversion.

The unsecured convertible debentures were a financial instrument comprising both a debt component and a derivative liability component being the conversion feature which was fair valued on issuance. The valuation approach involved determining the fair value for the conversion feature and then using the residual method to allocate a value to the debt component. At the date of issue, the $465,000 was allocated to these components resulting in $432,000 and $33,000 being allocated to the debt and the derivative liability components, respectively.

The debt component was to be accreted to the face value of the unsecured convertible debenture over its original term ending on February 28, 2015 using the effective interest method. During 2013, $3,993 had been charged to accretion expense.

The conversion feature derivative liability is required to be fair valued at each balance sheet date. With the initial valuation completed in late 2013, there has been no change in fair value to year end.

13. Convertible debentures (continued):

(b) Unsecured convertible debentures (continued):

The Black-Scholes value of the conversion feature was determined to be $0.03 with the conversion feature fair value assumptions used for the derivative liability as follows:

	2013
Fair value of the Company’s stock	$0.15
Estimated exercise price	$0.17
Probability of going public event	40%
Expected common shares to be issued	2,766,835

Subsequent to year end, the holders converted the unsecured convertible debentures and accrued interest, totalling $492,974, into 1,760,621 units at $0.28 per unit under the same terms as a financings completed in 2014 (note 16(b)). Each unit consists of one class A common share and one unit warrant. The 1,760,621 unit warrants were valued at $26,763 and will each automatically convert for no additional consideration into 0.2 of a class A common share if the Company does not complete a Going Public Event on or before March 17, 2015.

The subsequent to year end conversion of the unsecured convertible debentures and accrued interest resulted in a gain on settlement of $23,689 being the fair value of the derivative liability at settlement of $40,492, less the $16,803 of the remaining accretion expense.

14. Long term royalty:

During the year, the Company entered into a royalty agreement for cash proceeds of $1,000,000. In return for the payment to the Company, Wmode shall pay the royalty holder 2% of gross revenue in perpetuity. The Company may, at its option, buy out all royalty obligations at any time after the fourth anniversary of the date of the agreement, for $2,700,000, with this buyout amount increasing by 10% per year thereafter. The royalty amount is repayable in the event of a default, which includes default of payments and other material adverse change clauses under the agreement in a manner determined by the royalty holder. The net amount of the payment received is reflected as a non-current liability at December 31, 2013. During the year, the Company paid $27,248 in royalties included in operating expenses.

14. Long term royalty (continued):

In connection with the execution of the royalty agreement, an agent received a cash commission of $70,000, and warrants to purchase 500,000 common shares of the Company at $0.20 for 2 years from November 18, 2013, exercisable immediately. These warrants were valued using Black-Scholes under the same terms as outlined in note 16(c). The resulting fair value was $0.04 per warrant totalling $20,000 (note 16(e)). In addition, the Company granted to the same agent, warrants purchase 187,166 common shares of the Company at $0.37 for 2 years from November 18, 2013, exercisable immediately. These warrants were valued using Black-Scholes under the same terms as outline in note 16(c). The resulting fair value was $0.01 per warrant totalling $1,872 (note 16(e)). The Company paid other cash finance fees of $134,790. These warrants, along with the cash payments, will be amortized as a finance expense over the four year period from the date the royalty agreement was executed.

As at December 31, 2013, the carrying amount of the long term royalty was $779,828. The total finance fees were $226,662 and amortization of the finance fees was $6,490 to December 31, 2013.

15. Derivative liabilities:

(a) Derivative liabilities:

	December 31, 2013	December 31, 2012	December 31, 2011	January 1, 2011
Secured convertible debentures conversion feature (note 13(a))	$ –	$ 56,189	$ 57,591	$ 27,064
6,540,094 (2012 - 10,453,465) warrants (note 13(a))	261,604	261,604	83,628	58,539
Wellington warrants (note 10(b))	752,610	752,610	369,615	269,000
Unsecured convertible debentures conversion feature (note 13(b))	33,000	–	–	–
	$ 1,047,214	$ 1,070,403	$ 510,834	$ 354,603

The gain (loss) on derivative liabilities for the year ended December 31, 2013 amounted to $26,075 (2012 - $(460,111); 2011 - $(156,230)) included in net finance costs (note 18).

15. Derivative liabilities (continued):

(b) Derivative liabilities and other financial instrument fair value assumptions:

The valuation techniques and significant unobservable inputs related to the Company's Level 3 fair values are summarized as follows:

(i) The Company's equity securities:

Valuation technique – the Company uses the market comparison technique and the valuation model is based on market multiples derived from quoted prices of companies comparable to the Company. The estimate is adjusted for the effect of the non-marketability of the equity securities.

Significant unobservable inputs – adjusted market multiples.

Inter-relationship between significant unobservable inputs and fair value measurement – The estimated fair value would increase (decrease) if the adjusted market multiples were higher (lower). Generally a change in the annual revenue growth rate is accompanied by a directionally similar change in fair value.

(ii) Derivative liabilities:

Valuation technique – the Company uses a market liquidly event probability and the valuation model is based on management's expected probability of an IPO, sale of the Company or a material liquidity event.

Significant unobservable inputs – management's estimate.

Inter-relationship between significant unobservable inputs and fair value measurement – The estimated fair value would increase (decrease) if the expected probability of an IPO, sale of the Company or a material liquidity event were higher (lower).

(iii) Forward exchange contracts:

Valuation technique – the Company uses the market comparison technique and the fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

15. Derivative liabilities (continued):

(b) Derivative liabilities and other financial instrument fair value assumptions (continued):

(iv) Contingent consideration:

Valuation technique – the Company uses the discounted cash flows technique and the valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate. The expected payments are determined by considering the possible scenarios of forecast EBITDA, the amount to be paid under each scenario, and the probability of each scenario.

Significant unobservable inputs – forecast annual revenue growth rates, forecast EBITDA margins, and risk-adjusted discount rates.

Inter-relationship between significant unobservable inputs and fair value measurement – The estimated fair value would increase (decrease) if the annual revenue growth rate were higher (lower), the EBITDA margin were higher (lower), or the risk-adjusted discount rate were lower (higher). Generally a change in the annual revenue growth rate is accompanied by a directionally similar change in EBITDA margin.

16. Share capital:

(a) Authorized:

Unlimited number of Class A voting common shares;
Unlimited number of Class B non-voting common shares; and
Unlimited number of Class C shares issuable in one or more series at any time and from time to time. The directors of the Company, by resolution, shall determine the designation, privileges and conditions attaching to the Class C shares of the particular series.

16. Share capital (continued):

(b) Issued:

	Number of shares	Amount
Class A common shares:		
Balance, January 1, 2011 (before reduction for share purchase loans of $145,000)	46,710,552	$ 12,014,357
Shares issued	6,496	1,494
Shares issued on exercise of stock options	60,000	12,000
Exercise of stock options from equity reserve	–	21,000
Balance, December 31, 2011 (before reduction for share purchase loans of $145,000)	46,777,048	12,048,851
Shares issued on conversion of convertible debentures (note 13(a))	15,505,445	2,324,247
Shares issued for contingent consideration on 2010 acquisition	391,051	31,284
Shares issued on exercise of stock options	150,000	1,500
Balance, December 31, 2012 (before reduction for Share purchase loans of $145,000)	62,823,544	14,405,882
Shares issued on exercise of stock options	742,000	7,420
Shares issued to settle contract fees	250,000	70,000
Share purchase loans	–	(145,000)
Balance, December 31, 2013	63,815,544	$ 14,338,302

In 2010, loans of $145,000 were made to employees to acquire shares on exercise of options and share capital was reduced by $145,000 at that time. The loans are secured by the acquired shares, interest is payable semi-annually at the annual rate of 5% commencing April 1, 2011, the principal is payable on the earlier of the listing of the Company on a public stock exchange, a sale of the Company, or December 31, 2014. Subsequent to year end, the Company received $105,000 repayment on these loans.

In 2013, the Company entered into a commitment for financial services at $10,000 per month to be settled with corporate finance units comprising one common share and one corporate finance warrant exercisable into one common share at a price of $0.28 and will continue until the parties cancel the agreement. In 2013, the Company issued 250,000 common shares and 250,000 warrants for consideration of $70,000 recorded as share-based compensation expense. Subsequent to year end, the Company issued 321,429 common shares for consideration of $90,000.

16. Share capital (continued):

(b) Issued (continued):

Subsequent to year end, the Company issued 4,666,570 units at $0.28 per unit for gross proceeds of $1,306,640. Each unit consists of one Class A common share and one unit warrant. The 4,666,570 unit warrants were valued at $70,932 and will each automatically convert for no additional consideration into 0.2 of a Class A common share if the Company does not complete a going public event on or before March 31, 2015. The Company compensated the agent of the financing by paying a commission of $70,000 in cash, issuance of 367,786 agent warrants exercisable into one common share at a price of $0.28 with an expiry of June 17, 2016, and issued 178,571 corporate finance units comprising one common share and one corporate finance warrant exercisable into one common share at a price of $0.28 with a value of $50,000 with an expiry of June 17, 2016. The cash commission, agent warrants and unit amounts have been recorded as share issue costs.

(c) Share-based compensation plan:

The Company has established a stock option plan for officers, directors and employees of the Company which provides for the granting of options up to 20% of the aggregate of all classes of shares issued. The options are non-assignable and options granted under the plan generally vest over a period ranging from immediately up to four years commencing at the date of grant. The options have a maximum life of between four and ten years.

The following tables set forth information relating to stock options outstanding:

	2013		2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of year	7,001,125	$ 0.22	7,216,125	$ 0.21
Granted	642,000	$ 0.30	2,956,875	$ 0.21
Exercised	(742,000)	$ 0.01	(150,000)	$ 0.01
Expired	(87,000)	$ 0.20	(2,696,875)	$ 0.20
Forfeited	(51,750)	$ 0.28	(325,000)	$ 0.21
Outstanding, end of year	6,762,375	$ 0.25	7,001,125	$ 0.22

16. Share capital (continued):

(c) Share-based compensation plan (continued):

	2011	
	Number of options	Weighted average exercise price
Outstanding, beginning of year	7,262,375	$ 0.20
Granted	710,000	$ 0.30
Exercised	(60,000)	$ 0.20
Expired	(560,000)	$ 0.20
Forfeited	(136,250)	$ 0.20
Outstanding, end of year	7,216,125	$ 0.21

In 2013 the Company granted 642,000 (2012 - 2,956,875) stock options to acquire Class A common shares having an average exercise price $0.30 (2012 - $0.21). These options vest in four tranches (2012 – two tranches), 25% each anniversary date (2012 - 50% each anniversary date) of the grant.

Subsequent to year end, the Company granted 991,000 stock options having an average exercise price of $0.30 under the same terms as those granted in 2013.

The Company calculates the fair value of the options granted using the Black-Scholes option pricing model. The following weighted average assumptions were used to determine the fair value of options on date of grant:

	2013	2012	2011
Risk free interest rate	1.1%	1.2%	1.2%
Expected life	8 years	8 years	8 years
Expected dividend yield	0%	0%	0%
Expected share price volatility	60%	60%	62%
Forfeitures	3%	3%	3%
Fair value of the Company’s stock	$0.15	$0.13	$0.11

16. Share capital (continued):

(c) Share-based compensation plan (continued):

The weighted average fair value of options granted in 2013 was determined to be $0.07 (2012 - $0.04; 2011 - $0.05). Share-based compensation expense for the year was $103,275 (2012 - $52,344; 2011 - $47,245) and is included in share-based compensation expense.

	Options outstanding		Options exercisable	
Exercise price	Number outstanding at December 31, 2013	Weighted average remaining contractual life (years)	Number exercisable at December 31, 2013	Weighted average exercise price
$ 0.20	3,450,375	3.0	2,109,438	$ 0.20
$ 0.30	3,312,000	7.5	1,950,000	$ 0.30

(d) Equity reserve:

	2013	2012	2011
Balance, beginning of year	$ 1,641,792	$ 1,620,732	$ 1,574,237
Share-based compensation expense	103,275	52,344	47,245
Contingent equity to be issued (note 15(b)(i))	–	(31,284)	20,250
Exercise of stock options	–	–	(21,000)
Balance, end of year	$ 1,745,067	$ 1,641,792	$ 1,620,732

(e) Warrants:

	December 31, 2013	December 31, 2012	December 31, 2011	January 1, 2011
1,670,253 warrants (note 13(a)(iii))	$ 83,513	$ –	$ –	$ –
Royalty warrants (note 14)	21,872	–	–	–
2005 agent warrants	15,452	15,452	15,452	15,452
	$ 120,837	$ 15,452	$ 15,452	$ 15,452

16. Share capital (continued):

(e) Warrants (continued):

In 2005, the Company granted to an agent of an equity placement 220,770 warrants to purchase Class A common shares at an exercise price of $0.91 per share fair valued at $0.07 per warrant for $15,452. The warrants do not have an expiry date and are exercisable on the earlier of six months following (i) an initial public offering of the Company's shares on a North American stock exchange; or (ii) merger with, or reverse take-over of, a public company on a North American stock exchange; or (iii) at the option of the agent.

17. Operating leases and commitments:

(a) Non-cancellable operating lease rentals are payable as follows:

	2013	2012	2011	2010
Less than 1 year	$ 159,000	$ 430,000	$ 501,000	$ 547,000
Between 1 and 5 years	282,000	100,000	233,000	366,000
	$ 441,000	$ 530,000	$ 734,000	$ 913,000

(b) The Company is committed to pay: 1) $160,000 to one Director of the Company upon the earlier of listing of the Company on a public stock exchange or a sale of the Company, and 2) one-half of a percent each to two Directors of the Company of the cash proceeds in the event of a merger, sale or closing of a major liquidity event, which includes an initial public offering, of the Company.

(c) In 2012, the Company entered into an agreement to acquire the exclusive global distribution rights for the distribution of a software platform. The agreement does not have an expiry date; however, the Company has the option to terminate the agreement at any time with 90 days written notice. The agreement provides for royalty payments to be the higher of either 1) a percentage of the related software revenue; or 2) monthly royalty payments of at least $20,000 to maintain exclusivity, otherwise the license will become non-exclusive. The maximum royalties under the agreement is $2,500,000. During 2013, the Company made royalty payments of $240,000 (2012 - $120,000; 2011 - $nil) which are included in distribution rights expense.

18. Net finance costs:

	2013	2012	2011
Interest on convertible debentures	$ 62,270	$ 149,107	$ 205,920
Interest on secured term debt	111,821	233,902	401,427
Interest on finance leases	9,335	27,387	61,909
Other interest expense	73,605	35,720	31,104
(Gain) loss on settlement of debt	(377,416)	367,058	–
(Gain) loss on derivative liabilities	(26,075)	460,111	156,230
Realized gain (loss) on foreign exchange contracts	31,488	–	(106,136)
Unrealized loss on foreign exchange contracts	29,100	–	88,720
Accretion on convertible debentures	71,320	126,173	171,370
Amortization of finance fees	18,312	5,832	–
Accretion on unsecured convertible debentures	3,993	–	–
Accretion on secured debenture	–	3,726	9,659
Warrant modification	–	144,145	–
	$ 7,753	$ 1,553,161	$ 1,020,203

19. Deferred tax assets and liabilities:

Income tax expense varies from the amount that would be computed by applying the combined Federal and Provincial income tax rate of 25.0% (2012 – 25.0%; 2011 – 26.5%) to net loss and comprehensive loss before income taxes as follows:

	2013	2012	2011
Expected income tax (recovery)	$ 11,777	$ (187,110)	$ 26,099
Increase (decrease) resulting from:			
Non-deductible expenses	52,832	23,688	20,307
Change in unrecognized temporary differences	(64,609)	163,422	(46,406)
	$ –	$ –	$ –

19. Deferred tax assets and liabilities (continued):

Recognized deferred tax assets and liabilities are attributed to the following:

	December 31, 2013	December 31, 2012	December 31, 2011	January 1, 2011
Deferred tax assets (liabilities):				
Derivative liabilities	$ 261,804	$ 157,364	$ 135,371	$ 93,970
Intangible assets	(260,937)	(131,276)	(103,954)	–
Unsecured convertible debentures	(7,252)	–	–	–
Secured term debt	(4,453)	(7,399)	(2,658)	(5,218)
Convertible debentures	(4,172)	(18,689)	(101,422)	(146,808)
Property and equipment	15,010	–	72,663	58,056
Net deferred tax assets (liabilities)	$ –	$ –	$ –	$ –

Deferred temporary differences and unused tax losses, for which no deferred tax assets are recognized in these financial statements, are attributable to the following:

	December 31, 2013	December 31, 2012	December 31, 2011	January 1, 2011
Property and equipment	$ 2,806,013	$ 2,477,385	$ 1,791,362	$ 813,049
SR&ED costs carry forwards	1,266,657	1,229,878	1,074,064	1,074,064
Long term royalty	779,828	–	–	–
Derivative liabilities	–	110,236	–	–
Non-capital loss carry forwards – Canada	7,207,148	8,567,635	9,172,000	10,116,575
Non-capital loss carry forwards – UK	1,242,827	1,209,724	1,203,768	1,174,938
Non-capital loss carry forward – Switzerland	308,550	291,069	246,400	282,150

Deferred tax assets have not been recognized in these financial statements because it is not probable that future taxable profit will be available against which the Company can utilize the benefits.

Non-capital loss carry forwards in Canada begin to expire in 2015. Scientific Research and Experimental Development (SR&ED) expenses in Canada have an unlimited carry forward period.

Foreign non-capital loss carry forwards in the United Kingdom have an unlimited carry forward period while non-capital loss carry forwards in Switzerland begin to expire in 2017.

The income tax losses and pools are subject to assessment by Canadian, United Kingdom and Switzerland taxation authorities.

20. Financial risk management:

Overview:

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- currency risk

Information about credit risk is addressed in Note 6. This note presents information about the Company's risk management framework, its liquidity risk, its operational risk, and the Company's management of currency risk. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework:

Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Liquidity risk:

The Company's interest-bearing loans and borrowings are measured at amortized cost. All loans and borrowings are denominated in Canadian dollars.

20. Financial risk management (continued):

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a banking facility (note 10(a)) with contractual maturities and the financial liabilities at the reporting dates which are summarized below.

Interest rate risk – Profile:

Substantially all of the Company's interest rate risk pertains to it financial liabilities. At the reporting date the interest rate profile of the Company's interest-bearing financial liabilities carrying amount was:

	December 31,			January 1,
Fixed rate instruments:	2013	2012	2011	2011
Convertible debentures	$ 842,231	$ 1,115,665	$ 2,764,299	$ 2,368,513
Notes payable to related parties	250,000	–	140,000	–
Finance leases	28,714	158,694	603,393	691,548
Secured term debt	–	–	2,615,653	3,631,157
Balance at December 31	$ 1,120,945	$ 1,274,359	$ 6,123,345	$ 6,691,218

	December 31,			January 1,
Variable rate instruments:	2013	2012	2011	2011
Secured term debt	$ 1,082,189	$ 1,803,700	$ –	$ –
Operating bank loan	894,810	717,412	–	–
Balance at December 31	$ 1,976,999	$ 2,521,112	$ –	$ –

Fair value sensitivity analysis for fixed rate instruments:

The Company does not account for any fixed rate financial assets and liabilities at fair value through net income or loss; therefore a change in interest rates at the reporting date would not affect equity and net income or loss.

20. Financial risk management (continued):

Cash flow sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and net loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2012 and 2011.

	Net income or loss		Equity	Equity
	100 bp increase	100 pb decrease	100 bp increase	100 bp decrease
December 31, 2013	$ 2,227	$ (2,227)	$ 2,227	$ (2,227)
December 31, 2012	1,114	(1,114)	1,114	(1,114)
December 31, 2011	–	–	–	–

Currency risk:

The Company is exposed to currency risk on sales and purchases that are denominated in US dollars. The Company is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. Export revenue generally exceed import purchases, so the currency risk is primarily attributable to the inflow of cash from accounts receivable denominated in US dollars in excess of accounts payable and accrued liabilities denominated in US dollars.

The Company uses financial instruments, being forward exchange contracts, to reduce risks associated with USD revenues and is committed under various forward foreign exchange contracts to sell $1,500,000 as at December 31, 2013 (2012 - USD $nil; 2011 – USD $5,100,000) with settlement dates to February 28, 2014 at an average exchange rate of $1.05 (2012 - $nil; 2011 - $1.00). These financial instruments are subject to normal credit standards, financial controls, risk management and monitoring procedures and are accounted for using the mark-to-market method. The amount of these forward exchange contracts at December 31, 2013 was $1,500,000 (2012 - $nil; 2011 - $5,100,000) and the unrealized gain (loss) as at December 31, 2013 was a loss of $29,100 (December 31, 2012 - $nil; December 31, 2011 – loss of $88,720; January 1, 2011 –gain of ($22,500)) and in the statement of profit and loss a loss of $60,588 (2012 - $nil; 2011 – gain $17,416) is included in net finance costs the statement of comprehensive income and loss.

20. Financial risk management (continued):

The following balances are denominated in US dollars:

	2013	2012	2011
Cash and cash equivalents	$ 40,657	$ 80,372	$ 158,680
Accounts receivable	476,972	523,386	603,853
Accounts payable and accrued liabilities	(201,349)	(400,258)	(465,410)
	$ 316,280	$ 203,500	$ 297,123

A 5% change in the US dollar against the Canadian dollar currency would affect equity and net loss by $16,000 (2012 - $10,000; 2011 - $15,000). This analysis assumes that all other variables remain constant.

