NEW INTERNATIONAL INFOPET SYSTEMS LTD.

CNSX FORM 2A
LISTING STATEMENT

December 19, 2013

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Forward-Looking Statements

Unless otherwise indicated, use of the term "**Infopet**" refers to New International Infopet Systems Ltd. prior to the Transaction (as defined below). Unless otherwise indicated, use of the term "**Issuer**" refers to New International Infopet Systems Ltd. following the Transaction, together with MXM Nation Inc. ("**MXM**"), its wholly-owned operating subsidiary. The information provided in this listing statement (the "**Listing Statement**"), including information incorporated by reference, may contain "forward-looking statements" about Infopet, MXM and the Issuer. In addition, the Issuer may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Issuer that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Issuer that address activities, events or developments that the Issuer expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the Issuer and/or MXM and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

- the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest; and
- other risks described in this Listing Statement and described from time to time in documents filed by the Issuer with Canadian securities regulatory authorities.

Consequently, all forward-looking statements made in this Listing Statement and other documents of the Issuer are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Issuer and/or MXM. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer and/or persons acting on its behalf may issue. The Issuer and/or MXM undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation. See *Section 17 – Risk Factors*.

Market And Industry Data

This Listing Statement includes market and industry data that has been obtained from third party sources, including industry publications. The Issuer believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, neither Infopet nor MXM have independently verified any of the data from third party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

2. CORPORATE STRUCTURE

2.1(a) – Corporate Name and Head and Registered Office – Infopet

Infopet was incorporated with the name "Superior Copper Mines Limited" on March 8, 1965. Infopet filed various articles of amendments dated August 8, 1972, March 6, 1979, March 3, 1988, May 9, 1989, January 8, 1990 and February 26, 1997 in respect of changes to share capital and other corporate matters including to initially change its name to "Mountainview Explorations Inc.", subsequently change its name to "Banro Capital Group Inc." , and then to change its name to "International Infopet Systems Ltd." respectively. On February 26, 1997, Infopet filed articles of amendment to, among other things, change its name to "New International Infopet Systems Ltd.", as it is presently known. A shareholders' meeting has been called for January 8, 2014 for the purposes of, among other things, changing the name of the Issuer to SponsorsOne Inc.

Infopet's head office and registered office is located at 181 Eglinton Avenue East, Suite 204, Toronto, Ontario M4R 1J4.

2.1(b) – Corporate Name and Head and Registered Office – MXM

MXM was incorporated with the name "Deep Creek Ventures Inc.". On April 4, 2007, MXM changed its name to "MX Mechanics Inc." and on February 5, 2013, MXM filed articles of amendment to change its name to "MXM Nation Inc.", as it is presently known.

MXM's head office and registered office is located at 36 Blue Jays Way, Suite 1129, Toronto, Ontario M5V 3T3.

2.2(a) – Jurisdiction of Incorporation – Infopet

Infopet was incorporated under the *Business Corporations Act* (Ontario).

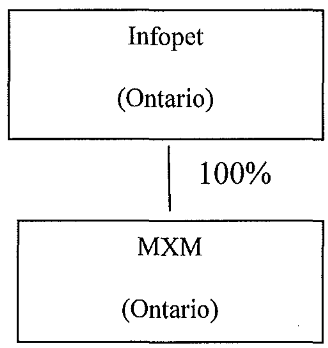
2.2(b) – Jurisdiction of Incorporation – MXM

MXM was incorporated under the *Business Corporations Act* (Ontario).

2.3 – Inter-corporate Relationships

Prior to the Closing (as defined below) of the Transaction, Infopet did not have any wholly-owned subsidiaries.

On Closing of the Transaction described below in *Section 3 – General Development of the Business*, MXM became a wholly-owned subsidiary of Infopet, and the corporate structure of the Issuer is as follows:



2.4 – Fundamental Change

Immediately before listing on the Canadian National Stock Exchange ("**CNSX**"), Infopet and MXM completed the Transaction. The Issuer is now comprised of Infopet and its one direct wholly-owned subsidiary, MXM (in accordance with the corporate structure diagram in Section 2.3 above).

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1(a) – General Development of the Issuer's Business

The business of MXM became the business of the Issuer upon Closing of the Transaction.

General Description of Infopet's Business

Prior to the Closing of the Transaction, Infopet had no active business operations and was seeking business opportunities including assets or businesses with good growth potential to merge with or acquire. Infopet did not restrict its search to any industry segment or geographic area. Infopet considered acquisitions of assets or businesses operated or located both inside and outside of Canada. All potential acquisitions were screened initially by management of Infopet to determine their economic viability. Prior to the Closing of the Transaction, Infopet management and its board examined the proposed Transaction having regard to sound business fundamentals, utilizing the expertise and experience of the directors, and on November 19, 2013 Infopet issued a press release announcing that it has signed a share purchase agreement on November 14, 2013 outlining proposed terms of the Transaction.

None of Infopet's securities are presently listed or posted for trading on any stock exchange or quotation system but Infopet is a reporting issuer in the Province of Ontario. Infopet's year end is December 31.

General Description of MXM's Business

MXM has spent over six years developing a sponsorship platform which started in 2006 as a trackside sponsorship and support program that included engagement management between amateur motocross athletes and their sponsors. This sponsorship and support program has evolved to a fully automated sponsorship platform that resides in the cloud and is currently in development. This cloud based platform called "SponsorsCloud" will connect thousands of corporations (sometimes referred to herein as "sponsors" or "brands") to millions of users within thousands of social networks facilitating one-to-one engagement. SponsorsCloud is expected to launch in the market in late 2014. MXM is currently located in the Accelerator Centre on the North Campus of the University of Waterloo where core technology development is underway.

The Transaction

On November 14, 2013, Infopet and Jack Greenberg entered into a share purchase agreement (the "**Purchase Agreement**") with Myles Bartholomew, Pilkington Capital Corporation, Cybernorth Ventures Inc. (collectively, the "**Vendors**"), Gary Bartholomew and MXM, pursuant to which Infopet agreed to purchase and the Vendors agreed to sell an aggregate of 8,666,667 common shares in the capital of MXM (the "**MXM Shares**") being all of the issued and outstanding MXM Shares held by the Vendors (collectively, the "**Purchased Shares**").

The purchase price payable by Infopet for the Purchased Shares was $0.40 per Purchased Share. The purchase price was satisfied by Infopet by delivery of one Payment Unit (as defined below) per Purchased Share. Each "**Payment Unit**" consisted of one common share in the capital of Infopet (collectively, "**Issuer Shares**") and one-half of a share purchase warrant of Infopet (collectively, "**Payment Warrants**"), each whole Payment Warrant entitling the holder to purchase one Issuer Share at a price of $0.65 per Issuer Share for a period of 12 months following the Closing Date (as defined below). The Payment Units held by the Vendors shall be subject to escrow restrictions pursuant to the policies of the CNSX. Closing of the transactions contemplated in the Purchase Agreement (the "**Closing**") occurred on December 19, 2013 (the "**Closing Date**") (the "**Transaction**").

Transaction Mechanics

Pursuant to the Purchase Agreement, and as a condition of Closing, the following transactions occurred in the order set out in the Purchase Agreement on or before the Closing Date:

(a) Private Placement

A private placement (the "**Private Placement**") of 3,000,667 units of MXM was completed for a total gross proceeds of $900,200. Each unit comprised one MXM Share and one MXM share purchase warrant entitling the holder to purchase an additional common share in the capital of

MXM for a period of 24 months from issuance at a price of $0.30 per share ("**MXM Warrants**"). A 10% finders' fee was paid in cash and warrants to finders in connection with the Private Placement.

(b) Share Purchase Transactions with Private Placement Subscribers

Immediately prior to Closing the Transaction, Infopet entered into share purchase agreements with each of the Private Placement subscribers pursuant to which Infopet purchased all of the MXM Shares held by each subscriber. In consideration for selling the MXM Shares, each Subscriber received one unit of the Issuer having identical terms to the Payment Units (the "**Issuer Units**") for each MXM Share held by such subscriber. Each Issuer Unit consisted of one Issuer Share and one share purchase warrant of the Issuer entitling the holder to purchase one Issuer Share at a price of $0.65 per Issuer Share for a period of 12 months from the Closing Date.

(c) Treatment of MXM Options

All of the holders of stock options ("**MXM Optionholders**") of MXM ("**MXM Options**") that were not duly exercised prior to the Closing Date, whether vested or unvested, were exchanged for stock options of the Issuer ("**Exchange Options**") pursuant to an Option Exchange Agreement entered into between Infopet, MXM and each of the MXM Optionholders on a basis of one Exchange Option for each MXM Option. The Exchange Options are subject to the terms and conditions of the Issuer's Stock Option Plan, the details of which are more particularly described in *Section 9 - Options to Purchase Securities*.

(d) Treatment of MXM Warrants

All of the holders of warrants including holders of finders warrants (collectively, "**MXM Warrantholders**") of MXM ("**MXM Warrants**") that were not duly exercised prior to the Closing Date were exchanged for warrants of the Issuer ("**Issuer Warrants**") to purchase such number of Issuer Shares so as to provide each MXM Warrantholder with equivalent value pursuant to a Warrant Exchange Agreement entered into between Infopet, MXM and each of the MXM Warrantholders. The expiry term, conditions and manner of exercising Issuer Warrants were the same as those set out in the MXM Warrants.

(e) Debt Conversion

It is also anticipated that immediately after the Closing Date, all of the debt of Infopet existing prior to the Closing Date (except for trade payables incurred in the ordinary course of business in connection with the Transaction) will be converted into units of the Issuer (the "**Debt Conversion**") comprised in the aggregate of 686,667 Issuer Shares and 686,667 Issuer Warrants exercisable on a one for one basis into Issuer Shares until the second anniversary of the issuance date upon payment of $0.30 for each full Issuer Warrant exercised.

The disclosure of the Issuer's issued and outstanding securities and all other numbers derived from the number of issued and outstanding securities throughout this Listing Statement assumes the completion of the Debt Conversion as described above.

The Transaction was completed by way of an exempt take-over bid pursuant to applicable securities laws.

Conditions to Closing the Transaction and Required Approvals

The Transaction was subject to a number of approvals, which were obtained, and conditions, which were met, prior to its implementation, including, but not limited to the following:

(a) the acceptance of the Transaction for filing by the Exchange;

(b) completion of the Private Placement of up to $1,000,000 but no less than $400,000;

(c) the approval of the Transaction by written consent of 51% of shareholders of the Issuer;

(d) the election and appointment of certain directors and officers of the Issuer;

(e) the entry into the Option Exchange Agreements and the Warrant Exchange Agreements by the holders of MXM Options and MXM Warrants, respectively;

(f) all conditions precedent set forth in the Purchase Agreement, having to be satisfied or waived by the appropriate party; and

(g) the receipt of all necessary corporate, regulatory and third party approvals including the approval of CNSX, and compliance with all applicable regulatory requirements and conditions in connection with the Transaction.