A summary of revenue by country is as follows:

	2013	2012	2011
Canada	$ 843,580	$ 1,091,215	$ 992,532
United States	7,230,916	8,117,902	7,932,076
Belgium	264,451	113,211	7,556
Great Britain	153,190	–	–
	$ 8,492,137	$ 9,322,328	$ 8,932,164

21. Related party transactions:

(a) Notes payable to related parties:

(i) Loans from a director:

Included in notes payable to related parties is an unsecured, 5% per annum interest bearing note payable due to a shareholder who is also an officer and director of the Company in the amount of $150,000 (December 31, 2012 - $nil; December 31, 2011 - $140,000; January 1, 2010 - $nil), which was due on February 15, 2014 and repaid on this date, subsequent to year end. Management determined the fair value of the debt at market interest rates was not material to the financial statements.

21. Related party transactions (continued):

(a) Notes payable to related parties (continued):

(ii) Included in notes payable to related parties are two unsecured, due on demand, 8% per annum interest bearing notes payable due to shareholders who are also officers and directors of the Company totalling $100,000 (December 31, 2012 - $nil; December 31, 2011 - $nil; January 1, 2011 - $nil). The Company incurred interest of $3,604 in 2013 on these notes payable to shareholders who are also officers and directors of the Company which is included in accounts payable and accrued liabilities at December 31, 2013. Management determined the fair value of the debt at market interest rates was not material to the financial statements.

The related party transactions associated with the Company's financings are not in the normal course of operations and are completed at terms agreed to by the related party and the Company.

(b) Other related party transactions:

(i) The Company has related party relationships with its subsidiaries and key management personnel. Key management personnel include the Board of Directors, the Company's CEO, CFO and the top five senior officers. Key management personnel compensation comprises:

	2013	2012	2011
Salaries and benefits	$ 1,315,396	$ 1,379,681	$ 1,376,925
Share-based compensation	6,000	31,000	17,000
	$ 1,321,396	$ 1,410,681	$ 1,393,925

21. Related party transactions (continued):

(b) Other related party transactions:

(ii) Revenue from related party:

Included in revenue is $nil (2012 - $nil; 2011 - $173,000) related to transactions with TATA (Teleglobe) Communications Inc., a shareholder of the Company, under the terms of a distribution agreement. Included in accounts receivable is $nil (December 31, 2012 - $18,393; December 31, 2011 - $108,000; January 1, 2011 - $79,000) owed to the Company from this related party.

21. Related party transactions (continued):

(b) Other related party transactions (continued):

(iii) The Company earned interest on share purchase loans of $7,250 (2012 - $7,250; 2011 - $7,250). Included in accounts receivable is $5,125 (December 31, 2012 - $2,000; December 31, 2011 - $nil; January 1, 2011 - $nil) relating to this interest.

(iv) In 2013, unsecured interest bearing convertible debentures (note 13(b)) were issued to shareholders of the Company who are also officers and directors of the Company totalling $270,000. The Company incurred interest of $7,359 on these debentures which is included in accounts payable and accrued liabilities at December 31, 2013.

The revenue from related parties are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

22. Subsequent events:

(a) Reverse takeover transaction with Afrasia Minerals Inc.:

On April 2, 2014, Wmode entered into a letter of intent for a reverse takeover transaction (the “Transaction”) with Afrasia Minerals Inc. (“Afrasia”), a public company pursuant to which Afrasia would acquire all of the issued and outstanding Wmode class A common shares. Prior to the closing of the Transaction, Wmode has completed a prospectus exempt private placement (the "First Wmode Placement")(note 16(b)), of a gross amount of up to $2,140,000, through the issuance of up to 7,642,857 units (the "Units"), each Unit consisting of one previously unissued Wmode class A common share and one special warrant ("Special Warrant") of Wmode at a price of $0.28 per Unit. Each Special Warrant will automatically convert, for no additional consideration and no further action by the holder, into 0.2 of a Wmode share if Wmode does not become a publicly traded issuer (the "Going Public Event") on or before the date which is nine months from the closing of the first tranche of the First Wmode Private Placement (the "Going Public Deadline"). If the Going Public Event is completed before the Going Public Deadline, then the Special Warrants will be automatically cancelled and have no further force and effect. The Going Pubic Deadline date was determined to be March 17, 2015.

22. Subsequent events (continued):

(a) Reverse takeover transaction with Afrasia Minerals Inc. (continued):

Immediately prior to the closing of the Transaction, Wmode proposes to complete a second prospectus exempt private placement (the "Second Wmode Placement"), of a gross amount of a minimum of $2,500,000 and a maximum of $4,000,000, through the issuance of 6,684,492 to 10,695,187 previously unissued Wmode class A common shares at a minimum offering price of $0.374 per class A common share. As a result of the Transaction, the Wmode shares underlying Wmode's outstanding securities exercisable or exchangeable for, or convertible into, or other rights to acquire Wmode shares will be exercisable into Afrasia shares on the same terms and conditions as such original outstanding Wmode securities.

Completion of the Transaction is subject to all applicable shareholder and regulatory approvals.

(b) NeoSystems Inc. acquistion:

On June 30, 2014, the Company acquired 100% of the shares of NeoSystems Inc. ("NeoSystems"). The consideration for the acquisition was $600,000 paid on closing, $300,000 paid by the Company to settle NeoSystems' outstanding long-term debt, $240,000 in cash on each of the first, second and third anniversary dates on a non-interest bearing basis for a total of $720,000 and a contingent amount based upon the revenue earned (the "earn-out") from NeoSystems in the years ended December 31, 2014, 2015 and 2016 (the "earn-out period") based on a percentage of revenue earned greater than certain levels in each of the years. Additionally, the Company is required to pay, as contingent consideration, a percentage of NeoSystems revenue contracted during the earn out period but not yet received for a period of 24 months following the earn-out period. The Company has estimated the fair value of this revenue earn-out contingent consideration on the acquistion date to be $1,002,000, subject to final measurement on the dates noted above.

The non-interest bearing note payable is a financial instrument which has been fair valued on recognition. The valuation approach involved determining a fair value for a comparable debt in the market place. The present value of the principal payments of the non-interest bearing note payable using a market interest rate of 7.5% is $621,124. The Company incurred transaction costs of $54,478 related to the acquistion included in general and administrative expenses.

22. Subsequent events (continued):

(b) NeoSystems Inc. acquistion (continued):

The acquisition has been accounted for using the purchase method whereby the net assets acquired have been measured based on their fair values as noted below. The purchase price equation is based on management's best estimate and information available at the time of preparing these consolidated financial statements.

Working capital (deficiency), including cash of $190,601	$ (202,088)
Property and equipment	16,000
Intangible assets	1,593,000
Goodwill	1,429,212
Deferred income tax liability	(313,000)
	$ 2,523,124
Financed by:	
Cash	$ 600,000
Non-interest bearing note payable	621,124
Settlement of NeoSystems loans payable	300,000
Contingent earn-out liability, due April 15, 2015, 2016 and 2017	1,002,000
	$ 2,523,124

23. Transition to IFRS:

As stated in note 3(a), these are the Company's first consolidated financial statements prepared in accordance with IFRS.

The accounting policies set out in note 4 have been applied in preparing the financial statements for the year ended December 31, 2013, the comparative information presented in these financial statements for the years ended December 31, 2012 and 2011 and in the preparation of the opening IFRS statement of financial position at January 1, 2011 (the Company's date of transition).

In preparing its opening IFRS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous Canadian accounting standards for private enterprises ("Canadian GAAP").

An explanation of how the transition from previous Canadian GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

23. Transition to IFRS (continued):

The Canadian GAAP statement of financial position as at January 1, 2011 has been reconciled to IFRS as follows:

	Note	GAAP	Canadian to IFRS	Effect of transition IFRS
Assets				
Current assets:				
Cash and cash equivalents		$ 967,013	$ –	$ 967,013
Account receivable		691,107	–	691,107
Prepaid expenses		133,087	–	133,087
Financial instruments		22,500	–	22,500
		1,813,707	–	1,813,707
Property and equipment		1,413,455	–	1,413,455
Intangible assets		87,327	–	87,327
Goodwill	23h	176,325	(92,976)	83,349
		$ 3,490,814	$ (92,976)	$ 3,397,838
Liabilities and Shareholders' Deficiency				
Current liabilities:				
Accounts payable and accrued liabilities		$ 1,587,585	$ –	$ 1,587,585
Current portion of secured term debt		1,358,958	–	1,358,958
Current portion of finance leases		261,661	–	261,661
Deferred income		68,103	–	68,103
		3,276,307	–	3,276,307
Secured term debt	23e	2,291,888	(19,689)	2,272,199
Convertible debentures	23e	2,922,607	(554,094)	2,368,513
Finance leases		429,887	–	429,887
Derivative liabilities	23e	–	354,604	354,604
Shareholders' deficiency:				
Share capital	23h	11,941,643	(72,286)	11,869,357
Equity reserve	23e	1,862,119	(287,882)	1,574,237
Warrants		15,452	–	15,452
Deficit		(19,249,089)	486,371	(18,762,718)
		(5,429,875)	126,203	(5,303,672)
		$ 3,490,814	$ (92,976)	$ 3,397,838

23. Transition to IFRS (continued):

The Canadian GAAP statement of financial position as at December 31, 2011 has been reconciled to IFRS as follows:

	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
Assets				
Current assets:				
Cash and cash equivalents		$ 855,589	$ –	$ 855,589
Account receivable		900,868	–	900,868
Prepaid expenses		39,083	–	39,083
		1,795,540	–	1,795,540
Property and equipment		1,209,287	–	1,209,287
Intangible assets		392,279	–	392,279
Goodwill	23h	176,325	(92,976)	83,349
		$ 3,573,431	$ (92,976)	$ 3,480,455
Liabilities and Shareholders' Deficiency				
Current liabilities:				
Accounts payable and accrued liabilities		$ 1,723,314	$ –	$ 1,723,314
Current portion of secured term debt		1,044,289	–	1,044,289
Current portion of finance leases		330,386	–	330,386
Financial instruments		88,720	–	88,720
Notes payable to related parties		140,000	–	140,000
Deferred income		158,439	–	158,439
		3,485,148	–	3,485,148
Secured term debt	23e	1,581,394	(10,030)	1,571,364
Convertible debentures	23e	3,147,023	(382,724)	2,764,299
Finance leases		273,007	–	273,007
Derivative liabilities	23e	–	510,834	510,834
Shareholders' deficiency:				
Share capital	23h	11,976,137	(72,286)	11,903,851
Equity reserve	23d,23e	1,991,918	(371,186)	1,620,732
Warrants		15,452	–	15,452
Deficit		(18,896,648)	232,416	(18,664,232)
		(4,913,141)	(211,056)	(5,124,197)
		$ 3,573,431	$ (92,976)	$ 3,480,455

23. Transition to IFRS (continued):

The Canadian GAAP statement of net income (loss) for the year ended December 31, 2011 has been reconciled to IFRS as follows:

	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
Revenue:				
Managed services		$ 6,456,401	$ –	$ 6,456,401
Integration and other professional services		2,475,763	–	2,475,763
		8,932,164	–	8,932,164
Expenses (income):				
Operating expenses		873,602	–	873,602
Salaries and benefits		4,901,693	–	4,901,693
General and administration		1,369,766	–	1,369,766
Share-based compensation	23d	92,581	(45,336)	47,245
Foreign exchange loss		31,601	–	31,601
Additional contingent consideration		58,218	(37,968)	20,250
Deprecation of property and equipment		546,423	–	546,423
Amortization of intangible assets		22,895	–	22,895
Income before the undernoted items		1,035,385	83,304	1,118,689
Net finance costs	23e	682,944	337,259	1,020,203
Net income (loss) and comprehensive income (loss)		$ 352,441	$ (253,955)	$ 98,486

23. Transition to IFRS (continued):

The Canadian GAAP statement of financial position as at December 31, 2012 has been reconciled to IFRS as follows:

	Note	GAAP	Effect of transition to IFRS	IFRS
Assets				
Current assets:				
Cash and cash equivalents		$ 182,556	$ –	$ 182,556
Account receivable		1,077,404	–	1,077,404
Prepaid expenses		40,915	–	40,915
		1,300,875	–	1,300,875
Property and equipment		921,869	–	921,869
Intangible assets	23f	554,647	(29,633)	525,014
Goodwill	23h	176,325	(92,976)	83,349
		$ 2,953,716	$ (122,609)	$ 2,831,107
Liabilities and Shareholders' Deficiency				
Current liabilities:				
Operating bank loan		$ 717,412	$ –	$ 717,412
Accounts payable and accrued liabilities		1,459,780	–	1,459,780
Current portion of secured term debt		733,333	–	733,333
Current portion of finance leases		137,521	–	137,521
Current portion of convertible debentures	23e	1,190,421	(74,756)	1,115,665
		4,238,467	(74,756)	4,163,711
Secured term debt	23f	1,100,000	(29,633)	1,070,367
Finance leases		21,173	–	21,173
Derivative liabilities	23e	–	1,070,403	1,070,403
Shareholders' deficiency:				
Share capital	23h	14,360,102	(99,220)	14,260,882
Equity reserve	23d,23e	2,041,700	(399,908)	1,641,792
Warrants		15,452	–	15,452
Deficit		(18,823,178)	(589,495)	(19,412,673)
		(2,405,924)	(1,088,623)	(3,494,547)
		$ 2,953,716	$ (122,609)	$ 2,831,107

23. Transition to IFRS (continued):

The Canadian GAAP statement of net income (loss) for the year ended December 31, 2012 has been reconciled to IFRS as follows:

	Note		GAAP		Effect of transition to IFRS		IFRS
Revenue:							
Managed services		$	7,333,284	$	–	$	7,333,284
Integration and other professional services			1,989,044		–		1,989,044
			9,322,328		–		9,322,328
Expenses (income):							
Operating expenses			1,006,102		–		1,006,102
Salaries and benefits			5,408,212		–		5,408,212
General and administration			1,529,634		–		1,529,634
Distribution rights			120,000		–		120,000
Share-based compensation	23d		108,000		(55,656)		52,344
Foreign exchange loss			(153,959)		–		(153,959)
Deprecation of property and equipment			410,048		–		410,048
Amortization of intangible assets	23f		151,059		(5,832)		145,227
Income before the undernoted items			743,232		61,488		804,720
Net finance costs	23e,23f		669,762		883,399		1,553,161
Net income (loss) and comprehensive income (loss)		$	73,470	$	(821,911)	$	(748,441)

23. Transition to IFRS (continued):

The Canadian GAAP statement of financial position as at December 31, 2013 has been reconciled to IFRS as follows:

	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
Assets				
Current assets:				
Cash and cash equivalents		$ 76,206	$ –	$ 76,206
Account receivable	23g	1,172,845	121,000	1,293,845
Prepaid expenses		37,314	–	37,314
Work in progress	23g	358,975	(358,975)	–
		1,645,340	(237,975)	1,407,365
Property and equipment		539,147	–	539,147
Intangible assets	23f	1,212,859	(169,111)	1,043,748
Goodwill	23h	176,325	(92,976)	83,349
		$ 3,573,671	$ (500,062)	$ 3,073,609
Liabilities and Shareholders' Deficiency				
Current liabilities:				
Operating bank loan		$ 894,810	$ –	$ 894,810
Accounts payable and accrued liabilities		1,286,243	(5,362)	1,280,881
Current portion of secured term debt		733,333	–	733,333
Current portion of finance leases		14,348	–	14,348
Current portion of convertible debentures	23e	417,564	(16,688)	400,876
Notes payable to related parties		250,000	–	250,000
Financial instruments		29,100	–	29,100
		3,625,398	(22,050)	3,603,348
Secured term debt	23g	366,667	(17,811)	348,856
Finance leases		14,366	–	14,366
Unsecured convertible debentures	23e	465,000	(23,645)	441,355
Long term royalty	23f	896,397	(116,569)	779,828
Derivative liabilities	23e	–	1,047,214	1,047,214
Shareholders' deficiency:				
Share capital	23h	14,437,522	(99,220)	14,338,302
Equity reserve	23d,23e	2,176,497	(431,430)	1,745,067
Warrants	23d	207,893	(87,056)	120,837
Deficit		(18,616,069)	(749,495)	(19,365,564)
		(1,794,157)	(1,367,201)	(3,161,358)
		$ 3,573,671	$ (500,062)	$ 3,073,609

23. Transition to IFRS (continued):

The Canadian GAAP statement of net income (loss) for the year ended December 31, 2013 has been reconciled to IFRS as follows:

	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
Revenue:				
Managed services		$ 7,265,520	$ –	$ 7,265,520
Integration and other professional services	23g	1,105,617	121,000	1,226,617
		8,371,137	121,000	8,492,137
Expenses (income):				
Operating expenses		939,284	–	939,284
Salaries and benefits	23g	4,611,990	358,975	4,970,965
General and administration		1,418,595	–	1,418,595
Distribution rights		240,000	–	240,000
Share-based compensation	23d	204,797	(31,522)	173,275
Foreign exchange loss		51,078	–	51,078
Deprecation of property and equipment		402,095	–	402,095
Amortization of intangible assets	23f	260,295	(18,312)	241,983
Income before the undernoted items		243,003	(188,141)	54,862
Net finance costs	23e,23f	35,894	28,141	7,753
Net income (loss) and comprehensive income (loss)		$ 207,109	$ (160,000)	$ 47,109

In preparing these consolidated financial statements in accordance with IFRS 1, the Company has applied the following optional exemptions to its opening statement of financial position dated January 1, 2011:

(a) Business combination exemption:

The Company has applied the business combinations exemption in IFRS 1 and has elected not to apply IFRS 3, Business Combinations, retrospectively to business combinations that occurred before the date of transition to IFRS. The Company will apply IFRS 3 to business combinations that will occur on or after January 1, 2011.

23. Transition to IFRS (continued):

(b) Share-based payment transaction exemption:

IFRS 1 allows as first time adopter to not apply IFRS 2 - Share-Based Payments, to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the date of transition to IFRS. The Company applied IFRS 2 from January 1, 2011 to those options that were issued after November 7, 2002 but that had not vested by January 1, 2011.

(c) Estimates:

IFRS 1 does not permit the use of hindsight to revise estimates or to make new estimates. Estimates included in the opening IFRS balance sheet must be consistent with estimates made at the same date under previous GAAP, unless there is objective evidence of an error (refer to notes 23(d) and 23(h)).

(d) Share-based payments:

IFRS:

Each tranche of an award with different vesting dates is considered a separate grant for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches. Forfeiture estimates are recognized in the period they are estimated, and are revised for actual forfeitures in subsequent periods.

Canadian GAAP immaterial error correction:

The fair value of stock option awards with graded vesting were treated as one grant and the resulting fair value was recognized on a straight-line basis over the vesting period. Forfeitures of awards were recognized as they occurred.

The adjustments recognized on transition to IFRS relating to share-based payments resulted from two factors being the difference in accounting treatment, as described above, and an immaterial error correction to certain inputs that have been used to estimate the fair value of awards granted, specifically the estimated share price. The table below identifies the extent of the adjustments that relate to each of these factors.

Year ended December 31,	IFRS Accounting Difference	Update to Estimate Share Value	Total Adjustment (decrease)
2011	$ 52,328	$ (97,664)	$ (45,336)
2012	11,057	(66,713)	(55,656)
2013	(15,444)	(16,078)	(31,522)

23. Transition to IFRS (continued):

(d) Share-based payments (continued):

In addition, the adjustments recognized on transition to IFRS relating to warrants resulted from an immaterial error correction to certain inputs that have been used to estimate the fair value of the warrants granted, specifically the estimated share price.

(e) Embedded derivatives:

IFRS:

Embedded derivatives are separated from the host hybrid contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related and a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative. Subsequent to initial recognition, these financial liabilities are measured at fair value. Each of the years presented have been adjusted to reflect the accounting for these embedded derivatives associated with the Company's secured term debt and convertible debentures. The resulting adjustments have been reflected on the statements of financial position and comprehensive income and loss which impacts net finance costs.

Canadian GAAP:

As permitted under Canadian GAAP, the Company accounted for convertible debt instruments, which include warrants issued with and detachable from the financial liability, by measuring the equity component at $nil.

(f) Finance fees:

IFRS:

The Company is required to net finance fees against the related financial instrument when that financial instrument is subsequently measured at amortized cost.

Canadian GAAP:

The finance fees were reported as an intangible asset.

23. Transition to IFRS (continued):

(g) Revenue recognition:

IFRS:

The Company is able to recognize revenue when persuasive evidence of an arrangement exists which could occur before a contract is signed under its IFRS accounting policy. Costs incurred on initial contract performance are expensed rather than recorded in work in progress which has been reflected in salaries and benefits within the statement of comprehensive income and loss.

Canadian GAAP:

Under Canadian GAAP, the Company was required to have persuasive evidence of an arrangement, amongst other criteria, to recognize revenue. The Company's historical Canadian GAAP accounting policy specifically stated that persuasive evidence of an arrangement needed to be evidenced by a signed contract. Instead, the Company recorded work in progress related to the contract.

(h) Goodwill:

During the process of transitioning to IFRS from Canadian GAAP, the Company has completed a detailed review of the estimated fair value of its common shares issued as consideration in a business combination in 2010. As a result of this review, goodwill has been reduced by $92,976 at January 1, 2011 and for each subsequent year-end, along with a corresponding reduction in share capital. (i) Presentation:

Cash flow statement:

The presentation of the cash flow statement under IFRS differs from the presentation of the cash flow statement under Canadian GAAP. Changes made to the statement of cash flows include the IFRS adjustments described in the notes above. Under IFRS, the Company has disclosed cash flows from interest separately on its statement of cash flows as operating cash flows.