The Issuer had 1,068,320 common shares issued and outstanding immediately prior to the Closing of the Transaction. Upon the completion of the Transaction, and after closing of the Private Placement, the Issuer had 13,422,321 common shares issued and outstanding, with MXM Shareholders holding 11,667,334 common shares or 87% of the outstanding common shares of the Issuer.

Certain of the 8,666,667 Issuer Shares held by the Vendors will be subject to escrow that prohibits transfer for up to a three year period following the listing of the Issuer on the CNSX (the "**Listing**") pursuant to the policies of the CNSX and Form 46-201 Escrow Agreement, but will otherwise have all of the normal rights associated with Issuer Shares, such as entitlement to dividends, voting powers and participation in assets upon dissolution or winding up, until they are released from escrow.

The board of directors of the Issuer was reconstituted in conjunction with the Closing of the Transaction such that it consists of three directors: Gary Bartholomew, William Douglas Beynon and Eric Leslie. It is also expected that Myles Bartholomew shall be appointed to the board of directors of the Issuer (the "**Board**") following the Closing of the Transaction and Shareholders' meeting of the Issuer which is scheduled to take place on January 8, 2014. The Purchase Agreement also requires that following the Closing of the Transaction the constitution of the Issuer's senior management would include Myles Bartholomew as Chief Executive Officer and Gary Bartholomew as Chairman of the Board.

3.1(b) – General Development of MXM's Business

MXM was incorporated in 2005 to build a sponsorship model in the extreme sports market for motocross. In 2012, MXM refocused its business from a trackside promotional model to a cloud based marketing program model that allows brands to engage directly with the users of a social network by offering incentives to the users for properly promoting the brand to their friends and connections.

3.2 – Significant Acquisitions and Dispositions

Other than the Transaction, the Issuer has not completed any significant acquisitions or dispositions within its last completed fiscal year.

3.3 – Trends, Commitments, Events or Uncertainties

There are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on the Issuer's business, financial condition or results of operations. However, there are significant risks associated with the business of the Issuer, as described in *Section 17 – Risk Factors*.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1(a) – Narrative Description of the Issuer's Business

The business of MXM became the business of the Issuer following the Closing of the Transaction.

4.1(b) – Narrative Description of MXM's Business

General

MXM is in the business of providing a proprietary cloud based marketing platform that allows commercial brands to engage directly with the users of a social network by offering incentives to the users for properly engaging with and promoting the brand within their social networks (the "**Platform**").

Cloud computing has advanced significantly over the last three years, dramatically reducing the costs of IT operations and time to scale. MXM currently uses the cloud provider Amazon, offering public and private cloud infrastructure that automatically scales (elastic servers) to the size needed based on transactional requirements. MXM is developing SponsorsCloud using open source software with the latest solutions for flex architecture that scale in real time.

MXM intends to complete version one ("**v1**") of the SponsorsCloud and launch to a number of brands and social networks within 2014. MXM aims to begin beta testing the v1 SponsorsCloud in Q2 2014 with five brands and one social network. Revenue generation for a released version of the service will commence in the second half of 2014. Development costs for the completion of v1 beta testing are estimated to be $500,000.

Principal Products or Services

MXM is an early stage technology company currently developing its product for market launch in 2014. Product launch is targeted to be in beta testing by the end of Q2 2014 and product commercialization is expected to commence in Q3 2014. The cloud based product offering consists of a Brand User Interface, Sponsorship Server, SponsorsGraph – the API into the system for Vertical Social Networks to integrate with the system, SponsorsCard – the mobile application for Android, iOS and Blackberry, the xCredits Management System, within which V1 of these components will be developed for an anticipated further development costs of $500,000. MXM uses internal and contractor resources for product development. Commercialization will commence in Q3 2104 with the assistance of beta test customers. Development will be ongoing as future enhancements are added to the product.

The Social Commerce Platform

MXM has developed a Platform to offer incentives to users of social networks called SponsorsCloud. This allows businesses and brand owners to engage directly with customers and potential customers and reward users for engagement and promotion with the brands of their choice through xCredits – the sponsorship engagement currency and rewards engine.

xCredits Engagement Model

The MXM platform being developed is powered by the SponsorsCloud platform and the xCredits sponsorship engagement currency and rewards engine, in combination addressing the social media marketing challenges faced by brands. SponsorsCloud is the white-labeled platform that is integrated into vertical social networks ("**VSNs**") to enable the VSN to deliver the sponsorship engagement model to brands and its users. xCredits is the underlying currency and sponsorship engagement rewards engine that drives the sponsorship engagement model.

Historically, it has been difficult to earn and measure the return on investment and the impact of sponsorship marketing for brands ("**sponsors**"), aside from when dealing with the top high profile sponsored persons. It is also very challenging for the brands to nurture one-to-one relationships and keep the sponsored person engaged and promoting the brand. Not infrequently, sponsored persons never engage with the brand again after the initial product/service support engagement. There has been limited ways to measure the impact of sponsorship and/or to determine if promotion of the brand ever even occurred. To alleviate the challenges of sponsorship engagement (i.e. maintaining ongoing engagement with sponsored persons, no meaningful understanding of the return on investment, costs related to product/service and support given to the sponsored persons with no communication channel post sponsorship), MXM has developed the patent pending xCredits engagement model and is developing the SponsorsCloud platform.

The xCredits system establishes and nurtures a one-to-one relationship between users and brands and motivates the user to continuously engage with the brands through VSNs. Sponsorship provides an immediate benefit to the user of a social network in the form of immediate discounts to the user from the brand, set by the brand. The brand further engages the user by offering the incentive of xCredits whereby the user will be rewarded for engaging with the brand. Users work their way up to higher levels of sponsorship by continuously and authentically engaging with brands through various social engagement activities online and in store promotion activities, all the while earning xCredits as a sponsorship reward and currency that can also be used for transactions with the sponsors through the system. The xCredits engine monitors all the activity of the user within the social network and based on criteria set by the brand such as quantity, quality, and type of engagement related to a brand (sponsorship program/campaign criteria), xCredits will be transferred from the brand to the user representing sponsorship currency. The more points the user receives the higher the discount levels the user will be entitled to in a tiered format set by the brand. The xCredits can also be used to access special promotions/offers aside from the core sponsorship program.

The SponsorsCloud platform is being developed to also allow the user to perform ecommerce transactions with the brands within the system, transfer xCredits to other users, and perform transactions offline in retail locations with discounts and/or offers earned with xCredits. As users earn xCredits and reach higher discount levels, the sponsored user can exchange their xCredits for products and services from their sponsoring brands in whatever channel works best for them, either direct from brand (online/in store) or from a retailer (online/in store).

In combination, "SponsorsCard" – the MXM mobile app that runs on all mobile devices – will be the primary device that the user of the social network engages with the brand so this can be in real time, anywhere, anytime and any way.

The MXM platform will provide all the tools necessary for brands, users, and VSN's to achieve their social media goals and objectives including earning an impressive return on investment from their social media efforts, which has proven to be very challenging to date in the social era. brands are provided with an automated, data rich sponsorship platform to reach thousands of social networks and a significant number of users.

The system monitors, tracks and logs all of the relevant data of the system, specifically engagement activity of the user and brands within the VSN's, all of the movement of xCredits between users, brands, and across VSN's. This data is then used to perform in-depth analysis and provide analytics reporting to the brand in the form of marketing intelligence. This is an essential component of the platform and this potential insight to be gained by the brand is unlike any other social media analytics or marketing intelligence available because of the nature of the unique one-to-one social sponsorship engagement model.

The competitive landscape for rewards and points systems are issued and developed mainly by individual brands, rewarding for purchases. The point's accumulation happens over a long time and the redemption process produces very little benefit. Many companies have built points loyalty systems under this model, rewarding for purchases. With the introduction of social networks and points systems to reward users for mentions and endorsements within social networks have emerged in a limited way. These systems are following the same model as the traditional points rewards for purchases with limited success. The next generation of this method is sponsorship where the brands sponsor the user with an immediate discount as the reward – the user is sponsored. As the user engages with the brand and promotes the brand with authentic conversation, the brand uses xCredit to reward them. The more xCredit the user earns with that brand the higher their discount goes and the more benefits the user receives from the brand. The user can then use these earned xCredits as a currency to buy sponsorship from other brands, or convert the xCredits to a cash rebate with brands to make a purchase. xCredits are intended to be transferable across brands, across networks and are transferable to other users within the social network. SponsorsCloud is creating a community currency used for social commerce within the communities the user participates.

The MXM sponsorship engagement and incentive model drives long-term user engagement and is the future of targeted online marketing within social networks in the social era. Sponsorship is the cornerstone to establishing a one-to-one connection between brands and members of a social network. Dollar-for-dollar, brands tend to prefer to spend their dollars on one-to-one promotion rather than on targeted display ads. Brands recognize the value of word-of-mouth, and the bragging rights users associate with being sponsored. MXM facilitates this type of marketing in a highly innovative and non-disruptive manner; continuously connecting the brand and the user on a one-to-one basis through sponsorship while serving the VSN's best interest as well. The sponsorship model applies to all VSN's whereby social networks of all types can benefit from sponsorship by using it to drive engagement with their users and monetize their user base.

MXM intends to commercialize the Platform by executing the market expansion strategies set out below.

Market Expansion and Strategy

MXM intends to grow and generate revenue from the Platform in three ways: (1) license the Platform in a SaaS (Software as a Service) model to existing VSNs all over the world; (2) buy existing VSNs that have a significant user base but no existing way to generate revenue and buy creative digital marketing firms already offering social and digital media marketing solutions to brands; and (3) build VSNs using MXM resources, as is the case with the extreme sports athletes vertical social network currently launched in the Canadian motocross market. In order to protect this innovative user engagement model, MXM currently has one patent filed and is drafting a second patent with the intention of filing this patent application in December 2013.

Strategy 1: License and Integrate the Social Commerce Platform

MXM's social commerce Platform has been designed to easily integrate into existing VSNs. These VSNs are vertical in nature with a highly engaged user base concentrated around a specific topic or interest. While these networks are not large in user base, they tend to have higher revenue per user potential than the large consumer based social networks like Twitter, LinkedIn and Facebook. The typical conversion rate from free to paying subscription for larger consumer-based social networking is still low at approximately 20%.

VSNs will usually have a smaller user base, in the range of 100,000 to 1,000,000 users, but demonstrate higher revenue per user per year. This is driven by higher user engagement and higher conversion to paid subscriptions with higher subscription costs. Further, the advertising revenue per user through the sponsorship engagement model is anticipated to be significantly higher than traditional revenues per user generated from display ads.

Under this strategy, MXM will also seek to partner with prominent influential figures that have a substantial number of followers in social media, and who can be considered VSN's of their own with all their followers. These major influencers will typically have relationships established with major brands and brands are greatly interested in accessing their followers. MXM will license and integrate the Platform in their web/mobile properties to monetize their followers.

It is anticipated that it will take about 2-3 months to integrate SponsorsCloud into an existing VSN, using the SponsorsOne integration services. The VSN will then begin their marketing programs to encourage user migration to sponsorship, engagement and conducting transactions. Integration fees may be applicable in certain instances and not in others depending on the licensing agreement.