Condensed Consolidated Interim Financial Statements of

WMODE INC.

For the nine months ended September 30, 2014 and 2013

(Unaudited)

WMODE INC.

Condensed Consolidated Interim Statements of Financial Position

As at September 30, 2014 and December 31, 2013
(in Canadian Dollars) (Unaudited)

	September 30, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	$ 192,336	$ 76,206
Accounts receivable	1,919,558	1,293,845
Prepaid expenses	88,727	37,314
	2,200,621	1,407,365
Property and equipment	312,001	539,147
Intangible assets (note 5)	2,331,305	1,043,748
Goodwill (note 5)	1,512,561	83,349
	$ 6,356,488	$ 3,073,609
Liabilities and Shareholders' Deficiency		
Current liabilities:		
Operating bank loan (note 6)	$ 1,322,159	$ 894,810
Accounts payable and accrued liabilities	1,064,834	1,280,881
Current portion of secured term debt (note 6)	564,804	733,333
Current portion of convertible debentures (note 7(a))	103,614	400,876
Current portion of finance leases	4,501	14,348
Notes payable to related parties	108,349	250,000
Deferred income	319,443	–
Financial instruments	–	29,100
	3,487,704	3,603,348
Secured term debt (note 6)	939,785	348,856
Finance leases	9,551	14,366
Contingent consideration (note 5)	1,002,000	–
Note payable to vendor (note 5)	632,874	–
Long term royalty (note 8)	829,639	779,828
Derivative liabilities (note 9)	1,282,144	1,047,214
Convertible debentures (note 7(b))	–	441,355
Shareholders' deficiency:		
Share capital (note 10)	16,095,796	14,338,302
Equity reserve	1,783,590	1,745,067
Warrants (note 10(d))	272,096	120,837
Deficit	(19,978,691)	(19,365,564)
	(1,827,209)	(3,161,358)
Future operations (note 2)		
Subsequent events (notes 7(a), 10 and 12)		
	$ 6,356,488	$ 3,073,609

See accompanying notes to condensed consolidated interim financial statements.

WMODE INC.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

Nine months ended September 30, 2014 and 2013
(in Canadian Dollars) (Unaudited)

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Revenue:				
Managed services	$ 2,022,088	$ 1,873,555	$ 5,687,968	$ 5,377,717
Integration and other professional services	1,240,698	387,814	2,631,930	887,420
Licenses	27,315	–	27,315	–
	3,290,101	2,261,369	8,347,213	6,265,137
Expenses:				
Operating	477,085	210,014	1,345,332	658,444
Salaries and benefits	1,916,628	1,270,329	4,798,100	4,083,683
General and administration	590,604	319,287	1,499,934	960,414
Distribution rights	60,000	60,000	180,000	180,000
Share-based compensation	45,405	65,818	135,123	117,454
Foreign exchange (gain) loss	25,112	25,480	37,703	3,725
Depreciation of property and equipment	93,268	102,584	273,479	308,392
Amortization of intangible assets	167,787	53,046	379,347	159,138
Income (loss) before the undernoted items	(85,788)	154,811	(301,805)	(206,113)
Net finance costs (note 11)	52,634	79,811	586,898	325,557
Income (loss) before Income taxes	(138,422)	75,000	(888,703)	(531,670)
Deferred income tax (reduction) (note 5)	–	–	(275,576)	–
Net income (loss) and comprehensive income (loss)	$ (138,422)	$ 75,000	$ (613,127)	$ (531,670)

Per share amounts:

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Net income (loss) and comprehensive income (loss) per share:				
Basic	$ (0.00)	$ 0.00	$ (0.01)	$ (0.01)
Diluted	$ (0.00)	$ 0.00	$ (0.01)	$ (0.01)
Weighted average number of shares:				
Basic	69,582,803	63,565,544	65,773,678	63,220,877
Diluted (note 10(b))	69,582,803	66,925,684	65,773,678	63,220,877

See accompanying notes to condensed consolidated interim financial statements.

WMODE INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency

Nine months ended September 30, 2014 and 2013
(in Canadian Dollars) (Unaudited)

	Share Capital	Equity Reserve	Warrants	Deficit	Total Deficiency
Balance at December 31, 2012	$14,260,882	$ 1,641,792	$ 15,452	$ (19,412,673)	$ (3,494,547)
Net loss and comprehensive loss for the period	–	–	–	(491,670)	(491,670)
Shares issued to settle contract fees	40,000	–	–	–	40,000
Exercise of options	7,420	–	–	–	7,420
Share-based compensation	–	77,454	–	–	77,454
Balance at September 30, 2013	$14,308,302	$ 1,719,246	$ 15,452	$ (19,904,343)	$ (3,861,343)

	Share Capital	Equity Reserve	Warrants	Deficit	Total Deficiency
Balance at December 31, 2013	$14,338,302	$ 1,745,067	$ 120,837	$ (19,365,564)	$ (3,161,358)
Net loss and comprehensive loss for the period	–	–	–	(613,127)	(613,127)
Shares issued on private placement	1,295,179	–	83,861	–	1,379,040
Share issue costs	(198,520)	–	13,849	–	(184,671)
Conversion of unsecured debentures	466,211	–	26,763	–	492,974
Shares issued to settle contract fees	63,214	–	26,786	–	90,000
Exercise of warrants for cash	24,710	–	–	–	24,710
Exercise of warrants from derivative liability	9,100	–	–	–	9,100
Exercise of options	17,600	(6,600)	–	–	11,000
Share purchase loan repayment	80,000	–	–	–	80,000
Share-based compensation	–	45,123	–	–	45,123
Balance at September 30, 2014	$16,095,796	$ 1,783,590	$ 272,096	$ (19,978,691)	$ (1,827,209)

See accompanying notes to condensed consolidated interim financial statements.

WMODE INC.

Condensed Consolidated Interim Statements of Cash Flows

Nine months ended September 30, 2014 and 2013
(in Canadian Dollars) (Unaudited)

	Nine months ended	
	September 30, 2014	September 30, 2013
Cash flows from (used in) operating activities:		
Net loss and comprehensive loss for the period	$ (613,127)	$ (531,670)
Items not involving cash:		
Depreciation and amortization	652,826	467,530
Share-based compensation	135,123	117,454
Wages recorded to settle share purchase loans	80,000	–
Deferred income tax (reduction)	(275,576)	–
Finance costs	586,898	325,557
	566,144	378,871
Change in non-cash operating working capital:		
Accounts receivable	(68,961)	398,027
Prepaid expenses	(42,057)	(30,062)
Accounts payable and accrued liabilities	(834,619)	(213,955)
Deferred income	(12,646)	–
	(392,139)	532,881
Interest paid	(234,018)	(191,194)
	(626,157)	341,687
Cash flows from (used in) financing activities:		
Bank operating loan	427,349	149,724
Repayments of secured term debt	(485,917)	(550,000)
Repayments of convertible debentures	(313,502)	–
Proceeds from secured term debt	900,000	–
Proceeds from issuance of unsecured convertible debentures	–	425,000
Repayments of finance leases	(14,662)	(98,559)
Repayment of notes payable to related parties	(150,000)	
Issuance of shares for cash	1,306,640	–
Issuance of shares on exercise of warrants	24,710	–
Issuance of shares on exercise of stock options	11,000	7,420
Share issue costs	(149,695)	–
	1,555,923	(66,415)
Cash flows from (used in) investing activities:		
Acquisition (note 5)	(709,399)	–
Increase in intangible asset	(73,904)	(279,850)
Purchase of property and equipment	(30,333)	(12,400)
	(813,636)	(292,250)
Increase (decrease) in cash and cash equivalents	116,130	(16,978)
Cash and cash equivalents, beginning of period	76,206	182,556
Cash and cash equivalents, end of period	$ 192,336	$ 165,578

See accompanying notes to condensed consolidated interim financial statements.

1. Reporting entity:

Wmode Inc. (the "Company") is a company domiciled in Canada. The primary office is located at 3553 – 31 Street NW, Calgary, Alberta. The Company was incorporated under the Business Corporations Act of Alberta on September 1, 2000 and commenced operations on October 1, 2000. The Company and its subsidiaries principal business activity is the marketing, sales, operation and development of services for the management, control, delivery and payment of wireless internet media.

2. Future operations:

At September 30, 2014, the Company has a working capital deficiency of $1,287,083 which includes term loan debt payments of $564,804 and convertible debt of $103,614 that must be repaid within twelve months of September 30, 2014. To date, the Company has utilised debt and operating cash flows to finance its operations. The Company has entered into multi-year customer contracts which will generate cash flow to repay its debt obligations as they arise and to fund its operations. In the event the Company does not generate sufficient cash flow from these or other new customer contracts or receive continued support from its lenders or obtain additional financing through issuance of equity securities (note 10(b)), there may be significant doubt that the Company will be able to continue to meet its obligations as they come due.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will be able to realize its assets and discharge its obligations in the normal course of operations. These consolidated financial statements do not include any adjustments that might result should the going concern principle not be applicable.

3. Basis of presentation:

(a) Statement of compliance:

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (IAS) 34, Interim Financial Reporting.

Accordingly, certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) have been omitted or condensed. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2013.

3. Basis of presentation (continued):

(a) Statement of compliance (continued):

The unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on February 5, 2015.

(b) Basis of measurement:

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for derivative instruments and contingent consideration which are stated at fair value.

(c) Functional and presentation currency:

These unaudited condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional currency of the Company.

(d) Use of estimates and judgments:

The preparation of the unaudited condensed consolidated interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the unaudited condensed consolidated interim financial statements is included in the Company's consolidated annual financial statements for the year ended December 31, 2013.

4. Significant accounting policies:

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 using the same policies as outlined in note 4 of the Company's consolidated financial statements for the year ended December 31, 2013.

The accounting policies have been applied consistently by the Company and its subsidiaries.

New standards and interpretations not yet adopted:

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2014, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Company. However, the extent of the impact has not yet been determined.

5. Acquisition:

On June 30, 2014, the Company acquired 100% of the shares of NeoSystems Inc. ("NeoSystems"). The consideration for the acquisition was $600,000 paid on closing, $300,000 paid by the Company to settle NeoSystems' outstanding long-term debt, $240,000 in cash on each of the first, second and third anniversary dates on a non-interest bearing basis for a total of $720,000 and a contingent amount based upon the revenue earned (the "earn-out") from NeoSystems in the years ended December 31, 2014, 2015 and 2016 (the "earn-out period") based on a percentage of revenue earned greater than certain levels in each of the years. Additionally, the Company is required to pay, as contingent consideration, a percentage of NeoSystems revenue contracted during the earn out period but not yet earned for a period of 24 months following the earn-out period. The Company has estimated the fair value of this revenue earn-out contingent consideration on the acquisition date to be $1,002,000, subject to final measurement on the dates noted above.

The non-interest bearing note payable is a financial instrument which has been fair valued on recognition. The valuation approach involved determining a fair value for a comparable debt in the market place. The present value of the principal payments of the non-interest bearing note payable using a market interest rate of 7.5% is $621,124 and the Company has recorded accretion of $11,750 to September 30, 2014. The Company incurred transaction costs of $54,478 related to the acquisition included in general and administrative expenses.

The acquisition has been accounted for using the purchase method whereby the net assets acquired have been measured based on their fair values as noted below. The purchase price equation is based on management's best estimate and information available at the time of preparing these interim consolidated financial statements.

Working capital (deficiency), including cash of $190,601	$ (202,088)
Property and equipment	16,000
Intangible assets	1,593,000
Goodwill	1,429,212
Deferred income tax liability	(313,000)
	$ 2,523,124
Financed by:	
Cash	$ 600,000
Non-interest bearing note payable	621,124
Settlement of NeoSystems loans payable	300,000
Contingent earn-out liability, due April 15, 2015, 2016 and 2017	1,002,000
	$ 2,523,124

5. Acquisition (continued):

Intangible assets acquired will be amortized straight-line over six years for technology ($859,000) and seven years for customer relationships ($734,000).

The amount of revenue of NeoSystems since acquisition on June 30, 2014 to September 30, 2014 included in the consolidated statement of comprehensive income (loss) was $485,101 and the amount of profit or loss of NeoSystems since acquisition on June 30, 2014 to September 30, 2014 included in the consolidated statement of comprehensive income (loss) was a loss of $(108,303).

The amount of revenue of NeoSystems from January 1, 2014 to acquisition date on June 30, 2014 was $1,331,435 and the amount of profit or loss of NeoSystems from January 1, 2014 to acquisition date on June 30, 2014 was $125,372.

Deferred income tax liability resulting on acquisition amounted to $313,000. The deferred income tax liability was reduced by deferred income tax assets relating to the amount of the tax effect of share issue costs of $37,424 (note 10(b)) and previously unrecognized deferred income tax assets related to property and equipment. The recognition of these assets results in a deferred income tax reduction of $275,576 included in the statement of comprehensive income (loss) for the period ended September 30, 2014.

6. Operating bank loan and secured term debt:

	September 30, 2014	December 31, 2013
Royal Bank of Canada secured first term loan	$ 692,621	$ 1,082,189
Second term loan	811,968	–
	1,504,589	1,082,189
Less: current portion	(564,804)	(733,333)
	$ 939,785	$ 348,856

On June 5, 2014, the Company entered into an amended loan agreement with the Royal Bank of Canada ("RBC"). The amended agreement provides for a first term loan of $794,444, a second term loan of $900,000 and a revolving demand operating line to a maximum of $1,600,000. In addition to the above, a Visa with a maximum limit of $50,000 is issued from RBC. The first term loan is repayable over 36 months at the rate of $22,068 plus interest and bears interest at bank's prime plus 4.5%. The second term loan is repayable at the monthly rate of $25,000 plus interest with the remainder due on May 30, 2017 and bears interest at bank's prime plus 5.0%. The operating line bears interest at bank's prime plus 2.5%. The loans are secured by a first ranking charge over all of the assets of the Company and its subsidiaries and an assignment of a material revenue contract and are subject to covenants related to financial performance and contains material adverse change clauses related to revenue contracts.

6. Operating bank loan and secured term debt (continued):

The annual principal repayments on the term loans are 2015 - $564,804, 2016 - $564,804 and 2017 - $400,920. Amounts available under the operating line are subject to margin requirements as specified in the agreement, and as at September 30, 2014 the amount available was $1,342,000. As at September 30, 2014, the Company had drawn $1,322,159 (December 31, 2013 - $894,810) on the operating line.

The amended loan agreement has a repayment provision for the term loans based on calculated free cash flow, defined as Earnings Before Interest, Taxes, Depreciation and Amortization (as detailed in the amended agreement) for such year less scheduled principal and interest payments on the RBC debt, cash taxes and capital expenditures, which could require a principal repayment equal to 25% of calculated free cash flow, payable 45 days after year end.

As at September 30, 2014, the Company was in compliance with the financial covenants under the loan agreement.

7. Convertible debentures:

(a) Secured convertible debentures:

The remaining loan payable outstanding on December 31, 2013 was $400,876 and is repayable by the Company in 4 equal instalments on January 15, 2014, April 15, 2014, July 15, 2014 and October 15, 2014. The Company is not required to pay any interest on such amounts. The balance remaining no longer has any security or conversion features. Subsequent to period end, the Company has made the October 15, 2014 final payment under this arrangement.

During June 2014, 141,200 warrants were exercised for proceeds of $24,710 (note 10(b)) bringing the remaining warrants outstanding to 6,398,894. Subsequent to period end, the remaining 6,398,894 warrants issued in connection with the secured convertible debentures were extended to an expiry date of December 31, 2016 from December 31, 2014 and the exercise price on these warrants was fixed at $0.20 per warrant.

7. Convertible debentures (continued):

(b) Unsecured convertible debentures:

On November 8, 2013, the Company issued $465,000 in unsecured convertible debentures, $290,000 of which were purchased by executives and directors of the Company. Interest of $22,612 has been accrued during the period to the date of conversion (December 31, 2013 - $5,362).

The unsecured convertible debentures were a financial instrument comprising both a debt component and a derivative liability component being the conversion feature which has been fair valued on issuance. At the date of issue, the $465,000 was allocated to these components resulting in $432,000 and $33,000 being allocated to the debt and the derivative liability components, respectively.

The debt component was to be accreted to the face value of the unsecured convertible debenture over its original term ending on February 28, 2015 using the effective interest method. During the nine months ended September 30, 2014, $12,205 (three months ended December 31, 2013 - $3,993) had been charged to accretion expense.

In June 2014, the holders converted the unsecured convertible debentures and accrued interest, totalling $492,974, into 1,760,621 units at $0.28 per unit under the same terms as a financings completed in 2014 (note 10(b)). Each unit consists of one class A common share and one unit warrant. The 1,760,621 unit warrants were valued at $26,763 and will each automatically convert for no additional consideration into 0.2 of a class A common share if the Company does not complete a Going Public Event on or before March 31, 2015. The fair value of the unit warrants was determined using a probability estimate on going public and were valued at $26,763 included in warrants (note 10(d)).

The June 2014 conversion of the unsecured convertible debentures and accrued interest resulted in a gain on settlement, included in net finance costs, of $23,689 being the fair value of the derivative liability at settlement of $40,492, less the $16,803 of the remaining accretion expense.

8. Long term royalty:

During the period, the Company paid $146,000 (September 30, 2013 - $nil) under the royalty agreement. This has been included in operating expenses.

9. Derivative liabilities:

	September 30, 2014	December 31, 2013
Wellington warrants	$ 962,199	$ 752,610
6,398,894 (2013 – 6,540,094) warrants (note 7(a))	319,945	261,604
Unsecured convertible debentures conversion feature (note 7(b))	–	33,000
	$ 1,282,144	$ 1,047,214

The gain (loss) on derivative liabilities for the period ended September 30, 2014 amounted to $(268,021) (three months ended September 30, 2014 - $63,898) included in net finance costs.

10. Share capital:

(a) Authorized:

Unlimited number of Class A voting common shares;
Unlimited number of Class B non-voting common shares; and
Unlimited number of Class C shares issuable in one or more series at any time and from time to time. The directors of the Company, by resolution, shall determine the designation, privileges and conditions attaching to the Class C shares of the particular series.

10. Share capital (continued):

(b) Issued:

	Number of shares	Amount
Class A common shares:		
Balance, December 31, 2012 (before reduction for Share purchase loans of $145,000)	62,823,544	$ 14,405,882
Shares issued on exercise of stock options	742,000	7,420
Shares issued to settle contract fees	250,000	70,000
Balance, December 31, 2013 (before reduction for Share purchase loans of $145,000)	63,815,544	14,483,302
Shares issued on private placement of units	4,666,570	1,235,708
Shares issued for corporate finance units	178,571	41,071
Share issue costs on the private placement, net of deferred income tax of $37,424	–	(180,120)
Conversion of unsecured debentures	1,760,621	466,211
Shares issued to settle contract fees	321,429	63,214
Exercise of warrants for cash	141,200	24,710
Exercise of warrants from derivative liability	–	9,100
Exercise of stock options	55,000	11,000
Exercise of stock options, from equity reserve	–	6,600
Share purchase loans	–	(65,000)
Balance, September 30, 2014	70,938,935	$ 16,095,796

In 2014, the Company issued 4,666,570 units at $0.28 per unit for gross proceeds of $1,306,640. Each unit consists of one Class A common share and one unit warrant. The 4,666,570 unit warrants will automatically convert for no additional consideration into 0.2 of a Class A common share if the Company does not complete a going public event on or before March 31, 2015. The fair value of the unit warrants was determined using a probability estimate on going public and were valued at $70,932 included in warrants (note 10(d)).

10. Share capital (continued):

(b) Issued (continued):

The Company compensated the agent of the financing by paying a commission of $70,000 in cash, issuance of 367,786 agent warrants exercisable into one common share at a price of $0.28 with an expiry of June 17, 2016, and issued 178,571 corporate finance units comprising one common share and one corporate finance warrant exercisable into one common share at a price of $0.28 for a total of $50,000 with an expiry of June 17, 2016. The agent and corporate finance warrants were fair valued at $0.05 per warrant using the Black-Scholes model consistent with note 10(d) allocating $17,849 to the agent warrants and $8,929 to the corporate finance warrants. The cash commission, agent warrants and unit amounts have been recorded as share issue costs.

In 2013, the Company entered into a commitment for financial services at $10,000 per month to be settled with corporate finance units comprising one common share and one corporate finance warrant exercisable into one common share at a price of $0.28 for a total of $90,000 with an expiry of October 27, 2016. The issuance of corporate finance units to settle the commitment will continue until the parties cancel the agreement. In 2014, the Company issued 321,429 common shares for consideration of $90,000 recorded as share-based compensation expense. The corporate finance warrants were fair valued at $0.05 per warrant using the Black-Scholes model consistent with note 10(d) allocating $26,786 to the corporate finance warrants.

At September 30, 2014, $88,136 has been recorded in accounts receivable relating to proceeds on shares issued prior to period end. These proceeds were received subsequent to period end.

The diluted number of shares outstanding for the nine month period ended September 30, 2014 was 70,490,859 (three month period ended September 30, 2014 – 74,290,075; nine month period ended September 30, 2013 – 66,645,053).

(c) Share-based compensation plan:

The Company has established a stock option plan for officers, directors and employees of the Company which provides for the granting of options up to 20% of the aggregate of all classes of shares issued. The options are non-assignable and options granted under the plan generally vest over a period ranging from immediately up to four years commencing at the date of grant. The options have an original maximum life of between four and ten years.