MXM will bring a slate of national sponsors that the VSN can offer to their user base immediately with anticipated discounts for sponsor's products in the 10% – 20% range. This will bring immediate benefit to the members of the VSN, encouraging more engagement, and eventually transacting business among members and sponsors.

In a licensing model, MXM will license the social commerce Platform for a share of gross revenue from subscriptions and sponsorship. Typically, the revenue share ranges from 10% to 25% depending on how much of the Platform's functionality is being used within the VSN. In addition, MXM will operate, maintain and support the social commerce Platform for a monthly fee based on the number of total users on the system. This "Service Level Agreement" pricing will vary per month depending on the number of active users.

Sponsorship revenue is expected to come from either a monthly fee or continuous purchases on demand paid by the brands to acquire xCredits (described below) for rewarding users on engagement activity.

Strategy 2: Build the Vertical Social Network

MXM will have the ability to rapidly build a social network using its social commerce Platform to develop a target user base using traditional social networking techniques. This is the case with extreme sport athletes, whereby MXM has assembled multiple sponsors, athletes, enthusiasts and dealers to participate within the vertical. It is estimated that extreme sports have 5 million amateur and professional athletes competing in local and international competitions around the world. These sports are very expensive and athlete support is critical. Most sponsorship programs offered by the major manufacturers and service providers are ad hoc and not very well organized and funded. The user engagement model and sponsorship incentives is designed to bring all athletes together with their sponsors and drive an economic model of support, both financially and socially.

It is expected that revenues will be derived from monthly subscriptions from the brands acquiring xCredits to transfer to the athletes/users of the social network. Note that sponsorship revenue per VSN will vary depending on the number of users within the VSN.

Strategy 3a: Acquire the Vertical Network

It is estimated that there are thousands of vertical networks operating around the world with revenue in the $0.50 to $1.00 range per member. The typical user count is 100,000 to 5 million and their revenue sources are usually display advertising through Google or Yahoo and possibly a small subscription fee. The valuations on these VSNs are low making them an ideal acquisition target in order to acquire more specific users that brands can target. Sponsorship has the ability to increase the revenue derived from current displays advertising per member from $0.50 – $1.00 (associated with display advertising) to $10 – $15 per member by applying sponsorship through the integration of SponsorsCloud. MXM will allow each brand, national, regional and vertical to select the networks they wish to participate in, allowing one-to-one sponsorship engagement to promote their products and services. As discussed, the size of the vertical will determine the brands monthly subscription.

MXM is assessing VSNs to be acquired and is working with a number of VSN developers to build their VSN strategy on MXM's SponsorsCloud.

Strategy 3b: Acquire Creative Digital Media Agencies

Many global brands are now looking to the boutique digital media creative ("**DMC**") agencies to deliver their online – digital media marketing campaigns within the social networks. DMCs are unique in their ability to attract and retain the rare combination of creative, marketing and technology talent that are highly sought after by brands wanting to maximize their online engagement with their users.

These agencies have a solid relation with most of the global brands that spend significantly on online engagement. Given the marketing initiatives that will be required to build awareness amongst online users, these agencies are the best of the best in building buzz online. They will assist the brands on properly running their sponsorship engagement campaigns.

DMC's have access to some of the most influential people in social media with huge followership all over the world. These major influencers are very attractive and sought after by brands and have very committed followers with no way to currently monetize their follower base making them ideal candidates for the MXM platform to monetize their network of followers. The Issuer will seek to partner with these major influencers through the DMC agencies.

4.1(1)(d) – Use of Proceeds

MXM has raised $900,200 by way of private placement, details of which are set out in Section 4.1(a) above. The proceeds from the private placement will be used for the following purposes:

Amount (approximated)	Use
$300,000	To complete product development[1]
$75,000	Legal and audit fees
$525,200	Working capital and SG&A, of which $400,000 has already been utilized[2]

Notes:

(1) MXM is close to completing its v1 alpha test and expects to launch the first release of its product for external testing in Q1 2014.

(2) MXM expects to start generating revenues mid-2014, which will contribute cash flow to operations.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1(a) – Annual Information – Infopet

The following table provides a brief summary of Infopet's financial operations for each of the three completed financial years and the nine month period ended July 31, 2013. Refer to Schedule "A" for the complete set of Infopet's: (i) audited financial statements dated February 11, 2013 comprising the statements of financial position at October 31, 2012, October 31, 2011 and November 1, 2010 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years ended October 31, 2012 and October 31, 2011 for the year ended February 11, 2013 comprising the statements of financial position at October 31, 2012, October 31, 2011 and November 1, 2010; and (ii) unaudited interim financial statements for the three and nine months ended July 31, 2013.

Selected Information

Description	July 31, 2013	October 31, 2012	October 31, 2011	November 1, 2010
Revenue	$12,000	$10,000	$8,000	$8,000
Net income (loss)	$1,637	$(2,028)	$(569)	$603
Net loss per share (basic and diluted)	$(0.00)	$(0.00)	$(0.00)	$(0.00)
Total Assets	$567	$136	$1,260	$1,829

5.1(b) – Annual Information – MXM

The following table provides a brief summary of MXM's financial operations for each of the three completed financial years. Refer to Schedule "B" for complete set of MXM's (i) audited financial statements for the years ended December 31, 2012, December 31, 2011 and December 31, 2010; and (ii) the unaudited interim financial statements for the nine month period ended September 30, 2013. The auditor's consent of MNP LLP is also included in Schedule "B".

Description	September 30, 2013	December 31, 2012	December 31, 2011	December 31, 2010
Revenue	$0	$0	$0	$0
Net income (loss)	$(586,765)	$(182,659)	$(72,010)	$(50,964)
Net loss per share (basic and diluted)	$(0.08)	$(1,827)	$(720)	$(510)
Total Assets	$605,225	$182,895	$201,551	$30,592

5.2(a) – Quarterly Information – Infopet

See 5.1(a) above and Schedule "C" -- *Management's Discussion and Analysis – Infopet.*

5.2(b) – Quarterly Information – MXM

See Schedule "D" Management's Discussion and Analysis – MXM.

5.3 – Dividends

The Issuer has not paid dividends in the past and it has no present intention of paying dividends. Future dividends, if any, will be determined by the directors on this basis of earnings, financial requirements and other conditions existing at the time.

5.4 – Foreign GAAP

This section is not applicable to the Issuer.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Infopet's annual MD&A for the year ended October 31, 2012 and Infopet's interim MD&A for the three-month and nine-month periods ended July 31, 2013 are attached to this Listing Statement as Schedule "C". The MD&A for MXM for the year ended December 12, 2012 and the nine month period ended September 30, 2013 is attached to this Listing Statement as Schedule "D".

7. MARKET FOR SECURITIES

7.1 – Listings

None of Infopet's securities are presently listed or posted for trading on any stock exchange or quotation system. The Issuer has applied to list the Issuer Shares on the CNSX. The CNSX has conditionally approved the listing of the Issuer Shares. Listing is subject to the Issuer fulfilling all of the requirements of the CNSX.

8. CONSOLIDATED CAPITALIZATION

8.1(a) – Consolidated Capitalization – Issuer

The following table sets forth the capitalization of the Issuer as of the date hereof.

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding as of December 19, 2013(1)
Common Shares	Unlimited(2)	**13,422,321**

Notes:

(1) This figure represents the total issued and outstanding Issuer Shares as at the date of this Listing Statement on a non-diluted basis after giving effect to the Transaction.

(2) The Issuer is authorized to issue unlimited common shares with a maximum aggregate consideration not to exceed $3,000,000, which restriction the Issuer is seeking to remove at its upcoming shareholders' meeting.

9. OPTIONS TO PURCHASE SECURITIES

9.1 – Stock Option Plan – Issuer

Treatment of Options and Warrants under the Transaction

On Closing of the Transaction, 1,385,000 MXM Options, being all of the outstanding MXM Options immediately prior to Closing, were exchanged for 1,385,000 Issuer Options which are subject to the Issuer's stock option plan (the "**Plan**").

In addition, on Closing of the Transaction, 4,167,334 MXM Warrants being all of the outstanding MXM Warrants (not including the warrants issued to finders), immediately prior to Closing, were exchanged for Issuer Warrants of equivalent value, resulting in 4,167,334 Issuer Warrants.

Options granted pursuant to the Plan will not exceed a term of ten years and are granted at an option price and on other terms which the directors determine are necessary to achieve the goal of the Plan and in accordance with regulatory policies. The option exercise price will not be less than the fair market value of each Issuer Share issuable on the exercise of such option.

The Plan limits the granting of options and shares pursuant to options as follows:

(a) the aggregate number of Issuer Shares reserved for issuance under the Plan may not exceed 15% of the issued and outstanding Issuer Shares from time to time;

(b) the aggregate number of Issuer Shares reserved for issuance to any Related Person (as such term is defined in Section 2.2 of National Instrument 45-106 of the Canadian Securities Administrators) shall not exceed 5% of the issued and outstanding Issuer Shares from time to time;

(c) the aggregate number of Issuer Shares issued within 12 months to Related Persons shall not exceed 10% of the issued and outstanding Issuer Shares from time to time; and

(d) the aggregate number of Issuer Shares issued within 12 months to a Related Person and associates of such Related Person shall not exceed 5% of the issued and outstanding Issuer Shares from time to time.

Unless otherwise determined by the Board or specified in the relevant option agreement, options will vest as to 10% of the Issuer Shares issuable under such option on the date of issuance of the grant of the options (the "**Grant Date**") and 30% of the Issuer Shares issuable under such option on each of the first anniversary, second anniversary and third anniversary of the Grant Date.

Following the Completion of the Listing, it is expected that the Issuer will grant to certain directors, officers and employees options to acquire Issuer Shares pursuant to the option plan of the Issuer. The number of options to be granted has not yet been determined.

Should a participant in the Plan cease to be eligible for such participation, any unvested portion of any options granted to the participant will be immediately forfeited. The participant's vested options will terminate on the earlier of the date of the options' expiry pursuant to the Plan and the date which is 30 days after the participant ceasing to eligible for participation in the Plan (in the case of termination of employment by the Issuer without cause, the failure of a director of the Issuer standing for election to be re-elected or the failure by the Issuer to renew a contract for services at the end of its term). The Plan also provides that estates of deceased participants and participants who retire or become disabled can exercise their options for a period not exceeding one year following death.

The Board of the Issuer may from time to time make rules, regulations and amendments to the Plan.

As at the date of this Listing Statement, the table immediately following describes the issued and outstanding options to purchase securities or other convertible securities or rights to acquire securities of the Issuer.

Category of Optionholder	Designation and Number of Securities under Option	Purchase Price of Securities under Option	Other Particulars
(a) all executive officers and past executive officers of the Issuer as a group and all directors and past directors of the Issuer who are not also executive officers as a group	250,000 Issuer Options for 250,000 Issuer Shares(1)	$0.15	Ten year term
	550,000 Issuer Options for 550,000 Issuer Shares(1)	$0.30	Ten year term
	Issuer Warrants for 4,333,334 Issuer Shares(2)	$0.65	One year term
	686,667 Issuer Warrants for 686,667 Issuer Shares(3)	$0.30	Two year term
	Issuer Warrants for 1,166,667 Issuer Shares(4)	$0.30	Two Year Term
(b) all executive officers and past executive officers of all subsidiaries of the Issuer as a group and all directors and past directors of those subsidiaries who are not also executive officers of the subsidiary as a group, excluding individuals referred to in (a) above	Nil	N/A	N/A
(c) all other employees and past employees of the Issuer as a group	335,000 Issuer Options for 335,000 Issuer Shares(1)	$0.30	Ten year term
(d) all other employees and past employees of subsidiaries of the Issuer as a group	Nil	N/A	N/A
(e) all consultants of the Issuer as a group	250,000 Issuer Options for 250,000 Issuer Shares(1)	$0.30	Ten year term
(f) any other person or company	395,764 Issuer Agent Warrants for 395,764 Issuer Shares(2)	$0.30	Ten year term
	750,000 Issuer Finders Warrants for 750,000(5) Issuer Shares	$0.30	Ten year term

(1) These Issuer Options were granted pursuant to the terms of the Option Exchange Agreements, more particularly described in Section 3.1(1) above.

(2) These Payment Warrants were granted pursuant to the terms of the Purchase Agreement, more particularly described in Section 3.1(1) above.

(3) The Issuer Warrants were granted pursuant to the terms of the Debt Conversion, more particularly described in Section 3.1(d) above.

(4) The Issuer Warrants were granted to Pilkington Capital Corporation pursuant to certain private placement subscriptions of units in MXM.

(5) The Issuer Finders Warrants were exchanged pursuant to the terms of the Warrant Exchange Agreements, more particularly described in Section 3.1(1) above.

10. DESCRIPTION OF THE SECURITIES

10.1 – Description of the Issuer's Securities

The Issuer is authorized to issue unlimited common shares with a maximum aggregate consideration not to exceed $3,000,000, which restriction the Issuer is seeking to remove at its upcoming shareholders' meeting. All of the common shares of the Issuer are of the same class and, once issued, rank equally as to entitlement to dividends, voting powers (one vote per share) and participation in assets upon dissolution or winding up. No common shares of the Issuer have been issued subject to call or assessment.

There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a securityholder to contribute additional capital.

As at the date of this Listing Statement, there are a total of 13,422,321 Issuer Shares outstanding.

10.4 – 10.6 – Miscellaneous Securities Provisions

None of the matters set out in sections 10.2 to 10.6 of CNSX - Form 2A are applicable to the Issuer Shares.

10.7(a) – Prior Sales of Issuer Shares

As at the date of this Listing Statement, there are 12,354,001 Issuer Shares issued and outstanding within 12 months of the date of this Listing Statement as follows:

Date of Issue	Description	Number of Issuer Shares Sold	Price Per Issuer Share	Aggregate Issue Price
December 19, 2013	Issued in connection with the Transaction[1]	11,667,334	$0.40	$4,666,934
December 19, 2013	Debt conversion[2]	686,667	$0.30	$206,000
TOTAL		12,354,001		

Notes:

(1) 8,666,667 Issuer Shares, as well as 4,333,333 Issuer Warrants, were issued in connection with the Transaction in exchange for all of the issued and outstanding Vendor Shares. In addition, 3,000,669 Issuer Shares, as well as 1,500,334 Issuer Warrants were issued in connection with the purchase of all of the MXM Shares held by Private Placement subscribers.

(2) 686,667 Issuer Warrants also issued in connection with the debt conversion.

10.7(b) – Prior Sales of MXM Shares

As at the date of this Listing Statement, there are 11,667,334 MXM Shares issued and outstanding within 12 months of the date of this Listing Statement as follows: (assuming completion of the Private Placement in full)

Date of Issue	Name of Shareholder	Description	Number of Issuer Shares Sold	Price Per Issuer Share	Details of Consideration
February 5, 2013	Myles Bartholomew	Common Shares	5,833,333	$0.072857	Shares issued pursuant to a Section 85 Rollover Agreement in exchange for the transfer of certain technology and intellectual property to MXM for an aggregate value of $425,000
February 12, 2013	Pilkington Capital Corporation	Common Shares	1,000,000	$0.15	Shares issued in consideration for cash advances previously made by the shareholder in the aggregate amount of $150,000
February 12, 2013	Cybernorth Ventures Inc.	Common Shares	666,567	$0.15	Shares issued in consideration for cash advances of $99,985.05
February 19, 2013	Pilkington Capital Corporation	Common Shares	500,000	$0.30	Shares issued in consideration for cash advances previously made by the shareholder in the aggregate amount of $150,000
September 29, 2013	Pilkington Capital Corporation	Common Shares	666,667	$0.30	Shares issued in consideration for cash advances previously made by the shareholder in the aggregate amount of $200,000
September 1, 2013 to December 9, 2013	Third Party Private Placement Investors	Common Shares	3,000,667	$0.30	Cash consideration

10.8 – Stock Exchange Price

None of the matters set out in sections 10.8 of CNSX Form – 2A are applicable to the Issuer Shares.

11. ESCROWED SECURITIES

11.1 – Escrow of Principals' Securities

The table immediately below sets out the number of Issuer Shares held by principals and certain other shareholders of the Issuer that will be held in escrow upon the Completion of the Listing.

Designation of Class Held in Escrow(1)	Number of Securities Held in Escrow(2)	Percentage of Class
Common Shares	8,666,667	65
Options to purchase Common Shares	150,000	1

Notes:

(1) Assuming the Issuer is classified as an emerging issuer pursuant to NP 46-201, the securities listed in the table below will, in accordance with NP 46-201, be subject to the Form 46-201 Escrow Agreement and will be released from escrow in stages over a 36 month period from the Completion of the Listing with 10% released immediately upon the Completion of the Listing and 15% of such escrowed shares released on the 6, 12, 18, 24, 30 and 36 month anniversaries of the Completion of the Listing.

(2) Subject to the Form 46-201 Escrow Agreement; assuming the first tranche has been released from escrow on the Listing Date.

12. PRINCIPAL SHAREHOLDERS

12.5 and 12.2 – Principal Shareholders

The table below sets out certain information for each principal shareholder of the Issuer.

Name	Number of Issuer Shares owned	Nature of ownership of Issuer Shares	Percentage of Issuer Shares
Myles Bartholomew	5,833,333	Both of record and beneficially	43.5% of the total issued and outstanding(1)
Pilkington Capital Corporation(2)	2,166,667	Both of record and beneficially	16% of the total issued and outstanding(3)
Cybernorth Ventures Inc. (4)	666,667	Both of record and beneficially	5% of the total issued and outstanding(5)

Notes:

(1) Mr. Bartholomew's holding constitutes approximately 34% of the total outstanding Issuer Shares on a fully diluted basis.

(2) Pilkington Capital Corporation is a corporation 100% controlled by Gary Bartholomew, a director and officer of the Issuer.

(3) The holding of Pilkington Capital Corporation constitutes approximately 16.6% of the total outstanding Issuer Shares on a fully diluted basis.

(4) Cybernorth Ventures Inc. is a corporation 100% owned and controlled by Gary Bartholomew, a director and officer of the Issuer.

(5) The holding of Cybernorth Ventures Inc. constitutes approximately 2.5% of the total outstanding Issuer Shares on a fully diluted basis.

As set out in Section 11 above, the 2,166,667 Issuer Shares held by Pilkington Capital Corporation and the 666,667 Issuer Shares held by Cybernorth Ventures Inc., 50,000 Options held by Mr. Myles Bartholomew and 100,000 Options held by Mr. Gary Bartholomew will be subject to escrow for up to 36 months following the Completion of the Listing pursuant to the policies of the CNSX and the Form 46-201 Escrow Agreement. Mr. Gary Bartholomew, Pilkington Capital Corporation and Cybernorth Ventures Inc. will have certain of the normal rights associated with such Issuer Shares, such as entitlement to dividends, voting powers and participation in assets upon dissolution or winding up during the escrow period, but will not be permitted to transfer such Issuer Shares until they have been released from escrow pursuant to the policies of the CNSX and the Form 46-201 Escrow Agreement.

12.3 – Voting Trusts

To the knowledge of the Issuer, no voting trust exists within either company such that more than 10 per cent of any class of voting securities of the Issuer are held, or are to be held, subject to any voting trust or other similar agreement.

13. DIRECTORS AND OFFICERS

13.1 – 13.3, 13.5, 13.11 – Directors and Officers

The following table sets forth the name of all current directors and officers of the Issuer, their municipalities of residence, their current positions with the Issuer, their principal occupations during the past five years and the number and percentage of Issuer Shares beneficially owned, directly or indirectly, or over which control or direction is exercised as at the date of this Listing Statement:

Name, Address, Occupation and Security Holdings

Name, Municipality of Residence[1], Position(s) with Issuer	Principal Occupation or Employment During the Past Five Years	Director since	Number[2] and Percentage of Shares of the Issuer Held as at the date of the Listing Statement [3]
Gary Bartholomew, Chairman of the Board of the Issuer[4]	Entrepreneur and Chairman of MXM	December 19, 2013	2,833,334 21%
Eric Leslie[4]	Director of Canadian Quantum Energy Corporation, Director of Blue Horizon Industries Inc., Chairman of AXQP Inc., Officer and Director of Canadian Energy Exploration Inc., Director of XRM Global Inc.	December 19, 2013	N/A
Douglas Beynon[4]	Founder and Chair of the Advisory Council of Conrad Business Entrepreneurship and Technology Centre, Co-CEO Square Foot Media Inc. and Co-CEO of Brandlogo Communications Inc., Chair of BLOOM (formerly the Ontario Centre for Environmental Technology Advancement - OCETA).	December 19, 2013	N/A
Myles Bartholomew, Chief Executive Officer of the Issuer[4][5]	Entrepreneur, President and CEO of MXM	January 8, 2014	5,833,333 43%

Notes:

(1) The information as to municipality of residence and principal occupation, not being within the knowledge of the Issuer, has been furnished by the respective directors and officers individually.

(2) The information as to shares beneficially owned or over which a director or officer exercises control or direction, not being within the knowledge of the Issuer, has been furnished by the respective directors and officers individually.

(3) On an issued and undiluted basis.

(4) The terms of each director of the Issuer will expire at the Issuer's next annual general meeting or until a successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Issuer's Articles and the Business Corporations Act.
(5) It is anticipated that Myles Bartholomew will become a director of the Issuer after the Closing of the Transaction and after the Shareholders' Meeting of the Issuer scheduled for January 8, 2014.

As at the date of this Listing Statement, the directors and officers of the Issuer as a group beneficially own, directly or indirectly, an aggregate of 8,666,667 Issuer Shares, representing 64.5% of the issued and outstanding Issuer Shares on a non-diluted basis.

Management and Directors

The following are brief biographical descriptions of the management and directors of the Issuer.