10. Share capital (continued):

(c) Share-based compensation plan (continued):

The following tables set forth information relating to stock options outstanding:

	Nine months ended, September 30, 2014		Year ended, December 31, 2013	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	6,762,375	$ 0.25	7,001,125	$ 0.22
Granted	991,000	$ 0.30	642,000	$ 0.30
Expired	(106,000)	$ 0.20	(87,000)	$ 0.20
Forfeited	(193,750)	$ 0.30	(51,750)	$ 0.28
Exercised	(55,000)	$ 0.20	(742,000)	$ 0.01
Outstanding, end of period	7,398,625	$ 0.26	6,762,375	$ 0.25
Exercisable at September 30, 2014	4,151,688	$ 0.25		

The Company calculates the fair value of its options using the Black-Scholes option pricing model. The following weighted average assumptions were used to determine the fair value of options on date of grant:

	September 30, 2014	June 30, 2013
Risk free interest rate	1.2%	1.1%
Expected life	8 years	8 years
Expected dividend yield	0%	0%
Expected share price volatility	73%	60%
Forfeitures	3%	3%

The weighted average fair value of options granted during the first nine months of 2014 was determined to be $0.11 (2013 - $0.07). Share-based compensation expense related to stock options for the period was $45,123 (nine months ended September 30, 2013 - $77,454) and is included in share-based compensation expense.

10. Share capital (continued):

(d) Warrants:

	September 30, 2014	December 31, 2013
1,670,253 warrants	$ 83,513	$ 83,513
Royalty warrants	21,872	21,872
2005 agent warrants	15,452	15,452
2014 unit warrants (notes 7(b) and 10(b))	97,695	–
2014 agent warrants (note 10(b))	17,849	–
Corporate finance unit warrants (note 10(b))	35,715	–
	$ 272,096	$ 120,837

11. Net finance costs:

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Interest on convertible debentures	$ –	$ 20,832	$ 22,612	$ 62,496
Interest on secured term debt	32,151	25,931	67,525	88,992
Interest on finance leases	4,579	2,032	7,059	7,918
Other interest expense	34,390	19,923	105,338	62,257
(Gain) on settlement of debt	–	–	(23,689)	–
(Gain) loss on derivative liabilities	(63,898)	–	284,612	–
Realized gain (loss) on foreign exchange contracts	(19,856)	(4,640)	50,547	744
Unrealized loss on foreign exchange contracts	29,800	(7,897)	(27,178)	32,259
Amortization of finance fees	20,644	4,578	59,877	13,734
Accretion on convertible debentures	3,074	19,052	16,240	57,157
Accretion on unsecured convertible debentures	–	–	12,205	–
Accretion on note payable to vendor	11,750	–	11,750	–
	$ 52,634	$ 79,811	$ 586,898	$ 325,557

12. Subsequent events:

(a) Reverse takeover transaction with Afrasia Minerals Inc.:

On April 2, 2014, Wmode entered into a letter of intent for a reverse takeover transaction (the “Transaction”) with Afrasia Minerals Inc. (“Afrasia”), a public company pursuant to which Afrasia would acquire all of the issued and outstanding Wmode class A common shares. Prior to the closing of the Transaction, Wmode has completed a prospectus exempt private placement (the "First Wmode Placement")(note 10(b)), of a gross amount of up to $2,140,000, through the issuance of up to 7,642,857 units (the "Units"), each Unit consisting of one previously unissued Wmode class A common share and one special warrant ("Special Warrant") of Wmode at a price of $0.28 per Unit. Each Special Warrant will automatically convert, for no additional consideration and no further action by the holder, into 0.2 of a Wmode share if Wmode does not become a publicly traded issuer (the "Going Public Event") on or before the date which is nine months from the closing of the first tranche of the First Wmode Private Placement (the "Going Public Deadline"). If the Going Public Event is completed before the Going Public Deadline, then the Special Warrants will be automatically cancelled and have no further force and effect. The Going Pubic Deadline date was determined to be March 17, 2015.

Immediately prior to the closing of the Transaction, Wmode proposes to complete a second prospectus exempt private placement (the "Second Wmode Placement"), of a gross amount of a minimum of $2,500,000 and a maximum of $4,000,000, through the issuance of 6,684,492 to 10,695,187 previously unissued Wmode class A common shares at a minimum offering price of $0.374 per class A common share. As a result of the Transaction, the Wmode shares underlying Wmode’s outstanding securities exercisable or exchangeable for, or convertible into, or other rights to acquire Wmode shares will be exercisable into Afrasia shares on the same terms and conditions as such original outstanding Wmode securities.

Completion of the Transaction is subject to all applicable shareholder and regulatory approvals.

(b) Amendment to Series B Special Warrants:

Subsequent to period end, the Company and the holder of Series B special warrants amended the terms. Upon the occurrence of a going public event similar to that described in note 13(b) of the Company’s annual financial statements for the year ended December 31, 2013, these warrants automatically convert into 3,500,000 class A common shares of Wmode for no additional consideration if such event occurs prior to December 31, 2015.

SCHEDULE "G"

Management Discussion and Analysis for WMode Inc. for the Financial Years ended December 31, 2013, December 31, 2012 and December 31, 2011 and the nine months ended September 30, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011

This management's discussion and analysis of financial condition and results of operations (the ''MD&A'') of WMode Inc. ("Wmode" or the "Company") is of December 31 2014 and should be read in conjunction with Wmode's annual (December 31, 2013, 2012 and 2011) consolidated financial statements and the related notes thereto included in this information circular. This MD&A is presented as of February 26, 2015 and is current to that date unless otherwise stated. The financial information presented in this MD&A is derived from Wmode's annual and interim consolidated financial statements prepared in accordance with IFRS. This MD&A contains forward-looking statements that involve risks, uncertainties and assumptions, including statements regarding anticipated developments in future financial periods and Wmode's future plans and objectives. There can be no assurance that such information will prove to be accurate, and readers are cautioned not to place undue reliance on such forward-looking statements. All references to $ or dollar amounts in this MD&A are to Canadian currency unless otherwise indicated.

Forward-Looking Statements

This discussion includes certain statements that may be deemed "forward-looking statements" that are subject to risks and uncertainty. All statements, other than statements of historical facts included in this discussion, including, without limitation, those regarding the Company's financial position, business strategy, projected costs, future plans, projected revenues, objectives of management for future operations, the Company's ability to meet any repayment obligations, trends in the industry, the global financial outlook, expanding markets, R&D of next generation products, foreign exchange rate outlooks, new revenue streams and sales projections, cost increases as related to marketing, R&D, administration expenses, the continuation of multi- year contracts, and litigation matters, may be or include forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on a number of reasonable assumptions regarding the Canadian, U.S., and global economic environments, local and foreign government policies/regulations and actions, and assumptions made based upon discussions to date with the Company's customers and advisers, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

Factors that could cause actual results to differ materially from those in the forward-looking statements include but are not limited to risks related to new technology and a business that operates in the technology and intellectual property industry, volatility of the market for Wmode's products and services, market prices, foreign exchange rates, continued availability of capital and financing, and general economic, market, or business conditions in the technology industry, worldwide political stability or any effect those may have on the Company's customer base in the mobile operator and app management industries. Investors are cautioned that any such statements are not guarantees of future performance, and that actual results or developments may differ materially from those projected in the forward-looking statements.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to have been correct. The Company cannot assure investors that actual results will be consistent with any forward-looking statements; accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements contained herein are current only as of the date noted above. The Company disclaims any intentions or obligation to update or revise any forward-looking statements or comments as a result of any new information, future event or otherwise, unless such disclosure is required by law.

Overview

Wmode is a leading technology and Services Company in the emerging market for app management services. Wmode operates a comprehensive suite of managed services for the recruitment, development, management, discovery, delivery and payment of mobile apps, content, and consumer services.

For the first ten years, Wmode's primary market was mobile network operators. Changes in technology have empowered the consumer to directly access Internet services independent of the network operator. Today, the broad array of connected device (or IoT) manufacturers need new app management, billing and discovery solutions that seamlessly address the underlying complexities and at the same time provide consumers with simplified and rewarding experiences. The same technologies and operational experience that were essential to serve and sustain the trust of demanding customers in the mobile operator market are enabling Wmode to compete with advantage in the new broader markets as apps power a variety of connected devices well beyond smartphones.

Recognizing the opportunity to be an early and competitive service provider in the high growth connected device market and the limited growth prospects in the mobile network operator market; in 2011 the Company started investing in significant product developments to take advantage of these opportunities. Wmode has successfully bid and secured long term multi-year customer relationships with global brands whose connected device and IoT plans are strategic and valuable. Revenues from these new non-operator customers were $1,001,558, $412,225 and $184,055 respectively for the financial years ended December 31, 2013, 2012 and 2011.

The Company continues to sell to mobile operators; however the Company expects that both the consolidation in the mobile operator market and reduction of mobile operator value added services will continue to reduce Wmode's mobile operator revenues over time. Revenues from Wmode's two biggest customers were 77% of revenues in in the year ended December 31, 2013, both these customer service contracts will cease in early 2015.

In June 2014, Wmode acquired NeoSystems Inc. The acquisition is the cornerstone of a strategy to focus on specific vertical sectors in the enterprise market. Revenues were $2,286,518 in its fiscal year ended March 31, 2014. NeoSystems Inc. has over 60 customers and a history of sustainable recurring revenues. Wmode's immediate goal is to increase the deal size by bidding the combined capabilities of Wmode and NeoSystems Inc.

The Company has established a track record of cash flow generation. EBITDA for the financial year ended December 31, 2013, 2012 and 2011 was $1,112,215, $1,532,338 and $1,735,252 respectively. As the requirements to service debt declined over that period, Wmode invested any surplus cash in the marketing and business development of AppCarousel. The proceeds of this financing are expected to be utilized to further invest in marketing and business development. These costs will be expensed and, accordingly, the Company expects EBITDA to decline in 2015.

Wmode believes that, unlike the operator market, the app management and enterprise markets will be less concentrated, less buyer power, and more open and competitive, all of which supports the view that the outsource model for app management services will be an important future market. The Company's financial success is dependent on the speed with which it can sell into the new markets compared to a reduction in legacy operator services. The primary use of proceeds is to expand business development and sales capacity.

Key Performance Indicators

Key performance indicators that Wmode uses to manage the business and evaluate financial results and operating performance include: total revenue, total new customers, incremental managed service revenue, revenue retention, operating expenses, EBITDA and cash flow from operations. The Company evaluates its' performance by comparing the actual results to budgets, forecasts and prior period results.

New market sales

Increasing revenues through new customer wins is one of Wmode's highest organizational priorities. Wmode's typical sales cycle can be lengthy, as it generally targets large organizations with significant internal processes for adoption of new systems. Wmode's current sales growth focus is through AppCarousel in the app management market and through NeoSystems providing enterprise operations management solutions.

Revenue expansion from existing customers

Wmode's managed service business model results in a high proportion of recurring revenue often tied to metrics such as vehicles, devices in market or transactions processed. The power of the managed service model is usually fully realized once the customer app services are in market. Incremental margins in the later stages of multi-year contracts can be very high. Consistent with the Company's 'land and expand' strategy, Wmode also targets sales of additional applications. Multi-year agreements with new customers or with existing customers purchasing additional applications may not contribute significantly to current revenues. The goal is to build a loyal, incumbent and expanding base of high margin customer relationships.

Target annual operating model

Wmode has developed a target operating model in order to assist business planning. The annualized model includes: a target of 70% Managed Service, 30% Integration and Professional Services revenue, and EBITDA of 20%. In addition, the target is a customer base of more than 100 and no one customer represents more than 25% of total revenue. The model is forward-looking over the long-term. There can be no assurance that Wmode will achieve such target operating model in any respect in any period, and if achieved, such achievement may not be sustained. The model speaks to the Company's objectives only, and is not a forecast, projection or prediction of future results of operations. Undue reliance should not be placed on this target operating model. In the near term Wmode expects the percentage of revenues from integration and professional services to increase as the Company integrates new customer services. Generally related managed service revenues are lower in the early periods of multi-year contracts; this together with an expected reduction in operator service revenues will result in a lower percentage of managed service revenues. See ''Forward-Looking Statements''.

Key Components of Wmode's Results of Operations

Revenue

The Company's revenue consists of managed service fees and integration and professional services. All of Wmode's products and services are provided to customers as a cloud hosted managed service. Industry terms for this delivery model include Software as a Service ("SaaS") or Platform as a Service ("PaaS"). Typically, contracts comprise of the following fees: (1) a non-recurring engineering professional service and setup fee; and (2) service fees which are generally billed monthly (these include operations and support fees and recurring monthly license fees). License fees are typically variable with metrics that Wmode believes will increase overtime as app usage grows. Wmode typically enters into multi-year contracts with its customers with committed operational terms varying in length from 1 to 5 years. Wmode's contracts with customers include a service level agreement ("SLA") that governs the details and terms of ongoing operations.

Direct operating costs

Direct operating costs consist of: the costs for supporting Wmode's hosting services under SaaS/PaaS arrangements; costs related to data center facilities and services; network connectivity costs, costs related to licensed third party software and costs related to subcontracts directly related to customer service delivery.

Payroll and benefit expenses

Payroll and benefit expenses consist of all the costs of personnel and related benefits. Costs related to the development of products which meet the criteria for capitalization are deduced from total cost in the determination of the period expense.

The Company capitalizes certain software development costs, including the costs to develop new software products or significant enhancements to existing software products. The Company capitalizes software development costs when application development begins, it is probable that the project will be completed, and the software will be used as intended. Such capitalized costs are amortized on a straight-line basis over the estimated useful life of the related asset. Costs associated with preliminary project stage activities, training, maintenance and all post implementation stage activities are expensed as incurred.

General and administrative expenses

General and administrative expenses are those third party expenses associated with the administration of the business including travel, public relations, marketing, rent, insurance, sales commissions, directors fees, business taxes, legal, accounting and other professional fees, trade show and promotional marketing costs. Wmode expects that, in the future, general and administrative expenses will increase in absolute dollars as investments in the Company's infrastructure are made and the Company incurs additional professional fees related to the growth of its business and international expansion.

Foreign exchange

Wmode's presentation and functional currency is Canadian dollars. In 2013, 2012 and 2011Wmode derived 88%, 88% and 89% respectively of its revenue in U.S. dollars. The Company's head office and a significant portion of its employees are located in Canada, and as such a significant amount of expenses are incurred in Canadian dollars.

Depreciation and Amortization

Depreciation and amortization expenses consist primarily of depreciation on computer hardware and amortization of capitalized software development costs and purchased intangibles.

Finance costs

Finance costs consist of interest expenses incurred as a result of borrowings, gains or losses on derivative liabilities, income or expenses relating to changes in the fair value of the Company's outstanding warrant modifications, amortization of finance fees and the accretion costs.

Results of Operations

The following table sets forth a summary of Wmode's results of operations for the fiscal years ended December 31, 2013, 2012 and 2011

	2013	2012	2011
Revenue			
Managed services	7,265,520	7,333,284	6,456,401
Integration and other professional services	1,226,617	1,989,044	2,475,763
	8,492,137	9,322,328	8,932,164
Expenses (income):			
Operating expenses	939,284	1,006,102	873,602
Salaries and benefits	4,970,965	5,408,212	4,901,693
General and administration	1,418,595	1,529,634	1,369,766
Other income and expenses	464,354	18,385	99,096
	7,793,198	7,962,334	7,244,157
Income before the undernoted items	698,939	1,359,994	1,688,007
Finance costs	7,753	1,553,161	1,020,203
Depreciation and amortization	644,078	555,275	569,318
Net income (loss)	47,108	(748,441)	98,487
Adjusted EBITDA	1,112,215	1,532,338	1,735,252
Net income (loss) per share			
Basic	$ 0.00	$ (0.01)	$ 0.00
Diluted	$ 0.00	$ (0.01)	$ 0.00
Total Assets	3,073,609	2,831,547	3,480,455
Long Term Debt	804,578	1,091,541	1,984,372
Derivative liabilities	1,047,214	1,070,483	510,833
Long Term Royalty	779,828	-	-
Equity (deficit)	(3,161,358)	(3,494,547)	(5,124,197)

Non-IFRS Measurements

EBITDA is not a defined measure under IFRS and the Company's definition of EBITDA will likely differ from that used by other companies and therefore comparability may be limited. EBITDA should not be considered a substitute for or in isolation from measures prepared in accordance with IFRS. Readers are encouraged to review Wmode's financial statements and disclosures in their entirety and are cautioned not to put undue reliance on this non-IFRS measure and view it in conjunction with the most comparable IFRS financial measures. Wmode has reconciled EBITDA to the most comparable IFRS financial measure as follows:

	2013	2012	2011
Profit (loss) before income taxes	47,108	(748,441)	98,487
Depreciation and amortization	644,078	555,275	569,318
Share-based compensation	173,276	52,344	47,245
Distribution rights	240,000	120,000	-
Net finance expense	7,753	1,553,161	1,020,203
EBITDA	1,112,215	1,532,338	1,735,252

Results of Operations for the fiscal years ended December 31, 2013, 2012 and 2011

Revenue

The following table displays the breakdown of Wmode's revenue according to revenue type:

	2013	2012	2011
Revenue:			
Managed services	7,265,520	7,333,284	6,456,401
Integration and other professional services	1,226,617	1,989,044	2,475,763
	8,492,137	9,322,328	8,932,164
Change year over year			
Managed services	(67,764)	876,883	
Integration and other professional services	(762,427)	(486,719)	
	(830,191)	390,164	
As a percentage of revenue			
Managed services	86%	79%	72%
Integration and other professional services	14%	21%	28%

Total revenue for fiscal 2013 decreased $830,191 to $8,492,137 compared to $9,322,328 for fiscal 2012 or a decrease of 9%. Fiscal 2012 revenue increased $390,164 or 4% from $8,932,164 for fiscal 2011.

Managed services revenue for fiscal 2013 decreased by 1% to $7,265,520 (representing 86% of total 2013 revenue) compared to $7,333,284 in 2012 (representing 79% of total 2012 revenue). Managed services revenue for fiscal 2012 increased by 14% from $6,456,401 in 2011 (representing 72% of total 2011 revenue). The decrease in 2013 was largely due the cessation of services for Blackberry Limited (Blackberry) and Data & Audio-Visual Enterprises Wireless Inc. (Mobilicity) in Canada and lower transaction levels at Cricket Communications Inc (Cricket). The increase in 2012 was due to contracts with new customers acquired during 2012 and 2011, as well as existing customer expansion activity.

Integration and professional services revenue for fiscal 2013 decreased by 38% to $1,226,617 (representing 14% of total 2013 revenue) compared to $1,989,044 in 2012 (representing 21% of total 2012 revenue). In fiscal 2012 Integration and professional services decreased by 20% from $2,475,763 in 2011, (representing 28% of total 2011 revenue). The decreases in 2013 and 2012 revenue was the result of a general industry-wide decrease in spending by mobile operators. In 2013 new services were launched for KPN BASE Company (BASE) nv/sa in Belgium and TELUS Corporation in Canada. However new service launches for Cricket were lower by $1,049,454 compared to 2012. In 2013, Wmode integrated services for of multi-year services for the Satkirit Holdings Ltd (Satkirit) and Jaguar Land Rover Limited (Jaguar) in the app management market and Canadian Government's Canadian Air Transport and Safety Authority in the enterprise market. Work was started on the multi-year program for Jaguar in November 2013. Cricket continues to be Wmode's largest customer; revenue in was 59%, 67% and 73% of total revenues in 2013, 2012 and 2011 respectively. Alltel Wireless Inc represented 18% in 2013, 19% and 14% of total revenues in 2013, 2012 and 2011 respectively. The services with Alltel and Cricket will terminate on March, 31 2015 and February 28, 2015 respectively'

Operating Expenses

	2013	2012	2011
Operating expenses	939,284	1,006,102	873,602
Change year over year	(66,818)	132,500	
As a percentage of revenue	11%	11%	10%

Operating expenses for 2013 decreased 7%, or $66,818, to $939,284 from $1,006,102 for 2012 which increased $132,500 or 15% from 2011. The decrease in operating expenses in 2013 over 2012 was due to lower subcontractor costs offset by an increase in the cost of cloud based server services. The increase in operating expenses in 2012 over 2011 was due to higher subcontractor costs. As a percentages of operating expenses to revenue were virtually unchanged in 2013, 2012 and 2011.

Payroll and Benefits Expenses

	2013	2012	2011
Salaries and benefits expense	4,970,965	5,408,212	4,901,693
Change year over year	(437,247)	506,519	
As a percentage of revenue	59%	58%	55%

Payroll and benefits expenses decreased $437,257 or 5%, to $4,970,965 for fiscal 2013 compared to $5,408,212 for 2012. Fiscal 2012 expense increased $506,519 or 9% compared to 2011 expenses of $4,901,693. In the last three years Wmode has made major investments in the AppCarousel technology; in 2013, 2012 and 2012 Wmode incurred and capitalized $745,134, $260,772 and $311,158 respectively of payroll and benefits associated this development. Accepting these deductions salaries and benefits paid in 2013 increased by $47,115 in 2013 over 2012 and increased by $456,133 in 2012 over 2011; this reflects the investment in professional service resource capacity to support future growth in the business during this time. As a percentage of revenues, payroll and benefits expenses increased 1% to 59% in 2013 from 58% in 2012 due to growth in revenues while 2012 increased 3% from 55% in 2011.