Myles Bartholomew

Myles Bartholomew, age 20, has successfully established himself and the company as a sponsorship platform. Starting as MX Mechanics in 2006, transitioning to the online sponsorship system and renaming the company MXM Nation and has been responsible for managing the operations of MXM in the role of chief executive officer. He has considerable technical knowledge of social network portal websites and search engines. Additionally, he has developed the sponsorship platform since 2006 from a trackside promotional and engagement model to an online system. With over 6 years of sponsorship experience he has transitioned the concept to social networking and has designed a scalable cloud based platform. Currently, he operates MXM in the Accelerator Centre in Waterloo on the University of Waterloo's North Campus and is enrolled in the University's School of Global Business and Digital Arts with a Computer Science focus. Prior to his undergraduate studies he spent 2012 focussed on building the Sponsorship platform in Southern California while he trained for the Canadian Pro National Motocross Series and successfully competed at the pro level the summer of 2012. Prior to this, he graduated an Ontario Scholar at St. Johns Kilmarnoch private school in 2011.

Mr. Bartholomew will work full time with the Issuer. Mr. Bartholomew has entered into a non-competition agreement and non-disclosure agreement with the Issuer.

Gary Bartholomew, Chairman of the Board

Gary Bartholomew, age 54, is an experienced entrepreneur with a proven track record of success. Gary Bartholomew has successfully established and operated MXM since its incorporation and has been responsible for managing the operations of MXM in the role of chief executive officer prior to February 2013. He has considerable operational experience and technical knowledge of social network portal websites and search engines. Gary Bartholomew currently acts as Executive Chairman guiding the senior management team at MXM.

Mr. Gary Bartholomew is also the Chairman of the board of the Issuer in order to, among other things, keep the board fully advised of matters affecting the Issuer at the operational level. He devotes approximately 25% of his time serving as the Chairman of the Board.

During the last five years, Mr. Bartholomew has acted as Managing Partner at Galt Global Capital Inc., an alternative asset manager focused in the areas of Innovation, Agriculture, Precious Metals and Natural Resources. Additionally, Mr. Bartholomew is the founding Advisor to the Masters In Business, Entrepreneurship and Technology program at the Conrad Centre, University of Waterloo, and Department of Engineering. In its 11th year, Mr. Bartholomew helped form the program to assist entrepreneurs in the commercialization of technology ideas and opportunities. In addition to his advisory role in the MBET program, Mr. Bartholomew is also the founding advisor of the University of Waterloo's Stratford Campus School of Global Business and Digital Arts. Mr. Bartholomew takes an active role in mentoring technology based start-ups in the Waterloo area

Mr. Bartholomew specializes in building innovative technology companies, both in the private and public sector. With an extensive technology background, Mr. Bartholomew has built new technology services businesses created to change industries by bringing new efficiencies and redefining competitive barriers to entry. Mr. Bartholomew's past successes as a founder, CEO and/or Chairman include OpenSource Health Corporation, PinPoint Environmental Inc., TruState Inc., uToogle Inc., xRM Global Inc. (TSXV:XRM), Cervus Financial Group (TSX:CFG), Basis100 (TSX:BAS), iGate Technologies, Design Recovery, Read Attachments Inc. and Buhl Automatic Inc. Mr. Bartholomew also has extensive experience doing advisory work for RBC Financial, IBM, Hewlett Packard, Livingston and International Verifact.

Mr. Bartholomew has not entered into a non-competition agreement but has entered into a proprietary rights assignment and non-disclosure agreement with the Issuer.

Douglas Beynon, Director

Douglas Beynon, age 66, is an experienced entrepreneur. Douglas Beynon was appointed Entrepreneur-in-Residence at the Conrad Business, Entrepreneurship and Technology Centre in 2009 where he served as founder and Chair of the Advisory Council (2003-2009) and continues to serve as an active member of the Advisory Council. Over the last five years Mr. Beynon has served as Co-CEO Square Foot Media, Inc. and Co-CEO Brandlogo Communications Inc. and Chair of BLOOM (formerly the Ontario Centre for Environmental Technology Advancement - OCETA).

Mr. Beynon is a board member of the following organizations: Electrical Contracts Ltd, xRM Global Inc. (TSXV:XRM), Ubiquity Solar Inc. PinPoint Cayman Holdings Inc.; Dean's Advisory Council, Faculty of Engineering, University of Waterloo; Waterloo Stratford Campus Advisory Council, University of Waterloo; Advisory Board Member, Tangam Technologies Inc. Binnovate and Metalumen. Currently Mr. Beynon is acting as an Executive Advisor guiding the senior management team at MXM and will continue in this role.

Mr. Beynon has not entered into a non-competition agreement but has entered into a proprietary rights assignment and non-disclosure agreement with the Issuer.

Eric M. Leslie– Director

Mr Leslie, age 57 is a Director of the Issuer. He holds a Bachelor of Arts degree, 1977 from The University of Western Ontario.

Since 1991 through to the present, Mr. Leslie has been leveraging his contacts and extensive public and private company experience into fulfilling contracts and transactions through Merchant Equities Capital Corp. where he is the Principal. Merchant Equities provides venture capital financing advisory services, financial workouts and restructuring consulting management services primarily to early stage public and private companies. In 2003, Mr. Leslie co-founded Vanguard Exploration Corp. to explore for high risk, prolific oil reef prospects in the Western Canadian Sedimentary Basin. Under Mr. Leslie's tenure as CEO, Vanguard raised $13.4 million in equity and $1 million in convertible debt. As a result of the exploratory nature of Vanguard's drill targets and the downturn in the junior oil and gas sector, after achieving limited success with the drill bit, in 2007, Vanguard began divesting of its assets and was dissolved in April 2013. In August 2013 to present, Mr. Leslie became the CEO of Waterford Mask Systems Inc. and the CEO of Waterford Battery Systems Inc., two private U.S. companies that are respectively pioneering a new hybrid facemask/respirator and a revolutionary battery system.

Mr. Leslie has over twenty years of experience serving as a director of both public and private companies. From November 2008 through to today, Mr. Leslie has served as a director of Canadian Quantum Energy Corporation, a TSX Venture Exchange listed company. From August 2011 to March 2012, Mr. Leslie served as a director of Blue Horizon Industries Inc., a CNSX listed public company. From April 2008 through February 2009, Mr. Leslie served as an officer and Chairman of AXQP Inc., a shell company that effected an RTO to become a mining company. From February 2010 through July 2010, Mr. Leslie served as an officer and director of Canadian Energy Exploration Inc., a TSX Venture Exchange listed company. From October 2009 through August 2010 Mr. Leslie served as a director of XRM Global Inc., a TSX Venture Exchange listed company.

Mr. Leslie has not entered into a non-competition or non-disclosure agreement with the Issuer.

Milad Razban – Chief Technology Officer

Mr. Razban, age 26, is the Chief Technology Officer of. He is a graduate of the University of Waterloo Master of Business, Entrepreneurship and Technology (MBET) program with strong management skills within Technology companies. Mr. Razban devotes approximately 100% of his time to the Issuer as an independent contractor.

Mr. Razban is the founder and CEO of XIP marketing and mobile and online advertising agency (2011 to present), CEO and Founder of Zingo mobile payments and Project Manager for Ice Leadership.

Mr. Razban has entered into a non-competition or non-disclosure agreement with the Issuer.

Michelle Berelowitz – Chief Operating Officer

Ms. Berelowitz, age 42, is the Chief Operating Officer of the Issuer. She is a graduate of the University of Waterloo Master of Business, Entrepreneurship and Technology (MBET) program with strong operational and management skills within publicly traded companies and technology driven companies. Ms. Berelowitz devotes approximately 95% of her time to the Issuer as an independent consultant.

During the last five years, Ms. Berelowitz has worked as Managing Director and Vice President of Stone Music Group Inc; Managing Director and President of Stone Media Group Inc.; Chief Operating Officer of I Think Security Inc.; President and CEO of 002305169 Ontario Inc. d/b/a Your Charity Challenge and served in various roles at the University of Waterloo. No listed company is an affiliate of the issuer; Stone Music and Stone Media Group ceased operations in 2010, all other organizations are still carrying on business.

Ms. Berelowitz has entered into a non-competition or non-disclosure agreement with the Issuer

Brett Johnson – Chief Marketing Officer

Mr. Johnson, age 50, is the Chief Marketing Officer of the Issuer. He holds an MBA from the Schulich School of Business and a B.Eng. from McMaster University. Mr. Johnson devotes approximately 50% of his time to the Issuer as an independent contractor.

During the last three years, Mr. Johnson has been the Founding Principal and CMO of Landslide. In this role, he has provided senior-level marketing consulting to several organizations including OES Technology, Inspiratica, Alliance iCommunications and Hammond Power Solutions. Prior to founding Landslide, Mr. Johnson was the Director of Marketing at Monteco for two years. None of these organizations are affiliated with the Issuer and all are still carrying on business today.

Mr. Johnson has served as a Marketing Leader for some of Canada's largest marketers including Loblaw Companies and GE Digital Energy as well an advisor for several startups in the clean-tech, financial services and healthcare sectors. His focus is on marketing strategy, branding, mobile loyalty, and marketing automation. He is the Toronto Lead of the CMO Club.

Mr. Johnson has entered into a non-competition or non-disclosure agreement with the Issuer.

Mark Olson – Chief Financial Officer

Mr. Olson, age 45, is the Chief Financial Officer of the Issuer. He holds a Bachelor of Business Administration degree from Simon Fraser University, concentrating in accounting and finance, and subsequently received the Canadian Chartered Accountant and Chartered Financial Analyst designations. Mr. Olson devotes approximately 20% of his time to the Issuer as an independent contractor.

Mr. Olson is a Chartered Accountant and CFA with over 10 years business experience working within the hedge fund industry and corporate reporting. Past companies include Manager of Reporting for Zi Corporation, a technology company traded on the TSX and Nasdaq; and Controller for Galt Global Capital.

Mr. Olson has into a non-competition or non-disclosure agreement with the Issuer.

Adam Pearsall – Chief Revenue Officer

Mr. Pearsall, age 31, is the Chief Revenue Officer of the Issuer. He studied Commerce at Ryerson University. Mr. Pearsall devotes approximately 70% of his time to the Issuer as an independent consultant.

During the last five years, Mr. Pearsall has worked Director of Cultural and Consumer insights at NFU Inc, an experiential marketing agency. Director of Business Development at Thaler Ventures, a Venture Capital firm specializing in seed and early stage investments. Co-Founder of College and University Explorations.

Mr. Pearsall has entered into a non-competition or non-disclosure agreement with the Issuer.

Seth Brouwers – Chief Product Officer

Mr. Brouwers, age 32, is the Chief Product Officer of the Issuer. He holds a Masters in Business, Entrepreneurship and Technology degree from the University of Waterloo. Mr. Brouwers devotes approximately 50% of his time to the Issuer as an independent contractor.

During the last five years, Mr. Brouwers is CEO of Human Velocity a start-up technology company based in Waterloo and in operation for 2 months; Global Innovation and Technology Analyst at Galt Global Capital Inc.. Galt is still carrying on business as an alternative asset management firm and Mr. Brouwers continues to be employed by them. Galt is not an affiliate of the Issuer. Previously, Mr. Brouwers was VP Operations and Product Manager for Pinpoint Environmental Inc.

Mr. Brouwers is a technology analyst at a global technology fund investing in pre-IPO technology companies in Silicon Valley, Silicon Alley, Toronto/Waterloo and around the world. He acts as director and advisor to various technology start-up companies.

Mr. Brouwers has entered into a non-competition or non-disclosure agreement with the Issuer.

Jaidip Chatterjee – Chief Patent Officer

Mr. Chatterjee, age 43, is the Chief Patent Officer of the Issuer. He holds a PhD and BSc in Biochemistry from McGill University. Mr. Chatterjee devotes approximately 5% of his time to the Issuer as an independent contractor.

During the last five years, Mr. Chatterjee has worked as a registered patent agent for Sim & McBurney and continues to work as a patent agent for PatentAxis Inc.

Mr. Chatterjee has entered into a non-competition or non-disclosure agreement with the Issuer.

13.4 – Board Committees of the Issuer

It is anticipated that the Issuer will institute an audit committee of its board of directors, as well as a compensation and governance committee of the board of directors. Other committees of the board of directors may be instituted as the Issuer deems necessary or advisable.

It is anticipated that Gary Bartholomew, Doug Beynon and Eric Leslie will comprise the members of the audit committee. It is further anticipated that Gary Bartholomew, Doug Beynon and Eric Leslie will comprise the members of the compensation and governance committee.

13.6 – Corporate Cease Trade Orders or Bankruptcies

No director, officer or promoter of the Issuer other than Gary Bartholomew (as explained below) has, within the last ten years, been a director, officer or promoter of any reporting issuer that, while such person was acting in that capacity, or within a period of one year thereafter, was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemption for a period of more than 30 consecutive days or was declared a bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy 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 person.

Gary Bartholomew was the Chairman and Chief Executive Officer of xRM Global Inc. ("**xRM**"), a company that was listed on the Toronto Stock Exchange Venture and subequently delisted. In 2011, temporary cease orders were issued against xRM by the Ontario Securities Commission, Alberta Securities Commission and British Columbia Securities Commission for failure to file annual audited financial statements, annual management's discussion & analysis, and certification of annual filings for the year ended December 31, 2010 and interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim periods ended March 31, 2011, June 30, 2011 and September 31, 2011. xRM remains a reporting issuer but is not in good standing, as its audited statements have not yet been filed.

Additionally, Gary Bartholomew was a director of Cervus Financial Group Inc. ("**Cervus**") which was subject to cease trade orders in December 2005 issued by the British Columbia Securities Commission and Ontario Securities Commission for failure to file the audited financial statements for the year ended September 30, 2005, management's discussion and analysis relating to the audited annual financial statements for the year ended September 30, 2005 and annual information form for the year ended September 30, 2005. The cease trade orders issued by both the British Columbia Securities Commission and Ontario Securities Commission were later revoked in February, 2006 upon filing of these records by Cervus. Mr. Bartholomew was not a director of the company at the time of issuance of the permanent cease trade order but was a director within a 12 month period before such event. Cervus thereafter filed for creditor protection under the *Companies Creditors Arrangement Act* ("CCAA") and sold its assets and shares pursuant to the creditor protection process.

13.7, 13.8 – Penalties or Sanctions

No director, officer, or promoter of the Issuer, or any shareholder anticipated to hold a sufficient amount of securities of the Issuer to materially affect control of the Issuer, has 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

13.9 – Personal Bankruptcies

No director, officer or promoter of the Issuer, or a shareholder anticipated to hold a sufficient amount of securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons, has, within the 10 years preceding the date of this Listing Statement, become bankrupt, 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 the individual.

13.10 – Conflicts of Interest

To the best knowledge of the Issuer, and other than as disclosed herein, there are no known existing or potential material conflicts of interest between the Issuer or a subsidiary of the Issuer and a director, officer or promoter of the Issuer except that certain of the directors, officers and promoters of the Issuer serve as directors, officers and promoters of other companies and therefore it is possible that a conflict may arise between their duties as a director, officer or promoter of the Issuer and their duties as a director, officer and promoter of such other companies. See *Section 17 – Risk Factors.*

The directors, officers and promoters of the Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Issuer will rely upon such laws in respect of any directors' and officers' conflict of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the Companies Law, as applicable, and they will govern themselves in respect thereof to the best of their ability in accordance with the obligation imposed upon them by law.

14. CAPITALIZATION

14.1 – Issued Capital

As at the date of this Listing Statement, the Issuer has the following issued and outstanding securities according to the below table:

	Number of Securities (non-diluted)	**Number of Securities (fully-diluted)**	**% of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total outstanding (A)	13,422,321	26,640,753	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	8,666,667	15,551,668	65%	58%
Total Public Float (A-B)	4,755,654	11,089,085	35%	42%
Freely-Tradable Float				
Number of outstanding	7,800,000	7,800,000	58%	29.5%

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)				
Total Tradable Float (A-C)	5,622,321	18,840,831	42%	70.7%

Public Securityholders (Registered)

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	809	34,990
100 – 499 securities	221	43,176
500 – 999 securities	112	59,720
1,000 – 1,999 securities	12	15,464
2,000 – 2,999 securities	8	17,280
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	3	13,200
5,000 or more securities	17	1,157,490
	1,182	1,341,320

Public Securityholders (Beneficial)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**[1]
1 – 99 securities	0	0
100 – 499 securities	3	240
500 – 999 securities	1	200
1,000 – 1,999 securities	1	600
2,000 – 2,999 securities	2	1640
3,000 – 3,999 securities	2	2600
4,000 – 4,999 securities	1	1680
5,000 or more securities	9	214,338
Unable to confirm	0	0

Non-Public Securityholders (Registered)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	3	8,666,667

14.2 – Convertible Securities

Description of Security	Number of convertible/ exchangeable securities outstanding	Number of listed securities issuable upon conversion/ exercise
Stock options granted to employees of the Issuer exercisable at $0.15 that vest according to the Stock Option Plan	300,000	300,000 Issuer Shares
Stock options granted to employees of the Issuer exercisable at $0.30 that vest according to the Stock Option Plan	1,085,000	1,085,000 Issuer Shares
Issuer Warrants entitling the holder to purchase one Issuer Share at $0.30 for 24 months	4,166,334	4,166,334 Issuer Shares
Issuer Finders Warrants entitle the holder to purchase one Issuer Shares at $0.30 for 24 months	1,145,764	1,145,764 Issuer Shares
Payment Warrants entitling the holder to purchase one Issuer Share at $0.65 for 12 months	5,833,667	5,833,667 Issuer Shares

14.3 – Other Securities reserved for Issuance

There are no other securities of the Issuer reserved for issuance.

15. EXECUTIVE COMPENSATION

15.1 – Compensation of Executive Officers

No salary or other remuneration has been paid to any executive officer of the Issuer. However, MXM has entered into the following management contracts with its executive officers:

a) Board of Directors Services Agreement dated January 1, 2013 pursuant to which the Corporation has retained Gary Bartholomew to undertake Executive Chairman responsibilities for a one year term for a consideration of: (a) 100,000 options valued at $0.15 each; and (b) monthly remuneration of $10,000;

b) Agreement dated January 1, 2013 pursuant to which the Corporation has retained Myles Bartholomew to undertake Consultant duties for a consideration of (a) Base monthly consideration of $5,000 from January 1, 2013 which shall increase to $7,500 at such time as the Corporation raises no less than $750,000 in June 2013, which shall further increase to $10,000 when the Corporation's licensing/subscription revenue reaches $100,000 per month, and increase to $15,000 when the Corporation achieves total monthly revenue rate of $500,000; and (b) 250,000 options granted in February, 2013 of which 50,000 options to vest on October 31, 2013 at $0.15 and 200,000 options to vest in equal portions over 3 years at the anniversary date of the Agreement;

c) Advisory Board Engagement Agreement dated January 1, 2013 pursuant to which the Corporation has retained Seth Joseph Brouwers to undertake Advisor responsibilities for a one year term for a consideration of 100,000 options at a price of $0.30 each of which 10,000 options granted vest immediately and 90,000 options to vest in equal portions over 3 years at the anniversary date of this agreement;

d) Advisory Board Engagement Agreement dated January 1, 2013 pursuant to which the Corporation has retained Paul Sop to undertake Advisor responsibilities for a one year term for a consideration of 100,000 options at a price of $0.30 each of which 10,000 options granted vest immediately and 90,000 options to vest in equal portions over 3 years at the anniversary date of this agreement.

e) Agreement dated January 27, 2013 pursuant to which the Corporation has retained Michelle Berelowitz to undertake Consultant duties for a consideration of (a) Base monthly consideration of $7,000 from January 27, 2013 which shall increase to $9,000 at such time as the Corporation raises no less than $750,000 in June 2013, which shall further increase to $11,000 when the Corporation achieves $ 2 million per year in annualized revenues; and (b) 250,000 options granted in February, 2013 of which 50,000 options to vest on October 31, 2013 at $0.15 and 200,000 options to vest in equal portions over 3 years at the anniversary date of the Agreement;

f) Agreement dated February 25, 2013 pursuant to which the Corporation has retained Milad Razban to undertake Consultant duties for a consideration of (a) Base monthly consideration of $5,300 from February 25, 2013 which shall increase to $9,000 at such time as the Corporation raises no less than $750,000 in June 2013, which shall further increase to $11,000 when the Corporation achieves $ 2 million per year in annualized revenues; and (b) 250,000 options granted in February, 2013 of which 50,000 options to vest on October 31, 2013 at $0.15 and 200,000 options to vest in equal portions over 3 years at the anniversary date of the Agreement;

g) Agreement dated July 26, 2013 pursuant to which the Corporation has retained Jaidip Chatterjee to undertake Consultant duties for a consideration of (a) $6,000 to $8,500 to PatentAxis Inc. for preparing and filing a patent application and $4,000 for preparing and filing a provisional patent application; and (b) 50,000 options granted in July, 2013 of which at $0.30 to vest in equal portions over 3 years at the anniversary date of the Agreement;

h) Agreement dated July 24, 2013 pursuant to which the Corporation has retained Brett Johnson to undertake Consultant duties for a consideration of (a) Base daily consideration of $600 per day from January 24, 2013 per terms contained therein; and (b) 50,000 options granted at $0.15 and to vest in equal portions over 3 years at the anniversary date of the Agreement;.

i) Agreement dated October 1, 2013 pursuant to which the Corporation has retained Adam Pearsall to undertake Consultant duties for a term that shall continue unless terminated upon 60 days' prior written notice for a consideration of (a) Base monthly consideration of $15,000 of which $10,000 is paid in cash and $5,000 will accrue monthly and at the option of the consultant be settled with cash upon completion of the Company's listing or in the common shares of the Company at the price of the previous days close upon which the Board of Directors authorizes such; and (b) reimbursement of out-of-pocket expenses.

j) Agreement dated October 1, 2013 pursuant to which the Corporation has retained Seth Brouwers to undertake Consultant duties for a term that shall continue unless terminated upon 60 days' prior written notice for a consideration of (a) Base monthly consideration of $2,500 from October 1, 2013 which shall increase to $5,000 on November 1, 2013; and (b) reimbursement of out-of-pocket expenses.