General and Administrative Expenses

	2013	2012	2011
General and administration	1,418,595	1,529,634	1,369,766
Change year over year	(111,039)	159,868	
As a percentage of revenue	17%	16%	15%

In 2013, general and administrative expenses decreased $111,039, or 7%, to $1,418,595 from $1,529,634 for 2012 which increased $159,867 or 12% from 2011. The decrease in general and administrative expenses for 2013 was due to primarily due lower sales commissions. The increase in 2012 general and administrative expenses is due to higher legal, provision for trade receivables and rent. As a percentage of revenues, general and administrative expenses were 17%, 16% and 15% in 2013, 2012 and 2011 respectively.

Other Income and Expense

The following table provides a breakdown of other income and expense by type:

	2013	2012	2011
Distribution rights	240,000	120,000	-
Share and stock-based compensation	173,276	52,344	47,245
Additional contingent consideration			20,250
Foreign exchange loss (gain)	51,078	(153,959)	31,601
	464,354	18,385	99,096

Note: The percentage change has been excluded as it is not meaningful.

For the year ended December 31, 2013, other expense was $464,354 compared to $18,385 for 2012 and $88,096 for 2011. Net of foreign exchange impacts, other income and expenses in 2013 and 2012 are driven by the cost to acquire software distribution rights and stock based compensation. In 2012 the Company entered into an agreement with Kryos Systems Inc. to acquire the exclusive global distribution agreement to license and sell the Velocity Platform and these acquisition payments were expenses as incurred. On July 1, 2014 the Company gave notice to terminate the exclusive right and Wmode remains a non-exclusive distributor. Stock based compensation relates to the cost of options granted to employees. In 2011 Wmode finalized and expensed the contingent consideration related to the purchase of Redwood Technologies Inc,

Finance Costs

The following table provides a breakdown of other finance costs by type:

	2013	2012	2011
Interest on convertible debentures	62,270	149,107	205,920
Interest on secured debt	111,821	233,902	401,427
Interest on obligations under capital lease	9,335	27,387	61,909
Other interest expense	73,605	35,720	31,104
Total Interest	257,031	446,116	700,360
(Gain) Loss on settlement of convertible debentures	(377,416)	367,058	-
(Gain) Loss on derivative liablities	(26,075)	460,111	156,230
Realised loss (gain) on financial instruments	31,488	-	(106,136)
Unrealised loss (gain) on financial instruments	29,100	-	88,720
Accretion on convertible debentures	71,320	126,173	171,370
Amortisation of finance fees	18,312	5,832	-
Accretion on secured convertible debentures	3,993	-	-
Accretion on unsecured convertible debentures	-	3,726	9,659
Warrant modification	-	144,145	-
	7,753	1,553,161	1,020,203

Note: The percentage change has been excluded as it is not meaningful.

For the year ended December 31, 2013, finance costs were $7,753 compared to $1,553,161 in 2012 and $1,020,203 for 2011. Total interest costs were $257,031, $446,116 and $700,360 in 2013, 2012 and 2011 respectively. This reduction was driven by a combination of decreased interest rates and levels of debt. In the three years ended December 31, 2013, the Company repaid $3,917,387 to holders of term debt, debenture holders and leasing companies. In addition, in 2012 the Company repaid the $2,200,000 of term debt owed to Wellington Financial with the proceeds of the term debt with RBC and converted $2,000,000 of secured convertible debentures into Class A common shares. The interest on the Wellington debt was 12% compared to 7.5% on the RBC debt used to retire the Wellington debt.

In 2012, the Company offered to the secured convertible debenture holders the right to convert the principal amount of the debentures, any interest accrued thereon and any interest accruing to December 31, 2013, into class A common shares, at a conversion price of $0.15 per share, and contingent on the Company extending the maturity date of any unexercised warrants to December 31, 2014. On June 30, 2012, secured convertible debenture holders converted principal and interest of $2,324,247 into 15,505,445 class A common shares of the Company. The common shares issued were recognized at their fair value of $0.15 per common share, and the difference between the total fair value of the shares of $2,324,247 and the carrying amount of the debt and derivative liability, being the conversion feature, of $1,963,493 was included in the loss on debt settlement in the amount of $360,754. The maturity date of 6,540,094 warrants held by debenture holders who did convert was extended to December 31, 2014. The warrant modification resulted in an expense of $144,145 which was the incremental fair value on the date of extension.

In 201, Wmode entered into an agreement with the remaining secured convertible debenture holders whereby the Company redeemed all the secured convertible debentures in return for cash, a revised debenture, and warrants. The new debt and the share purchase warrants issued to settle the remaining secured convertible debentures were initially recognized at fair value. The difference between the sum of the cash paid along with the amounts recognized for the new instruments issued of $898,966 and the carrying amount on settlement of the secured convertible debentures, including the value of the conversion feature, of $1,276,382 was recognized as a gain on debt settlement in the amount of $377,416 and has been included in net finance costs

Profit (Loss)

		2013		2012		2011
Profit (loss)		47,108		(748,441)		98,487
EBITDA		1,112,215		1,532,338		1,735,252
Basic earnings (loss) per share	$	0.00	$	(0.01)	$	0.00
Diluted earnings (loss) per share	$	0.00	$	(0.01)	$	0.00

Note: The percentage change has been excluded as it is not meaningful.

EBITDA for the financial years ended December 31, 2013, 2012 and 2011 was $1,112,215, $1,532,338 and $1,735,252 respectively. As the requirements to service debt declined over that period, Wmode invested any surplus cash in the marketing and business development of AppCarousel. The profit in 2013 was $47,108 compared to a loss of $748,441 in 2012 and a profit of $98,487 in 2011. In 2013, 2012 and 2011 the Company expensed $7,753, $1,553,161 and $1,020,203 respectively in Finance Costs. Over the three years Interest costs declined as the company repaid its bank and other debt. In 2012 the Company incurred expenses associated with the conversion of debentures into share capital.

Key Balance Sheet Items

An analysis of the key balance sheet items is as follows:

Trade and other receivables

	2013	2012	2011
Accounts receivable	1,293,845	1,077,404	900,868
Change	216,441	176,536	

Trade and other receivables were $1,293,845 at December 31, 2013 which is an increase of $216,441 compared to $1,077,404 at December 31, 2012. The change in trade and other receivables is due primarily to timing of billings and collections on receivables which can have a significant impact on the balance at any point in time due to the billing cycle. The aging of trade receivables is generally current and the Company has had a history of minimal bad debts.

Property and equipment

	2013	2012	2011
Property and equipment	539,147	921,869	1,209,287
Change	(382,722)	(287,418)	

Purchases of property and equipment 2013, 2012 and 2011 were $19,373, $122,630 and $66,987 respectively. Virtually all purchases are for computers and network infrastructure. Since 2012 Wmode has used cloud based services, the cost of which is included in direct operating expenses, accordingly the requirement for hardware has been significantly reduced. It is expected that future lower purchases of property and equipment and the continuation of depreciation related to purchases made prior to 2011 will reduce the carrying amount of property and equipment.

Intangible assets

	2013	2012	2011
Intangible assets	1,043,748	525,014	392,279
Change	518,734	132,735	

Capitalized software costs relate to Wmode's investment in the AppCarousel technology. Capitalized software costs include base salary and direct benefits in 2013, 2012 and 2011 were $745,134, $260,772 and $311,158 respectively Software costs are recorded net of any applicable scientific research and experimental development investment tax credits ('SRE&D') earned for expenses incurred in Canada against eligible projects.

Unsecured convertible debentures

	2013	2012	2011
Convertible debentures	441,355	-	
Change	441,355		

In 2013 Wmode received investment in unsecured convertible debentures of $465,000, which includes $290,000 purchased by executives and directors. On August 15, 2014 this amount and accrued interest of $27,974 was converted into 1,760,625 units of the Company, each unit comprised of one class A share of the Company and one

Wmode special warrant (each special warrant of Wmode that will automatically convert, for no additional consideration and no further action by the holder, into 0.2 of a WMode class A share if Wmode does not complete a going public event before March 17, 2014. If the going public event is completed before March 17, 2014, then the Wmode special warrants will be automatically cancelled and have no further force or effect).

Convertible debentures

	2013	2012	2011
Convertible debentures	400,876	1,115,665	2,764,299
Change	(714,789)	(1,648,634)	

On June 30, 2012, secured convertible debenture holders converted principal and interest of $2,324,247 into 15,505,445 class A common shares of the Company. The common shares issued were recognized at their fair value of $0.15 per common share.

In 201, unless otherwise converted, Wmode was required to pay debenture holders approximately $1,260,000, including interest, on December 31, 2013. The company entered into an agreement with the debenture holders to amend the terms of the debenture such that $417,564, which was 1/3 of the principal and accrued interest, was paid in cash on November 18, 2013; $417,564 was paid in 4 equal instalments on January 15, 2014, April 15, 2014, July 15, 2014 and October 15, 2014. The remaining $417,564 was settled in exchange for warrants (4 warrants for every dollar of principal amount and interest redeemed by the Company).

Secured Operating and term debt

	2013	2012	2011
Secured term debt	1,082,189	1,803,700	2,615,653
Change	(733,333)	(733,333)	(1,044,289)
	348,856	1,070,367	1,571,364
Operating bank loan	894,810	717,412	-

The financing agreement with the Royal Bank of Canada was amended September 5 2014 as follows: Facility # 1, an operating line was increased from $900,000 to $1,600,000; Facility #2, this term line of was originally $2,200,000, had been paid down to $794,444 on September 5 2014, this remaining balance was rescheduled over a further 36 months. Facility #3, an additional term line of $900,000, repayable over 36 months was drawn down on September 5 2014 in connection with acquisition of NeoSystems Inc. The borrowings under the Facility #1 are subject a borrowing limit that is based principally on Wmode's accounts receivable. The repayment provisions of Facilities #2 and # 3 also require Wmode to make additional repayments if EBITDA exceeds total debt service costs and capital expenditures. The per annum interest rates on Facility #1, #2 and #3 are RBC prime plus 2.50%, 4.5% and 5.0% respectively; RBC prime has been 3% since September 2012.

Long term royalty

	2013	2012	2011
Long Term Royalty	779,828	-	
Change	779,828	-	

Wmode entered into an agreement for the sale of a royalty interest in the revenues of Wmode for $1,000,000. As consideration for the payment, Wmode shall pay a royalty equal to 2% on Wmode's revenue in perpetuity, excluding revenue derived from any acquisitions, such as NeoSystems Inc. Wmode may at its option buyout all royalty obligations at any time after the fourth anniversary of the date of the agreement, for $2,700,000, thereafter this buyout amount increases by 10% per year. The $1,000,000 was received in November 2013. The net obligation is recorded as long term capital in the balance sheet, net of deferred financing costs and the equity component of the obligation less related accretion.

Derivative Liabilities

	2013	2012	2011
Wellington warrants	752,610	752,610	369,615
Warrants - December 2014	261,604	261,604	83,628
Other	33,000	56,189	57,591
Derivative liabilities	1,047,214	1,070,403	510,834
Change	(23,189)	559,569	156,231

At each balance sheet date Wmode revalues its warrant obligations using Black-Scholes, any gain or loss is included in Finance Costs. The increase in the carrying value of the Wellington in 2012 was a result of an increase the Fair Value of the Company's stock, volatility and probability of a material financing event. The increase on the carrying value of the 'Warrants – December 2014' in 2012 relates to the incremental fair value of extension the warrant which resulted in a warrant modification expense of $144,145.

Share Capital

	2013	2012	2011
Share capital	14,338,302	14,260,882	11,903,851
Change	77,420	2,357,031	

In 2012, holders of secured convertible debenture holders converted principal and interest of $2,324,247 into 15,505,445 fully paid and non-assessable class A common shares, at a conversion price of $0.15 per share. The addition in 2013 relates to the exercise of options and shares issued to Canaccord Genuity Corp with respect to their monthly work fee.

Liquidity and Capital Resources

Wmode's primary source of cash flow is from the sales of managed services and integration and other professional services. The Company's approach to managing liquidity is to ensure, to the extent possible, that it always has sufficient liquidity to meet its liabilities as they come due. Wmode does so by continuously monitoring cash flow and actual operating expenses compared to budget.

	2013	2012	2011
Cash and cash equivalents	76,206	182,556	855,589
Change year over year	(106,350)	(673,033)	

In addition to the cash balances, Wmode has a $1,600,000 operating demand facility available to be drawn to meet ongoing working capital requirements. The Company's principal cash requirements are for working capital and capital expenditures, working capital at December 31, 2014 was a deficit of $2,195,983. At December 31, 2011 Wmode was required by the provisions of the Wellington Financial secured debenture to maintain a minimum cash balance of $800,000.

The following table provides a summary of cash inflows and outflows by activity:

	2013	2012	2011
Cash flows from (used in) operating activities	259,589	426,730	1,501,500
Cash flows from (used in) financing activities	414,151	(699,171)	(1,218,090)
Cash flows from (used in) investing activities	(780,090)	(400,592)	(394,834)
	(106,350)	(673,033)	(111,424)

Cash provided by (used in) operating activities

Cash generated from operating activities in 2013, 2012 and 2011 were $259,589, $426,730 and $1,501,500 respectively. It is the company's policy to invest any cash generated from operations in excess of that required to sustain its debt service obligations in product and market development, such costs are expensed in the determination of cash flow, accordingly cash generated from operating activities declined. The changes in cash generated also impacted by changes in non-cash working capital balances due to timing of collections of receivables and settlement of payables. Changes in accounts receivable, prepaid expenses, deferred revenue and accounts payable 2013 used cash of $391,748 in 2013 and $600,341 in 2012 and generated cash of $110,307 in 2011.

Cash provided by (used in) financing activities

Cash provided in financing activities for the year ended December 31, 2013 was $414,151compared to use a of cash in 2012 of $699,171 and $1,218,090 in 2011. In 2013 the Company repaid $733,333 to the Royal Bank under the provisions of the term debt agreement, repaid $129,980 of capital leases and repaid $417,564 to debenture holders, the Company received $465,000 in convertible debentures which were converted class A shares of the Company in 2014. and received $1,000,000 from the proceeds of the Long Term Royalty and drew down $177,398 of the operating loan with the Royal Bank. In 2012 the Company entered into an agreement the Royal Bank for an operating and term lines of credit, the $2,200,000 term line was used to repay in whole the Wellington Financial secured debenture. In 2012 Wmode paid $992,350 under the provisions of the term debt agreements, repaid $444,699 of capital leases and drew down $717,412 of the operating loan with the Royal Bank. In 2011Wmode paid $1,025,163 under the provisions of term debt agreements and repaid $363,423 of capital leases.

Cash provided by (used in) investing activities

In fiscal 2013, cash used to invest in product development was $760,717, compared to $277,962 in fiscal 2012 and $327,847 for fiscal 2011. For fiscal 2013, cash used to purchase computer and networking equipment was $19,373, compared to $122,630 in fiscal 2012 and $66,987for fiscal 2011. The Company expects to continue to invest new and advanced technology and additional property and equipment to support the growth in its customer base. In fiscal 2013, Wmode incurred financing costs related to debt and equity of cash $157,790 compared to $35,465 in fiscal 2012.

Commitments and contingencies

The following table summarizes the contractual obligations as at December 31, 2013.

	Total	<1 year	1-3 years
Secured Term Debt	1,082,189	348,856	733,333
Finance leases	28,714	14,366	14,348
Operating leases	441,000	159,000	282,000
Convertible debentures	842,231	842,231	
Other obligations	250,000	250,000	
	2,394,134	1,614,453	1,029,681

To date, the Company has utilized, share capital, long term royalty, term debt and operating cash flows to finance its operations. The Company has entered into multi-year revenue contracts to provide the cash flow to repay its debt obligations as they arise and to fund its operations. In the event the Company does not generate sufficient cash flow from these contracts or receive continued support from its lenders or obtain additional cash flow through issuance of equity securities there may be significant doubt that the Company will be able to continue to generate sufficient cash flow from operations to fund its debt obligations and to maintain and grow its existing customer relationships. Given the ongoing cash generated from operations and existing cash and credit facilities together with the proceeds of this offering, Wmode believes there is sufficient liquidity to meet its current and planned financial obligations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements, other than operating leases that have, or are likely to have, a current or future material effect on Wmode’s consolidated financial position, financial performance, liquidity, capital expenditures or capital resources.

Transactions with Related Parties

See note 21 to the December 31, 2013 audited financial statements

Summary of Quarterly Results

	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Total revenues	2,227,000	2,261,369	2,007,902	1,995,867
Net income (loss)	538,683	115,000	(284,979)	(321,691)
	Q4 2012	**Q3 2012**	**Q2 2012**	**Q1 2012**
Total revenues	2,408,257	2,313,938	2,302,336	2,297,797
Net income (loss)	(596,003)	81,245	(286,948)	53,186

Wmode’s operations are not inherently seasonal. Revenues from Managed Services do not fluctuate materially from one quarter to the next unless there has been launch or termination of a material contracted service. Quarterly revenues are most impacted by the timing and size of material professional services associated with launches of new customer multi-year services and the expansion of existing customer services. Operating costs do not change materially in the short term. In last eight quarters material changes in quarterly Net Income (Loss) have also been due to the change in derivate liabilities and gains (losses) associated with the settlement of debenture liabilities.

The decline in revenues and net losses in Q1 and Q2 2013 were due to the industry wide decline in new service launches by mobile phone operators. In Q3and Q4 2013 revenues increased due to the launch of the first AppCarousel services. Net Income in Q2 2012 included a loss on settlement of the convertible debentures of $371,889; Q4 2012 included a loss of $460,919 for derivative liability expense related to increase in the value of the Wellington Warrants and an expense of $144,515 related to modification of warrants held by former debenture holders that had converted into common shares. Q4 2013 included a gain of $377,416 on the settlement of convertible debentures.

Financial Instruments and Other Instruments

Wmode recognizes financial assets and liabilities when we become party to the contractual provisions of the instrument. On initial recognition, financial assets and liabilities are measured at fair value plus transaction costs directly attributable to the financial assets and liabilities, except for financial assets or liabilities at fair value through profit and loss, whereby the transactions costs are expensed as incurred. The Company has exposure to the following risks from its use of financial instruments; further quantitative disclosures are included in the consolidated financial statements.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers. The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer and the default risk of the industry in which customers operate, as these factors may have an influence on credit risk. Approximately 77% (2012 – 86%; 2011 – 87%) of the Company’s revenue is attributable to sales transactions with two customers under contracts due for renewal in December 2014. Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company’s standard payment and delivery terms and conditions are offered. The Company’s review includes external ratings, when available. Customers that fail to meet the Company’s benchmark creditworthiness may transact with the Company only on a prepayment basis.

Currency risk

The Company is exposed to currency risk on sales and purchases that are denominated in US dollars. The Company is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. Export revenue generally exceed import purchases, so the currency risk is primarily attributable to the inflow of cash from accounts receivable denominated in US dollars in excess of accounts payable and accrued liabilities denominated in US dollars. The Company uses financial instruments, being forward exchange contracts, to reduce risks associated with USD revenues and is committed under various forward foreign exchange contracts. These financial instruments are subject to normal credit standards, financial controls, risk management and monitoring procedures and are accounted for using the mark-to-market method.

Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation. See *Liquidity and Capital Resources*

Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes: See note 3 to the December 31, 2013 audited financial statements.

Revenue recognition; key assumptions about the service period and the stage of services provided

Derivative liabilities; key assumptions about the fair value of the respective instruments

Contingent consideration; key assumptions about the fair value

Adoption of New Accounting Standards

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2013, and have not been applied in preparing the consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Company; however, the extent of the impact has not yet been determined.

Subsequent Events

Reverse takeover transaction with Afrasia Minerals Inc.:

On April 2, 2014, Wmode entered into a letter of intent for a reverse takeover transaction (the “Transaction”) with Afrasia Minerals Inc. (“Afrasia”), a public company pursuant to which Afrasia would acquire all of the issued and outstanding Wmode class A common shares. Prior to the closing of the Transaction, Wmode has completed a prospectus exempt private placement (the "First Wmode Placement”) (note 16(b)), of a gross amount of $1,306,640, through the issuance of up to 4,552,572 units (the "Units"), each Unit consisting of one previously unissued Wmode class A common share and one special warrant ("Special Warrant") of Wmode at a price of $0.28 per Unit. Each Special Warrant will automatically convert, for no additional consideration and no further action by the holder, into 0.2 of a Wmode share if Wmode does not become a publicly traded issuer (the "Going Public Event") on or before the date which is nine months from the closing of the first tranche of the First Wmode Private Placement (the "Going Public Deadline"). If the Going Public Event is completed before the Going Public Deadline, then the Special Warrants will be automatically cancelled and have no further force and effect. The Going Pubic Deadline date was determined to be March 17, 2015.

Prior to the closing of the Transaction, Wmode proposes to complete a prospectus exempt private placement (the "Debt Conversion Placement') through the conversion of its current debt in Wmode ($465,000 plus interest) into Wmode Class A common shares on the same terms and conditions as issued under First Wmode Placement (note 13(b)).

Immediately prior to the closing of the Transaction, Wmode proposes to complete a second prospectus exempt private placement (the "Second Wmode Placement"), of a gross amount of a minimum of $2,500,000 and a maximum of $4,000,000, through the issuance of 6,684,492 to 10,695,187 previously unissued Wmode class A common shares at a minimum offering price of $0.374 per class A common share. As a result of the Transaction, the Wmode shares underlying Wmode’s outstanding securities exercisable or exchangeable for, or convertible into, or other rights to acquire Wmode shares will be exercisable into Afrasia shares on the same terms and conditions as such original outstanding Wmode securities.

Completion of the Transaction is subject to all applicable shareholder and regulatory approvals.