The Issuer intends to enter into management agreements on substantially similar terms with its key executives following the Completion of the Listing to provide for appropriate remuneration and terms commensurate with the executive's role.

15.2 – Compensation of Directors

No salary or other remuneration has been paid to any current director of the Issuer other than Gary Bartholomew, who is paid $10,000 per month as executive Chairman. Following the Completion of the Listing, non-executive directors of the Issuer are expected to be paid an annual retainer of up to $10,000 and a fee of up to $500 per meeting, to a maximum of an aggregate amount of $25,000 per year. Each indepenent director is also expected to be granted options to acquire up to 25,000 Issuer Shares in accordance with the terms of the Plan and the requirements of the CNSX. The chair of each of the audit committee and compensation and governance committee is expected to be paid an additional annual retainer of $5,000 and $5,000, respectively, for acting in such capacity. Directors of the Issuer will be reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Board of Directors, committees of the Board of Directors or meetings of the shareholders of the Issuer.

It is anticipated that the Issuer will obtain customary liability insurance for the benefit of its directors and officers.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as set out below, no director or officer of the Issuer or person who acted in such capacity in the last financial year of the Issuer, or any other individual who at any time during the most recently completed financial year of the Issuer was a director of the Issuer or any associate of the Issuer, is indebted to the Issuer, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer.

a) Gary Bartholomew controls Pilkington Capital Corporation. Pilkington Capital Corporation was indebted to MXM in an amount of $200,000 during the past 12 months, which full amount was converted into 666,667 Common Shares of MXM on September 27, 2013.

b) As at November 14, 2013, there existed: (i) a debt owing to Dapaul Management Limited (a corporation of which Jack Greenberg, a former director and officer of the Issuer, is the sole shareholder) in the amount of $157,586, on terms which were non-interest bearing and payable on demand; (ii) a debt owing to 857710 Ontario Limited (a corporation controlled by Jack Greenberg) in the amount of $32,445, on terms which were unsecured, non-interest bearing and without definite terms of repayment; and (iii) a debt owing to Jack Greenberg, in his capacity as the then president of Infopet, in the amount of $28,455, on terms which were unsecured, non-interest bearing and without definite terms of repayment. As at December 19, 2013, there is no debt owing to Dapual Management Limited or 857710 Ontario Limited, and there is debt owing to Jack Greenberg, in his capacity as the then president of Infopet, in the amount of $206,000, on terms which were unsecured, non-interest bearing and without definite terms of repayment. It is anticipated that immediately after the Closing of the Transaction, $206,000 of the foregoing debt will be converted into 686,667 Issuer Shares and 686,667 Issuer Warrants. Following the conversion of such debt and the payment of all amounts owing to Jack Greenberg pursuant to the reimbursement obligations set forth in Section 11.4 of the Purchase Agreement, the Issuer will have no indebtedness owing to Jack Greenberg or any of his affiliates.

17. RISK FACTORS

17.1 – Description of Risk Factors

The following are certain risk factors relating to the business carried on by the Issuer and/or MXM which prospective investors should carefully consider before deciding whether to purchase Issuer Shares. The Issuer and/or MXM will face a number of challenges in the development of its technology and in building its user base. Due to the nature of the Issuer and/or the Issuer's business and present stage of the business, the Issuer may be subject to significant risks. Readers should carefully consider all such risks, including those set out in the discussion below. The following is a description of the principal risk factors affecting MXM that will, in turn, affect the Issuer.

General Risk Factors

Operational Risks

The Issuer and/or MXM will be affected by a number of operational risks and the Issuer and/or MXM may not be adequately insured for certain risks, including: labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Issuer's and/or MXM's technologies, personal injury or death, environmental damage, adverse impacts on the Issuer's and/or MXM's operation, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on the Issuer's future cash flows, earnings and financial condition. Also, the Issuer may be subject to or affected by liability or sustain loss for certain risks and hazards against which the Issuer and/or MXM cannot insure or which the Issuer and/or MXM may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Issuer's future cash flows, earnings, results of operations and financial condition.

Resale of Shares

There can be no assurance that the publicly-traded stock price of the Issuer will be high enough to create a positive return for the existing investors. Further, there can be no assurance that the stock of the Issuer will be sufficiently liquid so as to permit investors to sell their position in the Issuer without adversely affecting the stock price. In such event, the probability of resale of the Issuer's shares would be diminished.

As well, the continued operation of the Issuer will be dependent upon its ability to procure additional financing in the short term and to generate operating revenues in the longer term. There can be no assurance that any such financing can be obtained or that revenues can be generated. If the Issuer is unable to obtain such additional financing or generate such revenues, investors may be unable to sell their shares in the Issuer and any investment in the Issuer may be lost.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the shares of the Issuer will be subject to market trends generally, notwithstanding any potential success of the Issuer in creating revenues, cash flows or earnings. The value of the Issuer's shares will be affected by such volatility. An active public market for the Issuer's shares might not develop or be sustained after the completion of the Listing. If an active public market for the Issuer's shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

MXM's limited operating history makes evaluating its business and prospects difficult

MXM has a limited operating history on which to base an evaluation of its business, financial performance and prospects. As such, MXM's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development. As MXM is in an early stage and is introducing new products, MXM's revenues may be materially affected by the decisions, including timing decisions, of a relatively consolidated customer base. In addition, it is also difficult to evaluate the viability of MXM's social network software as a service because MXM has had limited experience to address the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly companies in new and rapidly evolving markets such as MXM's target markets. There can be no assurance that MXM will be successful in addressing these risks, and the failure to do so in any one area could have a material adverse effect on MXM's business, prospects, financial condition and results of operations.

Need for funds

In the short term, the continued operation of the Issuer will be dependent upon its ability to procure additional financing. The Issuer must obtain such financing through a combination of equity and debt financing and there can be no assurance that the Issuer can raise the required capital it needs to build and expand MXM's digital platform and to develop the related content, nor that the capital markets will fund the project to completion. Without this additional financing, the Issuer may be unable to achieve positive cash flow and earnings as quickly as anticipated. There can be no certainty that the Issuer can obtain these funds, in which case any investment in the Issuer may be lost.

The raising of equity funding would also result in dilution of the equity of the Issuer's shareholders.

Dividends

The Issuer has not consistently paid dividends to shareholders in the past and does not anticipate paying dividends in the foreseeable future. The Issuer expects to retain its earnings to finance growth, and where appropriate, to pay down debt.

Value of MXM's Assets

MXM's assets are of indeterminate value. For further information, see the audited financial statements of MXM attached hereto as Schedule "D".

MXM has a history of net losses, which might occur again in the future

MXM incurred net losses from the inception of its business until the date of this Listing Statement. MXM cannot assure that it can remain profitable or avoid net losses in the future or that there will not be any earnings or revenue declines for any future quarterly or other periods. MXM expects that its operating expenses will increase as it grows its business, including expending substantial resources for content and product development and marketing. As a result, any decrease or delay in generating revenues could result in material operating losses.

MXM may be exposed to infringement or misappropriation claims by third parties, which, if determined adversely to MXM, could subject MXM to significant liabilities and other costs

MXM's success depends largely on its ability to use and develop its technology and know-how without infringing the intellectual property rights of third parties. MXM cannot assure that third parties will not assert intellectual property claims against it. MXM is subject to additional risks if entities licensing to it intellectual property do not have adequate rights in any such licensed materials. If third parties assert copyright or patent infringement or violation of other intellectual property rights against MXM, it will be required to defend itself in litigation or administrative proceedings, which can be both costly and time consuming and may significantly divert the efforts and resources of its technical and management personnel. An adverse determination in any such litigation or proceedings to which MXM may become a party could subject it to significant liability to third parties, require it to seek licenses from third parties, to pay ongoing royalties, or to redesign its applications or subject MXM to injunctions prohibiting the development and operation of its applications.

MXM may need to incur significant expenses to enforce its proprietary rights, and if MXM is unable to protect such rights, its competitive position could be harmed

MXM regards proprietary software, domain names, trade names, trade secrets and other intellectual property as critical to its success. MXM's ability to protect its proprietary rights is critical for the success of its applications and its overall financial performance. MXM has taken certain measures to protect its intellectual property rights. However, MXM cannot assure that its measures will be sufficient to protect its proprietary information and intellectual property. Policing unauthorized use of proprietary technology is difficult and expensive. Any steps MXM has taken to prevent the misappropriation of its proprietary technology may be inadequate. The validity, enforceability and scope of protection of intellectual property in internet-related industries are uncertain and still evolving. In particular, the laws and enforcement procedures in some developing countries are uncertain and may not protect intellectual property rights in this area to the same extent as do the laws and enforcement procedures in Canada, the United States and other developed countries.

MXM is dependent upon its existing management, its key development personnel and its qualified technical personnel, and its business may be severely disrupted if it loses their service

MXM's future success depends substantially on the continued services of its executive officers and its key development personnel. If one or more of its executive officers or key development personnel were unable or unwilling to continue in their present positions, MXM might not be able to replace them easily or at all. In addition, if any of its executive officers or key employees joins a competitor or forms a competing company, MXM may lose know-how, key professionals and staff members as well as partners. These executive officers and key employees could develop and operate online platforms that could compete with and take users away from its platform.

Available Talent Pool

As MXM grows, it will need to hire additional human resources to continue to develop the business. However, talent in the digital marketing industry is in high demand at present, and there can be no assurance that the appropriate individuals will be available or affordable to MXM given the current labour market. Without adequate personnel and expertise, the growth of MXM's business may suffer.

Unforeseen Competition

Although the social networking commerce platform envisioned by MXM management would be novel, this gap in the digital marketplace is not likely to remain open indefinitely. There can be no assurance that significant competition will not enter the marketplace and offer some number of similar products and services or take a similar approach. Such competition could have a significant adverse effect on the growth potential of MXM's business by effectively dividing the existing market for such products and services.

Potential future acquisitions and/or strategic alliances may have an adverse effect on MXM's ability to manage its business

MXM may acquire technologies, businesses or assets that are complementary to its business and/or enter into strategic alliances in order to leverage its position in the online marketing services market. Future acquisitions or strategic alliances would expose MXM to potential risks, including risks associated with the integration of new technologies, businesses and personnel, unforeseen or hidden liabilities, the diversion of management attention and resources from its existing business, and the inability to generate sufficient revenues to offset the costs and expenses of acquisitions or strategic alliances. Any difficulties encountered in the acquisition and strategic alliance process may have an adverse effect on MXM's ability to manage its business.