NeoSystems Inc. acquisition:

On June 30, 2014, the Company acquired 100% of the shares of NeoSystems Inc. (“NeoSystems”). The consideration for the acquisition was $600,000 paid on closing, $300,000 paid by the Company to settle NeoSystems’ outstanding long-term debt, $240,000 in cash on each of the first, second and third anniversary dates on a non-interest bearing basis for a total of $720,000 and a contingent amount based upon the revenue earned (the “earn-out”) from NeoSystems in the years ended December 31, 2014, 2015 and 2016 (the “earn-out period") based on a percentage of revenue earned greater than certain levels in each of the years. Additionally, the Company is required to pay, as contingent consideration, a percentage of NeoSystems revenue contracted during the earn out period but not yet received for a period of 24 months following the earn-out period. The Company has estimated the fair value of this revenue earn-out contingent consideration on the acquisition date to be $1,002,000, subject to final measurement on the dates noted above.

The non-interest bearing note payable is a financial instrument which has been fair valued on recognition. The valuation approach involved determining a fair value for a comparable debt in the market place. The present value of the principal payments of the non-interest bearing note payable using a market interest rate of 7.5% is $621,124. The Company incurred transaction costs of $54,478 related to the acquisition included in general and administrative expenses.

Business Risks

Due to the nature of that business, the legal and economic climate in which the Wmode will be operating and the present stage of development of the proposed operations, Wmode is subject to risks. Wmode's future development and actual operating results may be different from those expected as at the date of the Circular. There can be no certainty that Wmode will be able to implement successfully the strategy set out in the Circular. No representation is or can be made as to the future performance of Wmode and there can be no assurance that Wmode will achieve its objectives. Accordingly, readers should carefully consider the discussion of risks that pertain to Wmode as set out on pages 41 to 50 in the Circular.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 AND 2013

This management's discussion and analysis of financial condition and results of operations (the ''MD&A'') of WMode Inc. ("Wmode" or the "Company") is of December 31 2014 and should be read in conjunction with Wmode's annual (December 31, 2013, 2012 and 2011) consolidated financial statements and the related notes thereto included in this information circular. This MD&A is presented as of February 26, 2015 and is current to that date unless otherwise stated. The financial information presented in this MD&A is derived from Wmode's interim consolidated financial statements prepared in accordance with IFRS. This MD&A contains forward-looking statements that involve risks, uncertainties and assumptions, including statements regarding anticipated developments in future financial periods and Wmode's future plans and objectives. There can be no assurance that such information will prove to be accurate, and readers are cautioned not to place undue reliance on such forward-looking statements. All references to $ or dollar amounts in this MD&A are to Canadian currency unless otherwise indicated.

Forward-Looking Statements

This discussion includes certain statements that may be deemed "forward-looking statements" that are subject to risks and uncertainty. All statements, other than statements of historical facts included in this discussion, including, without limitation, those regarding the Company's financial position, business strategy, projected costs, future plans, projected revenues, objectives of management for future operations, the Company's ability to meet any repayment obligations, trends in the industry, the global financial outlook, expanding markets, R&D of next generation products, foreign exchange rate outlooks, new revenue streams and sales projections, cost increases as related to marketing, R&D, administration expenses, the continuation of multi- year contracts, and litigation matters, may be or include forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on a number of reasonable assumptions regarding the Canadian, U.S., and global economic environments, local and foreign government policies/regulations and actions, and assumptions made based upon discussions to date with the Company's customers and advisers, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

Factors that could cause actual results to differ materially from those in the forward-looking statements include but are not limited to risks related to new technology and a business that operates in the technology and intellectual property industry, volatility of the market for Wmode's products and services, market prices, foreign exchange rates, continued availability of capital and financing, and general economic, market, or business conditions in the technology industry, worldwide political stability or any effect those may have on the Company's customer base in the mobile operator and app management industries. Investors are cautioned that any such statements are not guarantees of future performance, and that actual results or developments may differ materially from those projected in the forward-looking statements.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to have been correct. The Company cannot assure investors that actual results will be consistent with any forward-looking statements; accordingly, readers should not place undue reliance on forward looking statements. The forward-looking statements contained herein are current only as of the date noted above. The Company disclaims any intentions or obligation to update or revise any forward-looking statements or comments as a result of any new information, future event or otherwise, unless such disclosure is required by law.

Overview

Wmode is a leading technology and Services Company in the emerging market for app management services. Wmode operates a comprehensive suite of managed services for the recruitment, development, management, discovery, delivery and payment of mobile apps, content, and consumer services.

For the first ten years, Wmode's primary market was mobile network operators. Changes in technology have empowered the consumer to directly access Internet services independent of the network operator. Today, the broad array of connected device (IoT) manufacturers need new app management, billing and discovery solutions that seamlessly address the underlying complexities and at the same time provide consumers with simplified and rewarding experiences. The same technologies and operational experience that were essential to serve and sustain the trust of demanding customers in the mobile operator market are enabling Wmode to compete with advantage in the new broader markets as apps power a variety of connected devices well beyond smartphones. Recognizing the opportunity to be an early and competitive service provider in the high growth app management market and the limited growth prospects in the mobile network operator market; in 2011 the Company started investing in significant product developments to take advantage of these opportunities. Wmode has successfully bid and secured long term multi-year customer relationships with global brands whose connected device and IoT plans are strategic and valuable. Revenues from these new non-operator customers increased 253% to $2,313,189 in the nine months ended September 30, 2014 compared to $$654,999 in same period in 2013.

The Company continues to sell to mobile operators; however the Company expects that both the consolidation in the mobile operator market and reduction of mobile operator value added services will continue to reduce Wmode's mobile operator revenues over time. Revenues from Wmode's two biggest customers declined to 58% of revenues in the nine months ended September 30, 2014 compared to 79% for the same period in 2013. There is substantial risk that future revenues will be significantly reduced from these two customers.

In June 2014, Wmode acquired NeoSystems Inc. The acquisition is the cornerstone of a strategy to focus on specific vertical sectors in the enterprise market. Revenues were $2,286,518 in its fiscal year ended March 31, 2014. NeoSystems Inc. has over 60 customers and a history of sustainable recurring revenues. Wmode's immediate goal is to increase the deal size by bidding the combined capabilities of Wmode and NeoSystems Inc.

The Company has established a track record of cash flow generation. EBITDA for the nine months ended September 30, 2014 was $839,086 compared to $558,872 for same period in 2013. It has been Wmode's policy to invest any surplus cash in the marketing and business development of AppCarousel. The proceeds of this financing will be used to further invest in marketing and business development. These costs will be expensed and, accordingly, the Company expects EBITDA to decline in 2015.

Wmode believes that, unlike the operator market, the connected device and enterprise markets will be less concentrated, less buyer power, more open and competitive, all of which supports the view that the outsource model for app management services will be an important future market. The Company's financial success is dependent on the speed with which it can sell into the new markets compared to a reduction in legacy operator services. The primary use of proceeds is to expand business development and sales capacity.

Key Performance Indicators

Key performance indicators that Wmode uses to manage the business and evaluate financial results and operating performance include: total revenue, total new customers, incremental managed service revenue, revenue retention, operating expenses, EBITDA and cash flow from operations. The Company evaluates its' performance by comparing the actual results to budgets, forecasts and prior period results.

New market sales

Increasing revenues through new customer wins is one of Wmode's highest organizational priorities. Wmode's typical sales cycle can be lengthy, as it generally targets large organizations with significant internal processes for adoption of new systems. Wmode's current sales growth focus is through AppCarousel in the app management market and through NeoSystems providing enterprise operations management solutions.

Revenue expansion from existing customers

Wmode's managed service business model results in a high proportion of recurring revenue often tied to metrics such as vehicles, devices in market or transactions processed. The power of the managed service model is usually fully realized once the customer app services are in market. Incremental margins in the later stages of multi-year contracts can be very high. Consistent with the Company's 'land and expand' strategy, Wmode also targets sales of additional applications. Multi-year agreements with new customers or with existing customers purchasing additional applications may not contribute significantly to current revenues. The goal is to build a loyal, incumbent and expanding base of high margin customer relationships.

Target annual operating model

Wmode has developed a target operating model in order to assist business planning. The annualized model includes: a target of 70% Managed Service revenues , 30% Integration and Professional Services revenue, and EBITDA of 20%. In addition, the target is a customer base of more than 100 and no one customer represents more than 25% of total revenue. The model is forward-looking over the long-term. There can be no assurance that Wmode will achieve such target operating model in any respect in any period, and if achieved, such achievement may not be sustained. The model speaks to the Company's objectives only, and is not a forecast, projection or prediction of future results of operations. Undue reliance should not be placed on this target operating model. In the near term Wmode expects the percentage of revenues from integration and professional services to increase as the Company integrates new customer services. Generally related managed service revenues are lower in the early periods of multi-year contracts; this together with an expected reduction in operator service revenues will result in a lower percentage of managed service revenues. See ''Forward-Looking Statements''.

Key Components of Wmode's Results of Operations

Revenue

The Company's revenue consists of managed service fees and integration and professional services. All of Wmode's products and services are provided to customers as a cloud hosted managed service. Industry terms for this delivery model include Software as a Service ("SaaS") or Platform as a Service ("PaaS"). Typically, contracts comprise of the following fees: (1) a non-recurring engineering professional service and setup fee; and (2) service fees which are generally billed monthly (these include operations and support fees and recurring monthly license fees). License fees are typically variable with metrics that Wmode believes will increase overtime as app usage grows. Wmode typically enters into multi-year contracts with its customers with committed operational terms varying in length from 1 to 5 years. Wmode's contracts with customers include a service level agreement ("SLA") that governs the details and terms of ongoing operations.

Direct operating costs

Direct operating costs consist of: the costs for supporting Wmode's hosting services under SaaS/PaaS arrangements; costs related to data center facilities and services; network connectivity costs, costs related to licensed third party software and costs related to subcontracts directly related to customer service delivery.

Payroll and benefit expenses

Payroll and benefit expenses consist of all the costs of personnel and related benefits. Costs related to the development of products which meet the criteria for capitalization are deduced from total cost in the determination of the period expense.

The Company capitalizes certain software development costs, including the costs to develop new software products or significant enhancements to existing software products. The Company capitalizes software development costs when application development begins, it is probable that the project will be completed, and the software will be used as intended. Such capitalized costs are amortized on a straight-line basis over the estimated useful life of the related asset. Costs associated with preliminary project stage activities, training, maintenance and all post implementation stage activities are expensed as incurred.

General and administrative expenses

General and administrative expenses are those third party expenses associated with the administration of the business including travel, public relations, marketing, rent, insurance, sales commissions, directors fees, business taxes, legal, accounting and other professional fees, trade show and promotional marketing costs. Wmode expects that, in the future, general and administrative expenses will increase in absolute dollars as investments in the Company's infrastructure are made and the Company incurs additional professional fees related to the growth of its business and international expansion.

Foreign exchange

Wmode's presentation and functional currency is Canadian dollars. Revenues in the nine months ended September 30, 2014 and 2013 derived revenue in U.S. dollars were 88% and 89% respectively The Company's head office and a significant portion of its employees are located in Canada, and as such a significant amount of expenses are incurred in Canadian dollars.

Depreciation and Amortization

Depreciation and amortization expenses consist primarily of depreciation on computer hardware and amortization of capitalized software development costs and purchased intangibles.

Finance costs

Finance costs consist of interest expenses incurred as a result of borrowings, gains or losses on derivative liabilities, income or expenses relating to changes in the fair value of the Company's outstanding warrant modifications, amortization of finance fees and the accretion costs.

Results of Operations for the Nine and Three Months Ended September 30, 2014 and 2013

The following table sets forth a summary of Wmode's results of operations for the nine and three months ended September 30, 2014 and 2013 and include the consolidation of NeoSystems Inc effective June 30, 2014.

	Three Months Ended September 30				Nine Months Ended September 30			
		2014		2013		2014		2013
Revenue								
Licenses		27,315				27,315		
Managed services		2,022,088		1,873,555		5,687,967		5,377,717
Integration and other professional services		1,240,698		387,814		2,631,930		887,420
		3,290,101		2,261,369		8,347,213		6,265,137
Expenses (income):								
Operating expenses		477,085		210,014		1,345,332		658,444
Salaries and benefits		1,916,628		1,270,329		4,798,100		4,083,683
General and administration		590,604		319,287		1,499,934		960,414
Other income and expenses		130,517		151,298		352,826		301,179
		3,114,835		1,950,928		7,996,192		6,003,720
Income before the undernoted items		175,266		310,441		351,021		261,418
Finance costs		52,634		79,811		586,898		325,557
Depreciation and amortization		261,055		155,630		652,826		467,530
Deferred tax						(275,576)		
Net income (loss)		(138,423)		75,000		(613,127)		(531,670)
EBITDA		453,614		436,259		839,086		558,872
Net income (loss) per share								
Basic	$	(0.00)	$	0.00	$	(0.01)	$	(0.01)
Diluted	$	(0.00)	$	0.00	$	(0.01)	$	(0.01)

Non-IFRS Measurements

EBITDA is not a defined measure under IFRS and the Company's definition of EBITDA will likely differ from that used by other companies and therefore comparability may be limited. EBITDA should not be considered a substitute for or in isolation from measures prepared in accordance with IFRS. Readers are encouraged to review Wmode's financial statements and disclosures in their entirety and are cautioned not to put undue reliance on this non-IFRS measure and view it in conjunction with the most comparable IFRS financial measures. Wmode has reconciled EBITDA to the most comparable IFRS financial measure as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Net income (loss)	(138,423)	75,000	(613,127)	(531,670)
Depreciation and amortization	261,055	155,630	652,826	467,530
Distribution rights	60,000	60,000	180,000	180,000
Share-based compensation	45,405	65,818	135,123	117,454
Net finance expense	52,634	79,811	586,898	325,557
Deferred tax			(275,576)	
Other	172,943		172,943	
EBITDA	453,614	436,259	839,086	558,872

Other includes legal and other transition costs related to the acquisition of NeoSystems and this offering.

Revenue

The following table displays the breakdown of Wmode's revenue according to revenue type:

	Three Months Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Revenue:				
Licenses	27,315		27,315	-
Managed services	2,022,088	1,873,555	5,687,967	5,377,717
Integration and other professional services	1,240,698	387,814	2,631,930	887,420
	3,290,101	2,261,369	8,347,213	6,265,137
Change year over year				
Licenses	27,315			
Managed services	148,533	8%	310,250	6%
Integration and other professional services	852,884	220%	1,744,511	197%
	1,028,732	45%	2,054,761	33%

Total revenues in the nine months ended September 30, 2014 were $3,290,101. The 45% increase of $1,028,732 compared to 2013 includes $485,101 of sales from NeoSystems Inc, comprising License - $27,315, Managed Service - $223,351 and Integration and other professional services $234,435. Excluding NeoSystems, Managed services revenue in the three and nine months ended September 30, 2014 was virtually unchanged compared the same periods in 2013. Integration and professional services revenue, excluding NeoSystems, increased by 159% in the three and 63% in the nine months ended September 30, 2014 compared 2013.

The increases in 2014 included the launch of new mobile operator services for KPN BASE Company (BASE) nv/sa in Belgium and TELUS Corporation in Canada, these offset a reduction in new service launches for Cricket. In the app management market work continued on the multi-year program for Jaguar Land Rover Limited (Jaguar) which started in November 2013. Under the terms of the contract, WMode shall provide operational services for the five years ending on September 30, 2019. In March 2014, WMode was awarded a contract with Amplify, an educational software subsidiary of the USA-based global media corporation News Corporation, to provide app management services for a ruggedized tablet program designed for in-class student learning services in the US education market. WMode also started work on projects for Sahara Presentation Systems PLC, a manufacturer of advanced audio visual equipment and a global truck manufacturer based in Europe.

In the nine months ended September 30, 2014 Wmode's largest customers were Cricket 44% (2013- 61%), Alltel 15% (2013- 18%) and Jaguar 18% (nil). Revenues from Cricket were 59%, 67% and 73% in 2013, 2012 and 2011. The services with Alltel and Cricket will terminate on March, 31 2015 and February 28, 2015 respectively.

	Three Months Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Revenue				
App Management & Enterprise	1,168,823	245,463	2,313,189	654,999
Operators	2,121,278	2,015,906	6,034,024	5,610,138
	3,290,101	2,261,369	8,347,213	6,265,137
Change				
App Management & Enterprise	376%		253%	
Operators	5%		8%	
Percent of total				
App Management & Enterprise	36%	11%	10%	
Operators	64%	89%	90%	

Revenues from these non-operator customers increased 253% to $2,313,189 in the nine months ended September 30, 2014 compared to $654,999 in same period in 2013 and $184,055 in 2012. App Management and Enterprise services were 36 % of total revenues in the three months ended September 30, 2014 compared to 11% in 2013.

Operating Expenses

	Three Months Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Operating expenses	477,085	210,014	1,345,332	658,444
Change year over year	267,071	127%	686,888	104%
As a percentage of revenue	15%		16%	

The increase in operating expenses in 2014 over 2013 was due to higher subcontractor costs related to the Jaguar contract, increase in cost of cloud based server services and royalty payments. As a percentages of direct operating expenses to revenue were virtually unchanged in 2014 and 2013.

Payroll and Benefits Expenses

	Three Months Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Salaries and benefits expense	1,916,628	1,270,329	4,798,100	4,083,683
Change year over year	646,299	51%	714,416	17%
As a percentage of revenue	58%		57%	

Payroll and benefits expense includes $372,713 of the salaries and benefits of NeoSystems in the three months ended September 30, 2014. The remainder of the increases of $273,586 in the three months and $341,703 in the nine months to September 30, 2014, were due to general increases in salaries effective April 2014 and a reduction in payroll and benefits capitalized for the development of AppCarousel. Total headcount of 60 remained the same in 2014 except for the addition of 15 personnel at NeoSystems.

General and Administrative Expenses

	Three Months Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
General and administration	590,604	319,287	1,499,934	960,414
Change year over year	271,317	85%	539,521	56%
As a percentage of revenue	18%		18%	

The increase in general and administrative expenses for 2014 includes $104,980 of general and administrative expenses of NeoSystems in the three months ended September 30, 2014, higher sales commissions, legal costs related to the acquisition of NeoSystems, legal and audit costs related share issuances and public market financing and provision for trade receivables.

Other Income and Expense

The following table provides a breakdown of other income and expense by type:

	Three Months Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Share and stock-based compensation	45,405	65,818	135,123	117,454
Distribution rights	60,000	60,000	180,000	180,000
Foreign exchange loss (gain)	25,112	25,480	37,703	3,725
	130,517	151,298	352,826	301,179

Note: The percentage change has been excluded as it is not meaningful.

Net of foreign exchange impacts, other income and expenses in the three and nine months ended September 30 2014 are driven by the cost to acquire software distribution rights and stock based compensation. In 2012 the Company entered into an agreement with Kryos Systems Inc. to acquire the exclusive global distribution agreement to license and sell the Velocity Platform and these acquisition costs were expenses as incurred. On July 1, 2014 the Company gave notice to terminate the exclusive right and Wmode remains a non-exclusive distributor. Stock based compensation relates to the cost of options granted to employees.

Depreciation and amortization

	Three Months Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Depreciation of equipment	93,268	102,584	273,479	308,392
Amortisation of intangibles	105,780	53,046	317,340	159,138
Amortisation of acquired assets	62,007		62,007	
	261,055	155,630	652,826	467,530

Wmode has migrated most its hosting infrastructure to cloud based server services, reducing the requirement for hardware, accordingly depreciation on equipment is declining. In the last three years Wmode has made major investments in the AppCarousel technology; the amortization of these investments started in 2013. Amortization of intangibles acquired with NeoSystems started July 1, 2014.

Finance Costs

The following table provides a breakdown of other finance costs by type:

	Three Months Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
Interest on convertible debentures	-	20,832	22,612	62,496
Interest on secured debt	32,151	25,930	67,525	88,992
Interest on obligations under capital lease	4,579	2,032	7,059	7,918
Other interest expense	34,390	19,923	105,338	62,257
Total interest	71,120	68,717	202,534	221,663
(Gain) Loss on settlement of convertible debentures			(23,689)	-
(Gain) Loss on derivative liablities	(63,898)	-	284,612	-
Realised loss (gain) on financial instruments	(19,856)	(4,640)	50,547	744
Unrealised loss (gain) on financial instruments	29,800	(7,897)	(27,178)	32,259
Accretion on notes to vendor	11,750		11,750	
Amortisation of finance fees	20,644	4,578	59,877	13,734
Accretion on secured convertible debentures	3,074	19,052	16,240	57,157
Accretion on unsecured convertible debentures	-		12,205	
	52,634	79,811	586,898	325,557

Note: The percentage change has been excluded as it is not meaningful.

The reduction in interest expense was driven by lower levels of debt. On June 30, 2014 the financing related to acquisition of NeoSystems was to drawn down accordingly interest cost will increase in this and future periods. The June 2014 conversion of the unsecured convertible debentures and accrued interest resulted in a gain on settlement, included in net finance costs, of $23,689. The loss on derivative liabilities relates to the increase in the value warrants due to the increase in the fair value of company's shares, the probability of liquidity and volatility. The realized and unrealised gains and losses on financial instruments relate to changes in the exchange rate of the US Dollar.

Profit (Loss)

	Three Months Ended September 30		Nine Months Ended September 30	
	2014	**2013**	**2014**	**2013**
Profit (loss)	(138,423)	75,000	(613,127)	(531,670)
Change year over year	(213,424)		(81,458)	
EBITDA	453,614	436,259	839,086	558,872
Change year over year	17,355		280,215	
Basic earnings (loss) per share	$ (0.00)	$ 0.00	$ (0.01)	$ (0.01)
Diluted earnings (loss) per share	$ (0.00)	$ 0.00	$ (0.01)	$ (0.01)

Note: The percentage change has been excluded as it is not meaningful.

The Profit (Loss) in nine months ended September 30, 2014 was a loss of $613,127 compared to a loss of $531,670 in 2013 whereas EBITDA in the same period increased $280,215. The Profit (Loss) in three months ended September 30 2014 was a loss of $138,423 compared to a profit of $75,000 in 2013 whereas EBITDA in the same period increased $17,355, the loss in the quarter was due to the higher cost of amortisation of intangible assets associated with the investment in NeoSystems and legal and other transaction costs related to the acquisition of NeoSystems and this offering.

Key Balance Sheet Items

The balance sheet at September 30, 2014 includes the consolidated amounts related to the acquisition of NeoSystems Inc. on September 30, 2014. An analysis of the key balance sheet items is as follows:

Trade and other receivables

	Change	September 30 2014	December 31 2013
Accounts receivable	625,713	1,919,558	1,293,845

Trade and other receivables increased $625,713 in the nine months ended September 30, 2014; $321,827 was related to the inclusion of NeoSystems. The change in trade and other receivables is due primarily to timing of billings and collections on receivables which can have a significant impact on the balance at any point in time due to the billing cycle. The aging of trade receivables is generally current and the Company has had a history of minimal bad debts. The increase in trade receivables corresponds to the increase in revenues.

Property and equipment

	Change	September 30 2014	December 31 2013
Property and equipment	(227,146)	312,001	539,147

Virtually all purchases are for computers and network infrastructure. Purchases in the nine months ended September 30, 2014 were $30,333 compared to $12,400 in 2013. Since 2012 Wmode has used cloud based services, the cost of which is included in direct operating expenses, accordingly the requirement for hardware has been significantly reduced. It is expected that future lower purchases property and equipment and the continuation of depreciation related to purchases made prior to 2011 will reduce the carrying amount of property and equipment.

Intangible assets and goodwill

	Change	September 30 2014	December 31 2013
Intangible assets	1,287,557	2,331,305	1,043,748
Goodwill	1,429,212	1,512,561	83,349

The increase in intangible assets and goodwill related to the acquisition of NeoSystems were $1,593,000 and $1,116,212 respectively. Amortisation of intangible assets was $379,347 in the nine months ended September 30, 2014.

Unsecured convertible debentures

	Change	September 30 2014	December 31 2013
Convertible debentures	(441,355)	-	441,355

On August 15, 2014 all of the unsecured convertible debentures were converted into 1,760,621 units of the Company, each unit comprised of one class A share of the Company and one Wmode special warrant (each special warrant of Wmode that will automatically convert, for no additional consideration and no further action by the holder, into 0.2 of a WMode class A share if Wmode does not complete a going public event before March 17, 2015. If the going public event is completed before March 17, 2015, then the Wmode special warrants will be automatically cancelled and have no further force or effect).

Convertible debentures

	Change	September 30 2014	December 31 2013
Convertible debentures	(297,262)	103,614	400,876

In 2013 the company entered into an agreement with the debenture holders to amend the terms of the debenture that decreased the cash obligations of the Company by $417,564. The terms were restructured so that $417,564, which was 1/3 of the principal and accrued interest, was paid in cash on November 18, 2013 and $417,564 was paid in 4 equal instalments on January 15, 2014, April 15, 2014, July 15, 2014 and October 15, 2014.

Secured Operating and term debt

	Change	September 30 2014	December 31 2013
Secured term debt	422,400	1,504,589	1,082,189
Change	168,529	(564,804)	(733,333)
	590,929	939,785	348,856
Operating bank loan	427,349	1,322,159	894,810

The financing agreement with the Royal Bank of Canada was amended June 5, 2014 as follows: Facility # 1, an operating line was increased from $900,000 to $1,600,000; Facility #2, this term line of was originally $2,200,000, had been paid down to $794,444 on June 5, 2014, this remaining balance was rescheduled over a further 36 months. Facility #3, an additional term line of $900,000, repayable over 36 months was drawn down on September 5 2014 in connection with acquisition of NeoSystems Inc. The borrowings under the Facility #1 are subject a borrowing limit that is based principally on Wmode's accounts receivable. The repayment provisions of Facilities #2 and # 3 also require Wmode to make additional repayments if EBITDA exceeds total debt service costs and capital expenditures. The per annum interest rates on Facility #1, #2 and #3 are RBC prime plus 2.50%, 4.5% and 5.0% respectively; RBC prime has been 3% since September 2012.

Long term royalty

	Change	September 30 2014	December 31 2013
Long Term Royalty	49,811	829,639	779,828

Wmode entered into an agreement for the sale of a royalty interest in the revenues of Wmode for $1,000,000. As consideration for the payment, Wmode shall pay a royalty equal to 2% on Wmode's revenue in perpetuity, excluding revenue derived from any acquisitions, such as NeoSystems Inc. Wmode may at its option buyout all royalty obligations at any time after the fourth anniversary of the date of the agreement, for $2,700,000, thereafter this buyout amount increases by 10% per year. The $1,000,000 was received in November 2013. The net obligation is recorded as long term capital in the balance sheet, net of deferred financing costs and the equity component of the obligation less related accretion.

Contingent consideration and notes payable to vendor

	Change	September 30 2014	December 31 2013
Contingent consideration	1,002,000	1,002,000	-
Notes payable to vendor	632,874	632,874	-

On June 30, 2014, the Company acquired 100% of the shares of NeoSystems Inc. ("NeoSystems"). The consideration for the acquisition was $600,000 paid on closing, $300,000 paid by the Company to settle NeoSystems' outstanding long-term debt, $240,000 in cash on each of the first, second and third anniversary dates on a non-interest bearing basis for a total of $720,000 and a contingent amount based upon the revenue earned (the "earn-out") from NeoSystems in the years ended December 31, 2014, 2015 and 2016 (the "earn-out period") based on a percentage of revenue earned greater than certain levels in each of the years. Additionally, the Company is required to pay, as contingent consideration, a percentage of NeoSystems revenue contracted during the earn out period but not yet received for a period of 24 months following the earn-out period. The Company has estimated the fair value of this revenue earn-out contingent consideration on the acquisition date to be $1,002,000, subject to final measurement on the dates noted above.

The non-interest bearing note payable is a financial instrument which has been fair valued on recognition. The valuation approach involved determining a fair value for a comparable debt in the market place. The present value of the principal payments of the non-interest bearing note payable using a market interest rate of 7.5% is $621,124 and the Company has recorded accretion of $11,750 to September 30, 2014. The Company incurred transaction costs of $54,478 related to the acquisition included in general and administrative expenses.

Derivative Liabilities

	Change	**September 30 2014**	**December 31 2013**
Wellington warrants	209,589	962,199	752,610
Warrants - December 2014	58,341	319,945	261,604
Other	(33,000)	-	33,000
	234,930	1,282,144	1,047,214

At each balance sheet date Wmode revalues its warrant obligations using Black-Scholes, any gain or loss is included in Finance Costs. The increase on the carrying value of the warrants in the nine months ended September 30, 2014 was a result of an increase the fair value of the Company's stock, volatility and probability of a material financing event.

Share Capital

	Change	**September 30 2014**	**December 31 2013**
Share capital	1,757,494	16,095,796	14,338,302

In the nine months ended September 30, 2014, the Company issued 4,666,570 units at $0.28 per unit for gross cash proceeds of $1,306,640 and all of the unsecured convertible debentures were converted into 1,760,621 the same units of the Company with a value of $466,211. Each unit comprised of one class A share of the Company and one Wmode special warrant, each special warrant will each automatically convert for no additional consideration into 0.2 of a class A common share if the Company does not complete a Going Public Event on or before March 17, 2015.

Liquidity and Capital Resources

Wmode's primary source of cash flow is from the sales of managed services and integration and other professional services. The Company's approach to managing liquidity is to ensure, to the extent possible, that it always has sufficient liquidity to meet its liabilities as they come due. Wmode does so by continuously monitoring cash flow and actual operating expenses compared to budget.

	Change	**September 30 2014**	**December 31 2013**
Cash and cash equivalents	116,130	192,336	76,206

In addition to the cash balances, Wmode has a $1,600,000 operating demand facility available to be drawn to meet ongoing working capital requirements. The Company's principal cash requirements are for working capital and capital expenditures, working capital at September 30, 2014 was a deficit of $1,287,084.

The following table provides a summary of cash inflows and outflows by activity:

	Nine Months Ended September 30	
	2014	**2013**
Cash flows from (used in) operating activities	(626,157)	341,687
Cash flows from (used in) financing activities	1,555,923	(66,415)
Cash flows from (used in) investing activities	(813,736)	(292,250)
	116,030	(16,978)

Cash provided by (used in) operating activities

Cash used in operating activities in the nine months ended September 30, 2014 was a $626,157 compared to cash generated from operations in 2013. It is the company's policy to invest any cash generated from operations in excess of that required to sustain its debt service obligations in product and market development, such costs are expensed in the determination of cash flow, accordingly cash generated from operating activities declined. In the nine months ended September 30, 2014. The net changes in accounts receivable, prepaid expenses, deferred revenue and accounts payable was as use of cash of $958,283.

Cash provided by (used in) financing activities

Cash provided in financing activities was a $1,555,823; the material components of this change included $1,306,640 cash proceeds from the issue of share capital, $313,502 repayment of convertible debentures, $485,917 repayment of secured term debt and the $900,000 drawdown of secured term debt to acquire NeoSystems.

Cash provided by (used in) investing activities

In the nine months ended September 30, 2014 cash used $900,000 to acquire NeoSystems, which had a working capital deficit of $202,088 at the date of acquisition, investment in product development was $73,904, cash used to purchase computer and networking equipment was $30,333.

Commitment and Contingencies

The following table summarizes the contractual obligations as at September 30, 2014

	Total	< 1 year	1-3 years
Secured Term Debt	1,530,528	564,804	965,724
Finance leases	14,052	14,052	
Operating leases	777,595	216,702	560,893
Notes Payable to vendor of NeoSystems	720,000	240,000	480,000
Contingent consideration	1,068,000	48,000	1,020,000
Convertible debentures	103,614	103,614	
	4,213,789	1,187,172	3,026,617

To date, the Company has utilized, share capital, long term royalty, term debt and operating cash flows to finance its operations. The Company has entered into multi-year revenue contracts to provide the cash flow to repay its debt obligations as they arise and to fund its operations. In the event the Company does not generate sufficient cash flow from these contracts or receive continued support from its lenders or obtain additional cash flow through issuance of equity securities there may be significant doubt that the Company will be able to continue to generate sufficient cash flow from operations to fund its debt obligations and to maintain and grow its existing customer relationships. Given the ongoing cash generated from operations and existing cash and credit facilities together with the proceeds of this offering, Wmode believes there is sufficient liquidity to meet its current and planned financial obligations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements, other than operating leases that have, or are likely to have, a current or future material effect on Wmode's consolidated financial position, financial performance, liquidity, capital expenditures or capital resources.

Financial Instruments and Other Instruments

Wmode recognizes financial assets and liabilities when we become party to the contractual provisions of the instrument. On initial recognition, financial assets and liabilities are measured at fair value plus transaction costs directly attributable to the financial assets and liabilities, except for financial assets or liabilities at fair value through profit and loss, whereby the transactions costs are expensed as incurred. The Company has exposure to the following risks from its use of financial instruments; further quantitative disclosures are included in the consolidated financial statements.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the default risk of the industry in which customers operate, as these factors may have an influence on credit risk. Approximately 77% (2012 – 86%; 2011 – 87%) of the Company's revenue is attributable to sales transactions with two customers under contracts due for renewal in December 2014. Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

Currency risk

The Company is exposed to currency risk on sales and purchases that are denominated in US dollars. The Company is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. Export revenue generally exceed import purchases, so the currency risk is primarily attributable to the inflow of cash from accounts receivable denominated in US dollars in excess of accounts payable and accrued liabilities denominated in US dollars. The Company uses financial instruments, being forward exchange contracts, to reduce risks associated with USD revenues and is committed under various forward foreign exchange contracts. These financial instruments are subject to normal credit standards, financial controls, risk management and monitoring procedures and are accounted for using the mark-to-market method.

Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. See *Liquidity and Capital Resources*

Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes: See note 3 to the December 31, 2013 audited financial statements.

Revenue recognition; key assumptions about the service period and the stage of services provided

Derivative liabilities; key assumptions about the fair value of the respective instruments

Contingent consideration; key assumptions about the fair value

Adoption of New Accounting Standards

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2013, and have not been applied in preparing the consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Company; however, the extent of the impact has not yet been determined.

Subsequent Events

Reverse takeover transaction with Afrasia Minerals Inc.:

On April 2, 2014, Wmode entered into a letter of intent for a reverse takeover transaction (the "Transaction") with Afrasia Minerals Inc. ("Afrasia"), a public company pursuant to which Afrasia would acquire all of the issued and outstanding Wmode class A common shares. Prior to the closing of the Transaction, Wmode has completed a prospectus exempt private placement (the "First Wmode Placement") (note 10(b)), of a gross amount of $1,306,640, through the issuance of up to 4,552,572 units (the "Units"), each Unit consisting of one previously unissued Wmode class A common share and one special warrant ("Special Warrant") of Wmode at a price of $0.28 per Unit. Each Special Warrant will automatically convert, for no additional consideration and no further action by the holder, into 0.2 of a Wmode share if Wmode does not become a publicly traded issuer (the "Going Public Event") on or before the date which is nine months from the closing of the first tranche of the First Wmode Private Placement (the "Going Public Deadline"). If the Going Public Event is completed before the Going Public Deadline, then the Special Warrants will be automatically cancelled and have no further force and effect. The Going Pubic Deadline date was determined to be March 17, 2015.

Immediately prior to the closing of the Transaction, Wmode proposes to complete a second prospectus exempt private placement (the "Second Wmode Placement"), of a gross amount of a minimum of $2,500,000 and a maximum of $4,000,000, through the issuance of 6,684,492 to 10,695,187 previously unissued Wmode class A common shares at a minimum offering price of $0.374 per class A common share. As a result of the Transaction, the Wmode shares underlying Wmode's outstanding securities exercisable or exchangeable for, or convertible into, or other rights to acquire Wmode shares will be exercisable into Afrasia shares on the same terms and conditions as such original outstanding Wmode securities. Completion of the Transaction is subject to all applicable shareholder and regulatory approvals

Business Risks

Due to the nature of that business, the legal and economic climate in which the Wmode will be operating and the present stage of development of the proposed operations, Wmode is subject to risks. Wmode's future development and actual operating results may be different from those expected as at the date of the Circular. There can be no certainty that Wmode will be able to implement successfully the strategy set out in the Circular. No representation is or can be made as to the future performance of Wmode and there can be no assurance that Wmode will achieve its objectives. Accordingly, readers should carefully consider the following discussion of risks that pertain to Wmode as set out on pages 41 to 50 in the Circular.

SCHEDULE "H"

Pro Forma Consolidated Financial Statements (Proforma balance sheet) for Afrasia, giving effect to the Amalgamation as at September 30, 2014

AFRASIA MINERAL FIELDS INC.

Pro Forma Consolidated Financial Statements
As at and for the nine months ended September 30, 2014 and
for the year ended December 31, 2013 (Unaudited)

1. Basis of presentation:

The accompanying unaudited pro forma consolidated statement of financial position of Afrasia Mineral Fields Inc. ("Afrasia" or the "Company") as at September 30, 2014 and the unaudited pro forma consolidated statements of income (loss) for the nine months ended September 30, 2014 and the year ended December 31, 2013 (the "pro forma consolidated financial statements") have been prepared to reflect the plan of arrangement whereby Wmode Inc. ("Wmode") acquires Afrasia by way of a reverse takeover.

The unaudited pro forma interim consolidated financial statements as at and for the period ended September 30, 2014 have been prepared for the purposes of a reverse takeover transaction and have been compiled from and include:

- the unaudited pro forma consolidated statement of financial position as at September 30, 2014 combining the Afrasia unaudited statement of financial position at November 30, 2014 and Wmode unaudited consolidated statement of financial position at September 30, 2014, which includes the accounts of NeoSystems Inc. ("NeoSystems") at that date.

- the unaudited pro forma consolidated statement of income (loss) for the nine months ended September 30, 2014 combining the unaudited statement of comprehensive loss of Afrasia for the nine months ended November 30, 2014, the unaudited statements of comprehensive loss of Wmode for the nine months ended September 30, 2014 and the unaudited statements of earnings of NeoSystems for the six months ended June 30, 2014, which has been constructed by adding the unaudited loss of NeoSystems for the three months ended March 31, 2014 to unaudited loss of NeoSystems for the three months ended June 30,2014.

- The unaudited statement of comprehensive loss of Afrasia for the nine months ended November 30, 2014 has been constructed by adding the unaudited comprehensive loss of Afrasia for the six months ended November 30, 2014 of $57,947 and the unaudited comprehensive loss of Afrasia for the three months ended May 31, 2014 of $27,199. The unaudited statement of comprehensive loss of Afrasia for the year ended November 30, 2013 has been constructed by adding the unaudited comprehensive loss of Afrasia for the six months ended November 30, 2013 of $75,130 and the unaudited comprehensive loss of Afrasia for the six months ended May 31, 2013 of $62,900, which has been constructed by deducting the unaudited comprehensive loss of $65,325 of Afrasia for the six months ended November 30, 2012 from the audited comprehensive loss of $128,225 of Afrasia for the twelve months ended May 31, 2013.

The unaudited pro forma interim consolidated financial statements for the year ended December 31, 2013 have been prepared for the purposes of a reverse takeover transaction and have been compiled from and include:

- the unaudited pro forma consolidated statement of income (loss) for the year ended December 31, 2013 combining the unaudited statement of comprehensive loss of Afrasia for year ended November 30, 2013, the audited statement of comprehensive loss of Wmode for the year ended December 31, 2013 and the audited statement of earnings of NeoSystems for the year ended March 31, 2014.

The pro forma consolidated financial statements have been prepared from information derived from and should be read in conjunction with the following:

- Afrasia`s unaudited condensed consolidated interim financial statements as at and for the three months ended November 30, 2014 and the audited consolidated financial statements as at and for the year ended May 31, 2014.

- Wmode's unaudited condensed consolidated interim financial statements as at and for the nine months ended September 30, 2014 and the audited consolidated financial statements as at and for the year ended December 31, 2013.

- Neosystems's unaudited interim financial statements as at and for the three months ended June 30, 2014 and the audited consolidated financial statements as at and for the year ended March 31, 2014.

The pro forma consolidated financial statements have been prepared in accordance with applicable Canadian securities legislation. The unaudited pro forma consolidated statement of financial position gives effect to the transactions and assumptions described herein as if they had occurred on September 30, 2014. The unaudited pro forma consolidated statements of income (loss) give effect to the transactions and assumptions described herein as if they had occurred on January 1, 2013. The pro forma consolidated financial statements may not be indicative of the results that actually would have occurred if the events reflected therein had been in effect on the dates indicated or of the results which may be obtained in the future. In preparing these pro forma consolidated financial statements, no adjustments have been made to reflect the operating synergies and administrative cost savings that could result from the operations of the combined companies.

2. Pro forma assumptions and adjustments:

The unaudited pro forma consolidated statement of financial position gives effect to the following transactions, assumptions and adjustments as if the transactions had occurred on September 30, 2014:

(a) Wmode and Afrasia have entered into a letter of intent ("LOI")to amalgamate by way of a three corner amalgamation or plan of arrangement in a reverse take-over transaction (the "RTO"), which will result in Wmode becoming a wholly-owned subsidiary of Afrasia or otherwise combining its corporate existence with a wholly-owned Alberta incorporated subsidiary of Afrasia. The formal structure of the RTO is still subject to confirmation as the parties consider corporate, tax and securities law considerations applicable to the RTO. Once the structure is determined, the LOI will be superseded by a definitive agreement between Afrasia and Wmode, and parties will announce the signing of such definitive agreement and its general terms by news release.

As part of and prior to closing the RTO, Afrasia anticipates a consolidation of its issued and outstanding securities on a fourteen (14) old for one (1) new basis (the "share consolidation"), changing its name to Wmode Corp. or such other name that may be acceptable to applicable regulatory authorities and continuing its jurisdiction of incorporation into Alberta. Following the share consolidation, Afrasia will have 1,430,476 common shares issued and outstanding (the "Afrasia Shares"). Wmode has 70,938,939 Class A common voting shares (collectively, the "Wmode Shares") issued and outstanding and securities exercisable or exchangeable for, or convertible into, or other rights to acquire 20,806,329 Wmode Shares.

Pursuant to the RTO, Afrasia Shares will be issued to the holders of Wmode Shares in exchange for all of the issued and outstanding Wmode Shares on the basis of 0.4675 Afrasia shares for each Wmode Share (the "Exchange Ratio"). Assuming the completion of a prospectus exempt private placement of a gross amount of up to a maximum of $5,000,000, there will be 84,307,923 Wmode Shares issued and outstanding on an undiluted basis.

On completion of the RTO based on the Exchange Ratio this represents 39,413,954 common shares or 96% of the Resulting Issuer. As a result of the Transaction, the Wmode Shares underlying Wmode's outstanding securities exercisable or exchangeable for, or convertible into, or other rights to acquire Wmode Shares will be exercisable into Afrasia Shares on the same terms and conditions as such original outstanding Wmode securities (subject to adjustment as provided in the agreements that govern such securities or rights or as otherwise agreed to by the applicable parties to such agreements).

Immediately prior to the closing of the RTO, Wmode proposes to complete a prospectus exempt private placement of a gross amount of up to a minimum of $3,300,000 and a maximum of $5,000,000, through the issuance of 8,823,529 to 13,368,984 previously unissued Wmode class A common shares at a minimum offering price of $0.374 per class A common share. Upon the closing of the RTO these shares will convert into 4,125,000 to 6,250,000 shares as of Afrasia.

Completion of the consolidation and the RTO is conditional upon, among other things, receipt of all required regulatory and shareholder approvals, the negotiation and execution of definitive documentation and the completion of the private placement. Completion of the RTO is also subject to TSX-V acceptance and shareholder approval. The RTO cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

On July 10, 2014, the Company issued a promissory note to Wmode for a non-interest bearing loan of $30,000, in accordance with the terms of the LOI.

Upon completion of the RTO, the shareholders of Wmode will be issued enough shares to obtain voting control of Afrasia. As a result, the RTO will be accounted for assuming Wmode is the acquirer. As Afrasia does not meet the definition of a business, the resulting enterprise will be accounted for as a continuation of Wmode where the amalgamation is treated as an issuance of shares by Wmode for the net monetary assets (liabilities) of Afrasia. The assets and liabilities of Wmode will be included in the consolidated balance sheet at their historical carrying values and the net monetary assets (liabilities) of Afrasia, less any transaction costs, will be accounted as cash received (liabilities assumed) on an issuance of shares. The consideration paid was 1,430,476 common shares of Afrasia, the net liabilities assumed were $92,940, comprising assets of $ 9,300 and accounts payable of $102,240.

The net liabilities assumed of $92,940 have been reflected as an increase in deficit in the September 30, 2014 proforma consolidated balance sheet. The actual calculation and allocation of the purchase price will be based on the assets purchased and liabilities assumed at the closing date of the RTO and other information at that date. Accordingly, the actual amounts for each of the assets actual amounts for each of the assets and liabilities will vary from the pro forma amounts and the variation may be material.

(b) Assumed Proceeds and Use of Proceeds.

The proforma consolidated balance sheet includes the net proceeds a prospectus exempt private placement of the gross maximum of $4,000,000. Immediately upon receipt of the net proceeds, Wmode expects to pay down the operating bank loan with the remaining net proceeds used to fund ongoing operations.

(c) Warrants held by Wellington Financial

Immediately prior to the completion of a Going Public Event the warrants held by Wellington Financial will be automatically converted into 3,500,000 Wmode Class A Shares for no additional consideration, provided the Going Public Event is completed on or before December 19, 2015. Upon conversion, the fair value of the shares of $1,309,000, calculated at $.374 per share, will be included in share capital, the related derivative liability of $962,199 will be eliminated and the resulting loss of $346,801 included in the deficit. The loss on the derivative liability related to the change in the value of the warrant of $209,589 in the nine months ended September 30, 2014 and $nil in the year ended December 31, 2013 have been eliminated from Finance Costs.

(d) Amortisation of Intangible Assets.

NeoSystems was acquired June 30, 2014. The proforma amortisation of the acquired intangibles of $248,028 has been included in the unaudited pro forma consolidated statements of income (loss) for the year ended December 31, 2013. The consolidated statements of income (loss) for the nine months ended September 30, 2014 include the amortisation of the intangible assets for the three months ended September 30, 2014, amortisation of intangible assets for the six months ended June 30, 2014 of $124,014 has been included as a proforma adjustment.

I

AFRASIA MINERAL FIELDS INC

Proforma Consolidated Statement of Comprehensive Income (Loss)
Nine Months Ended September 30, 2014

	Wmode Inc Nine Months Ended September 30, 2014	NeoSystems Inc Six Months Ended June 30, 2014	Afrasia Minerals Inc. Nine Months Ended November 30, 2014	Proforma Adjustments Note 2 (d)	Proforma Consolidated Wmode Inc September 30 2014
Revenue					
Licence fees	$ 27,315	$ 236,595			$ 263,910
Managed services	5,687,968	482,613			6,170,581
Integration and other professional services	2,631,930	617,062			3,248,992
	8,347,213	1,336,270	-		9,683,483
Expenses (income):					
Operating expenses	1,345,332	125,989			1,471,321
Salaries and benefits	4,798,100	680,374			5,478,474
General and administration	1,499,934	377,180	(29,280)		1,847,834
Share and stock-based compensation	135,123				135,123
Distribution rights	180,000				180,000
Foreign exchange loss (gain)	37,703				37,703
Depreciation of property and equipment	273,479	19,976			293,455
Amortization of intangible assets	379,347	-		124,014	503,361
Income before the undernoted items	(301,805)	132,751	29,280	(124,014)	(263,788)
Finance costs	586,898	22,690		(209,589)	399,999
Income (loss) before taxes	(888,703)	110,061	29,280	85,575	(663,787)
Deferred income tax (reduction)	(275,576)				(275,576)
Net income (loss)	(613,127)	110,061	29,280	85,575	(388,211)

AFRASIA MINERAL FIELDS INC

Proforma Consolidated Statement of Comprehensive Income (Loss)
Year Ended December 31, 2013

	Wmode Inc Year Ended December 31 2013	NeoSystems Inc Year Ended March 31 2014	Afrasia Minerals Inc. Year Ended November 30 2013	Proforma Adjustments Note 2 (d)	Proforma Consolidated Wmode Inc December 31 2013
Revenue					
Licence fees	$ -	$ 435,880			$ 435,880
Managed services	7,265,520	823,485			8,089,005
Integration and other professional services	1,226,617	1,027,153			2,253,770
	8,492,137	2,286,518	-		10,778,655
Expenses (income):					
Operating expenses	939,284	212,145			1,151,429
Salaries and benefits	4,970,965	1,379,875			6,350,840
General and administration	1,418,595	505,276	138,030		2,061,901
Share and stock-based compensation	173,275				173,275
Distribution rights	240,000				240,000
Foreign exchange loss (gain)	51,078				51,078
Depreciation of property and equipment	402,095	15,276			417,371
Amortization of intangible assets	241,983			248,028	490,011
Income before the undernoted items	54,862	173,946	(138,030)	(248,028)	(157,250)
Finance costs	7,753	48,978			56,731
Income (loss) before taxes	47,109	124,968	(138,030)	(248,028)	(213,981)
Taxes		(19,500)			(19,500)
					-
Net income (loss)	47,109	105,468	(138,030)	(248,028)	(233,481)

AFRASIA MINERAL FIELDS INC

Proforma Consolidated Statement of Financial Position

September 30, 2014 (Unaudited)

	Wmode Inc September 30 2014	Afrasia Minerals Inc. November 30 2014	Proforma Adjustments Note 2 (a)	Proforma Adjustments Note 2 (b)	Proforma Adjustments Note 2 (c)	Proforma Consolidated Wmode Inc September 30 2014
Assets						
Current assets:						
Cash	$ 192,336	$ 599		$ 3,327,841	$ -	$ 3,520,776
Accounts receivable	1,919,558	4,281				1,923,839
Prepaid expenses	88,727	1,483				90,210
	2,200,621	6,363	-	3,327,841	-	5,534,825
Property and equipment	312,001	1,173				313,174
Intangible assets	2,331,305					2,331,305
Goodwill	1,512,561					1,512,561
	$ 6,356,488	$ 7,536	$ -	$ 3,327,841	$ -	$ 9,691,865
Liabilities and Shareholders' Deficiency						
Current liabilities:						
Operating bank loan	$ 1,322,159			$ (1,322,159)	$ -	$ -
Accounts payable and accrued liabilities	1,064,834	120,130				1,184,964
Deferred revenue	319,443					319,443
Financial instruments	-					-
Notes payable	108,349	30,000	(30,000)			108,349
Current obligations under capital lease	4,501					4,501
Current portion of term debt	564,804					564,804
Current portion of convertible debentures	103,614					103,614
	3,487,704	150,130	(30,000)	(1,322,159)	-	2,285,675
Secured term debt	939,785					939,785
Obligations under capital lease	9,551					9,551
Convertible debentures	-					-
Long Term Royalty	829,639					829,639
Contingent consideration	1,002,000					1,002,000
Notes payable	632,874					632,874
Derative liabilities	1,282,144				(962,199)	319,945
Shareholders' deficiency:						
Share capital	16,095,796	8,349,105	(8,349,105)	4,650,000	1,309,000	22,054,796
Warrants	272,096					272,096
Equity reserve	1,783,590	204,669	(204,669)			1,783,590
Deficit	(19,978,691)	(8,696,368)	8,583,774		(346,801)	(20,438,086)
	(1,827,209)	(142,594)	30,000	4,650,000	962,199	3,672,396
	$ 6,356,488	$ 7,536	$ -	$ 3,327,841	$ -	$ 9,691,865

SCHEDULE "I"

Audit Committee Charter of Afrasia and the Resulting Issuer

AFRASIA MINERAL FIELDS INC.

AUDIT COMMITTEE CHARTER

Charter of the Audit Committee of the Board of Directors
of Afrasia Mineral Fields Inc.
(the "Company")

Article 1 – Mandate and Responsibilities

The Audit Committee is appointed by the board of directors of the Company (the "**Board**") to oversee the accounting and financial reporting process of the Company and audits of the financial statements of the Company. The Audit Committee's primary duties and responsibilities are to:

(a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;

(b) recommend to the Board the compensation of the external auditor;

(c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(d) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor;

(e) review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information;

(f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Company's financial statements, and to periodically assess the adequacy of those procedures;

(g) establish procedures for:

  (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and

  (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and

(h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

The Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.

* * * * *

SCHEDULE "J"

Proposed By-Law of the Resulting Issuer

BY-LAW NO. 1

A by-law relating generally to the
transaction of the business and
affairs of

W MODE CORP.

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BE IT ENACTED as a by-law of the Corporation as follows:

ARTICLE 1
INTERPRETATION

1.01 Definitions

In the by-laws of the Corporation, unless the context otherwise requires:

(a) "Act" means the *Business Corporations Act* (Alberta), or any statute that may be substituted therefor, as from time to time amended;

(b) "appoint" includes "elect" and vice versa;

(c) "articles" means the articles attached to the Certificate of Continuance of the Corporation as from time to time amended or restated;

(d) "board" means the board of directors of the Corporation;

(e) "by-laws" means this by-law and all other by-laws of the Corporation from time to time in force and effect;

(f) "Corporation" means the corporation resulting from the continuance into Alberta, under the Act by the said Certificate of Continuance dated ♦, 2015 and the Articles of Continuance attached thereto;

(g) "meeting of shareholders" includes an annual meeting of shareholders and a special meeting of shareholders; and "special meeting of shareholders" includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders; and

(h) "recorded address" has the meaning set forth in Section 9.07.

Save as aforesaid, words and expressions defined in the Act, including "resident Canadian", have the same meanings when used herein. Words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing a person include an individual, partnership, association, body corporate, trustee, executor, administrator and legal representative.

ARTICLE 2
BUSINESS OF THE CORPORATION

2.01 Registered Office

The registered office of the Corporation shall be at the place within the Province of Alberta as is specified in the notice thereof filed with the articles and thereafter as the board may from time to time determine.

2.02 Corporate Seal

The corporate seal, if any, of the Corporation shall be in the form adopted by the board from time to time.

2.03 Financial Year

The financial year of the Corporation shall end on such date as may be determined by the directors from time to time.

2.04 Execution of Instruments

Unless otherwise specified by the directors, contracts, documents and other instruments requiring execution by the Corporation shall be signed by any one person who holds the office of chairman of the board, managing director, president, chief executive officer, vice-president, director, chief financial officer, secretary, treasurer, or any other office created by by-law or by the board. In the case where only one director has been elected, all contracts, documents and other instruments requiring execution shall require the signature of the sole director, and all contracts, documents and other instruments so signed shall be binding upon the Corporation without any further authorization or formality. The directors are authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation either to sign contracts, documents and instruments generally or to sign specific contracts, documents or instruments.

2.05 Delegation of Borrowing Power

Unless the articles of the Corporation otherwise provide, the board may from time to time delegate to a director, a committee of the board, or an officer of the Corporation any or all of the powers conferred on the board by the Act in respect of the borrowing powers of the Corporation to such extent and in such manner as the board may determine at the time of such delegation; and without limitation the board by making this by-law hereby delegates such powers to the president.

ARTICLE 3
DIRECTORS

3.01 Number and Qualification of Directors

Until changed in accordance with the Act, the board shall consist of not fewer than the minimum number and not more than the maximum number of directors provided in the articles. At least one-quarter of the directors shall be resident Canadians.

3.02 Election and Term

The election of directors shall take place at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall be the number of directors then in office unless the directors otherwise determine. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

3.03 Action by the Board

The board shall manage the business and affairs of the Corporation. The powers of the board may be exercised at a meeting (subject to Sections 3.05 and 3.11) at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum remains in office.

3.04 At Least One Quarter Canadians at Meetings

The board shall not transact business at a meeting, other than filling a vacancy in the board, unless at least one quarter of the directors present are resident Canadians, except where:

(a) a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and

(b) the number of resident Canadian directors present at the meeting, together with any resident Canadian director who gives his approval under clause (a), totals at least one quarter of the directors present at the meeting.

3.05 Meeting by Telephone

If all the directors of the Corporation consent thereto generally or in respect of a particular meeting, a director may participate in a meeting of the board or of a committee of the board by means of such conference telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board and of committees of the board.

3.06 Place of Meetings

Meetings of the board may be held at any place in or outside Alberta.

3.07 Calling of Meetings

Meetings of the board shall be held from time to time at such time and at such place as the board, the president or any two directors may determine.

3.08 Notice of Meeting

Subject to the specification of the purpose or business of the meeting when required by the Act, notice of the time and place of each meeting of the board shall be given in the manner provided in Article 9 to each director not less than 48 hours before the time when the meeting is to be held.

3.09 First Meeting of New Board

Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of shareholders at which such board is elected.

3.10 Chairman

The chairman of any meeting of the board shall be the president if he is a director and is present at the meeting. Otherwise, the directors present shall choose one of their number to be chairman.

3.11 Quorum

Subject to Section 3.04, the quorum for the transaction of business at any meeting of the board shall be a majority of directors or such greater number of directors as the board may from time to time determine. Where the Corporation has a board consisting of only one director, that director may constitute a meeting.

3.12 Votes to Govern

At all meetings of the board, and subject to the requirements of the Act in respect of conflicts of interest, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall be entitled to a second or casting vote.

3.13 Remuneration and Expenses

The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

3.14 Resolutions in Writing

Any resolution in writing signed by all of the directors may be so signed in counterpart and any such resolution may be executed and delivered by any form of electronic transmission, and is effective as of the date thereof or the time and/or date therein stated to be the effective time and/or date regardless of when the resolution is signed, and if not dated or dated to be effective as of an expressed date/time, then it is effective as of the latest date of execution.

ARTICLE 4
OFFICERS

4.01 Appointment

The board may from time to time appoint a chief executive officer, president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. One person may hold more than one office. The board may specify the duties of and, in accordance with this by-law and subject to the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Except for a chairman of the board, an officer may but need not be a director.

4.02 President

The president shall be the chief executive officer and, subject to the authority of the board, shall have general supervision of the business and affairs of the Corporation; and he shall have such other powers and duties as the board may specify.

4.03 Powers and Duties of other Officers

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board or the president may specify. The board and the president may, from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the president otherwise directs.

4.04 Term of Office

The board, in its discretion, may remove any officer of the Corporation. Otherwise each officer appointed by the board shall hold office until his successor is appointed or until his earlier resignation.

4.05 Agents and Attorneys

The Corporation, by or under the authority of the board or the president, shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to subdelegate) of management, administration or otherwise as may be thought fit.

ARTICLE 5
COMMITTEES

5.01 Committees of the Board

The board may appoint one or more committees of the board, however designated, and delegate to any such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of the board has no authority to exercise. At least one quarter of the members of any such committee shall be resident Canadians.

5.02 Transaction of Business

The powers of a committee of the board may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at a place in or outside Canada.

5.03 Advisory Bodies

The board may from time to time appoint such advisory boards as it may deem advisable.

5.04 Procedure

Unless otherwise determined by the board, each committee and advisory board shall have power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

ARTICLE 6
PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

6.01 Limitation of Liability

Every director and officer of the Corporation in exercising his powers and discharging his duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director, officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune which shall happen in the execution of the duties of his office or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

6.02 Indemnity

Subject to the Act, the Corporation shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful. The Corporation shall also indemnify such person in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law.

ARTICLE 7
SHARES

7.01 Allotment of Shares

Subject to the Act and the articles, the board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act.

7.02 Commissions

The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

7.03 Non-recognition of Trusts

Subject to the Act, the Corporation may treat the registered holder of any share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

7.04 Share Certificates

Every holder of one or more shares of the Corporation shall be entitled at the shareholder's option to a share certificate that complies with the Act, or a written acknowledgment that complies with the Act of the shareholder's right to obtain a share certificate from the Corporation in respect of the shares of the Corporation held by such shareholder, which written acknowledgment shall include, without limitation, documentation that gives the shareholder the option to have the shares of the shareholder deposited into a Direct Registration System (DRS) account to be held in "book-entry" form or to request the issuance of a physical share certificate. Any share certificate issued pursuant to this section 7.04 shall be in such form as the board may from time to time approve, shall be signed in accordance with section 2.04 and need not be under the corporate seal.

7.05 Replacement of Share Certificates

The board or any officer or agent designated by the board may in its or his discretion direct the issue of a new share or other such certificate in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, destroyed or wrongfully taken on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

7.06 Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make any dividend or other payments in respect thereof except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation.

7.07 Transfer Agents and Registrars

The board may from time to time appoint one or more agents to maintain, in respect of each class of shares of the Corporation issued by it, a central securities register and one or more branch securities registers. Such a person may be designated as transfer agent or registrar according to his functions and one person may be designated both registrar and transfer agent. The board may at any time terminate such appointment.

ARTICLE 8
MEETINGS OF SHAREHOLDERS

8.01 Annual Meetings

The annual meeting of shareholders shall be held at such time in each year and, subject to Section 8.03, at such place as the board or the president may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

8.02 Special Meetings

The board or the president shall have power to call a special meeting of shareholders at any time.

8.03 Place of Meetings

Meetings of shareholders shall be held at the registered office of the Corporation or elsewhere in the municipality in which the registered office is situate or, if the board shall so determine, at some other place in or outside of Alberta.

8.04 Notice of Meetings

Notice of the time and place of each meeting of shareholders shall be given in the manner provided in Article 9 not less than 21 nor more than 50 days before the date of the meeting to each director, to the auditor, and to each shareholder entitled to vote at the meeting.

8.05 List of Shareholders Entitled to Notice

For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting.

8.06 Meetings Without Notice

A meeting of shareholders may be held without notice at any time and place permitted by the Act (a) if all the shareholders entitled to vote thereat are present in person or duly represented or if those not present or represented waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present or waive notice of or otherwise consent to such meeting being held; so long as such shareholders, auditors or directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact.

8.07 Chairman and Secretary

The chairman of any meeting of shareholders shall be the president, or in his absence, a vice-president who is a shareholder. If no such officer is present, the persons present and entitled to vote shall choose one of their number to be chairman. If the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting.

8.08 Quorum

Subject to the Act in respect of a majority shareholder, a quorum for the transaction of business at any meeting of shareholders shall be two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a shareholder so entitled.

8.09 Only One Shareholder

Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or duly represented constitutes a meeting.

8.10 Votes to Govern

At any meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall be entitled to a second or casting vote.

8.11 Nominations of Directors

(a) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

(i) by or at the direction of the board, including pursuant to a notice of meeting;

(ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or

(iii) by any person (a "Nominating Shareholder"): (A) who, at the close of business on the date of the giving of the notice provided for below in this Section 8.11 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Section 8.11.

(b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the principal executive offices of the Corporation.

(c) To be timely, a Nominating Shareholder's notice to the Secretary of the Corporation must be made:

(i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and

(ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

(d) To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must set forth:

(i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and

(ii) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws (as defined below).

(e) The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

(f) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 8.11; provided, however, that nothing in this Section 8.11 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(g) For purposes of this Section 8.11:

(i) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and

(ii) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

(h) Notwithstanding any other provision of this Section 8.11, notice given to the Secretary of the Corporation pursuant to this Section 8.11 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

(i) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Section 8.11.

ARTICLE 9
NOTICES

9.01 Method of Giving Notices

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid ordinary or air mail or if sent to him at his recorded address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by him to be reliable.

9.02 Notice to Joint Shareholders

If two or more persons are registered as joint holders of any share, any notice may be addressed to all such joint holders, but notice addressed to one of such persons shall be sufficient notice to all of them.

9.03 Computation of Time

In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the day of giving the notice shall be excluded and the day of the meeting or other event shall be included.

9.04 Omissions and Errors

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

9.05 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

9.06 Waiver of Notice

Any shareholder, proxyholder or other person entitled to attend a meeting of shareholders, director, officer, auditor or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under the Act, the regulations thereunder, the articles, the by-laws or otherwise, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or a committee of the board which may be given in any manner.

9.07 Interpretation

In this by-law, "recorded address" means in the case of a shareholder his address as recorded in the securities register; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and in the case of a director, officer, auditor or member of a committee of the board, his latest address as recorded in the records of the Corporation.

ARTICLE 10
EFFECTIVE DATE

10.01 Effective Date

This by-law shall come into force when made by the board in accordance with the Act.

MADE by the board on _______________, 2014.

____
President

____
Chief Financial Officer

CONFIRMED by the shareholders in accordance with the Act on ______________________, 2015.

____
Chief Financial Officer