No Assurance of Profitability

MXM incurred a net loss of $182,659 for the period ended December 31, 2012, and has incurred total losses of $528,165 from incorporation. MXM cannot give assurances that it will not incur net losses in the future. The limited operating history makes it difficult to predict future operating results. MXM is subject to the risks inherent in the operation of a new business enterprise in an emerging business sector, and there can be no assurance that MXM will be able to successfully address these risks.

Management of Growth

MXM may experience a period of significant growth in the number of personnel that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. MXM's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Competition

Competition in the social media spectrum is increasing. While MXM is targeting smaller niche social media sites with higher expected revenues per subscriber, there can be no assurances that competitors will not adopt a similar strategy and attempt to enter the markets that MXM has targeted.

Dependence on Proprietary Technology and Limited Protection Thereof

MXM will be relying on a combination of trademark, copyright, patent and trade secret law, as well as confidentiality restrictions contained in certain confidentiality agreements, to establish and protect MXM's proprietary rights in its intellectual property. As a result, MXM may not be able to adequately prevent a competitor, business partner or customer from creating or obtaining an illegal copy of its software or otherwise using it for inappropriate purposes such as reverse-engineering.

General Economic Trends

The worldwide economic slowdown and tightening of credit in the financial markets may impact the business of MXM's customers, which could have an adverse effect on MXM's business, financial condition, or results of operations. Adverse changes in general economic or political conditions in any of the major countries in which MXM does business could also adversely affect MXM's operating results.

Asset Location and Legal Proceedings

Substantially all of MXM's assets are located in Canada where intellectual property is generally enforced. Social media is global in nature, and MXM expects to have subscribers and assets located outside of Canada. Accordingly, MXM may be subject to legal proceedings and judgments in foreign jurisdictions.

Risk Associated with Foreign Operations in Developing Countries

MXM's primary revenues are expected to be achieved initially in North America. However, MXM may expand to markets outside of North America, and become subject to risks normally associated with conducting business in a developing country. MXM cannot predict government positions on such things as foreign investment, intellectual property rights or taxation. A change in government positions on these issues could adversely affect MXM's business.

Market Acceptance

MXM's ability to gain and increase market acceptance of its social medial platform depends upon its ability to establish and maintain its brand name and reputation. In order to do so, substantial expenditures on product development, strategic relationships and marketing initiatives may be required. There can be no assurance that sponsors or participants of social networks will accept or utilize the social commerce platform.

Rapid Technological Change

The advertising industry as it relates to social media marketing is characterized by rapid technological change, changes in user and customer requirements and preferences, frequent new product and service introductions embodying new technologies and emergence of new industry standards and practices that could render MXM's existing products and systems obsolete and can exert price pressures on existing products. It is critical to MXM's success that it be able to anticipate and react quickly to changes in technology or in industry standards and successfully develop and introduce new, enhanced and competitive products on a timely basis. MXM cannot give assurance that it will successfully develop new products or enhance and improve its existing products, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhanced existing products by others will not render MXM's products obsolete. The process of developing new technology is complex and uncertain, and, if MXM fails to accurately predict customers' changing needs and emerging technological trends, its business could be harmed. MXM must commit significant resources to developing new products before knowing whether its investments will result in products the market will accept. To remain competitive, MXM may be required to invest significantly greater resources than currently anticipated in research and development and product enhancement efforts, and result in increased operating expenses.

Product Defects and Reputation

MXM will continue developing source code for its social commerce platform. Such source code and related social media products may contain errors or hidden defects that may significantly impact the user experience. MXM may not be able to correct the defects in a timely manner, and may lead to a loss of or a delay in market acceptance. In addition, such errors or hidden defects could cause adverse damage its reputation and impair its ability to acquire new users. In addition, MXM may need to make significant expenditures to eliminate defects from its products. As well, errors and defects and could lead to claims for liability or other claims involving costly litigation.

Risks Associated with Acquisitions

As part of MXM's overall business strategy, the Issuer may pursue select strategic acquisitions after the completion of the Listing, that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from MXM's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Electronic Communication Security Risks

A significant potential vulnerability of electronic communications is the security of transmission of confidential information over public networks. Anyone who is able to circumvent MXM's security measures could misappropriate proprietary information or cause interruptions in its operations. MXM may be required to expend capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches.

Data Transmission

MXM transmits the majority of the content of its social commerce platform as a service over the Internet. If MXM experiences transmission failures or limited transmission capacity on the Internet or other data networks MXM may use, it may be unable meet its commitments.

Insurance Coverage

MXM will require insurance coverage for a number of risks, including business interruption, environmental matters and contamination, personal injury and property damage. Although MXM believes that the events and amounts of liability covered by its insurance policies will be reasonable, taking into account the risks relevant to its business, and the fact that agreements with users contain limitations of liability, there can be no assurance that such coverage will be available or sufficient to cover claims to which MXM may become subject. If insurance coverage is unavailable or insufficient to cover any such claims, MXM's financial resources, results of operations and prospects could be adversely affected.

Tax Risk

MXM will be considered to have been carrying on business in Canada for purposes of the *Income Tax Act* (the "**Tax Act**"). However MXM will be operating in the social media space, a new and developing industry that has had historically low regulations and tax compliance. There is risk that foreign governments may look to increase their tax revenues or levy additional taxes to level the playing field for perceived disadvantages to the traditional brick and mortar business. While MXM does not foresee any adverse tax affects, there is no guarantee that governments will not impose such additional adverse taxes in the future.

Risks in Foreign Jurisdictions

Social media is a global phenomenon, and MXM anticipates that a significant user base will be located outside Canada. International business activities entail additional risks such as uncertainty as to the protection and use of intellectual property, partnership risks, political risks, legal and regulatory risks, the risk of increase in taxes (including value added taxes) and trade barriers. Furthermore, as profits of foreign subsidiaries are taxable under foreign income tax legislation revenues from foreign operations could be adversely impacted.

Currency Fluctuations

Due to MXM's present operations, and its intention to in the future operate in jurisdictions outside Canada, MXM is expected to be exposed to significant currency fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. A substantial portion of MXM's revenue could be earned in US dollars, but a substantial portion of its operating expenses are incurred in Canadian dollars. Fluctuations in the exchange rate between the US dollar and other currencies, such as the Canadian dollar, may have a material adverse effect on MXM's business, financial condition and operating results. MXM intends to continue to expand operations globally so it may be subject to additional gains and losses against additional currencies. MXM does not currently have a foreign exchange hedging program in place. However, in the future, it may establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if MXM develops a hedging program, it may not hedge its entire exposure to any one foreign currency and it may not hedge its exposure at all with respect to certain foreign currencies.

Fluctuations in Quarterly Results

MXM's quarterly operating results may fluctuate significantly in the future depending on factors such as the popularity of social media, the ability to attract users, progress on implementation of projects and upgrades, the number, timing and significance of new product announcements by MXM and its competitors, the ability to license and develop new VSNs, introduce and market new and enhanced versions of products on a timely basis, changes in operating expenses, and general economic factors, among others. A significant portion of MXM's expenses are based on expectations of future revenue and, therefore, is relatively fixed in the short-term. Accordingly, if revenue levels are below expectations, operating results are likely to be adversely affected. As quarterly revenue is dependent upon building a significant user base, and the ability to monetize that user base, the inability to build and monetize the user base could cause MXM to plan or budget inaccurately, and those variations could adversely affect its financial results.

Officer and Director Conflicts

Because directors and officers of the Issuer and/or MXM are or may become directors or officers of other reporting companies or have significant shareholdings in other technology companies and cloud marketing platforms, the directors and officers of the Issuer may have a conflict of interest in conducting their duties. The Issuer and its directors and officers will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Issuer, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases the Issuer will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether or not the Issuer will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Issuer, the degree of risk to which the Issuer may be exposed and its financial position at that time. Other than as indicated, the Issuer has no other procedures or mechanisms to deal with conflicts of interest.

Executive officers and directors may have rights to indemnification including directors' and officers' liability insurance that will survive consummation of their agreements.

17.2 – Additional Securityholder Risk

There is no risk that securityholders of the Issuer may become liable to make an additional contribution beyond the price of the security.

17.3 – Other Risks

Subject to the risk factors set out under Section 17.1 above, there are no other material risk factors that a reasonable investor would consider relevant to an investment in the Issuer Shares.

18. PROMOTERS

18.1 – 18.2 – Promoter Consideration

Merchant Equities Capital Corp., ITB Solutions Inc. and Fenton Rush Group Inc. will receive in conjunction with the Transaction finder's compensation consisting of an aggregate of 750,000 common share purchase warrants exercisable into 750,000 common shares in the capital of the Issuer upon payment by the holder of $0.30 for a period of 24 months for each such warrant exercised.

In addition, the Issuer paid a finder's fee to certain third parties in connection with the Private Placement equal to 10% in cash plus finder's warrants to purchase such number of shares in the capital of the Issuer equal to 10% of the shares placed upon payment of $0.30 for a period of 24 months for each such warrant exercised.

Other than as listed above and the directors and officers of the Issuer, there has been no person or company that may be considered a promoter of the Issuer within two years immediately preceding this Listing Statement.

19. LEGAL PROCEEDINGS

19.1 – Legal Proceedings

As of the date of this Listing Statement, there are no legal proceedings material to the Issuer to which the Issuer is a party or of which any of their respective property is the subject matter, and there are no such proceedings known to the Issuer to be contemplated.

19.2 – Regulatory Actions

As of the date of this Listing Statement, the Issuer has not been subject to any penalties or sanctions imposed by any court or regulatory authority relating to securities legislation or by a securities regulatory authority, nor has the Issuer entered into a settlement agreement with a securities regulatory authority, nor has the Issuer been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that are necessary to provide full, true and plain disclosure of all material facts relating to the Issuer's securities or would be likely to be considered important to a reasonable investor making an investment decision.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No material conflict of interest, either direct or indirect, is currently known to exist with respect to any proposed transaction, or any transaction consummated over the three years before the date of this Listing Statement, that has affected or will materially affect the Issuer.

Conflicts of interest may arise as a result of the directors and officers of the Issuer also holding positions as directors or officers of other companies. Some of those 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 Issuer will be in direct competition with the Issuer.

The directors and officers of the Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Issuer will rely upon such laws in respect of any directors' and officers' conflict of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Corporations Act* (Ontario), as applicable, and they will govern themselves in respect thereof to the best of their ability in accordance with the obligation imposed upon them by law.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 – Auditors

The auditors of the Issuer and MXM are MNP LLP (formerly MSCM LLP), of 800-801 Evans Avenue, Toronto, ON M9C 1A3. At present, the auditors of Infopet are MGCA LLP. It is anticipated that the change of auditors will be effective as of the date of this Listing Statement.

21.2 – Transfer Agent and Registrar

The registrar and transfer agent of the Issuer is TMX Equity Transfer Services at its Toronto office located at 401 – 200 University Ave Toronto, ON M5H 3C6.

22. MATERIAL CONTRACTS

22.11 – Material Contracts of the Issuer

The Issuer has not entered into any material contracts within the two years before the date of this Listing Statement, other than contracts entered into in the ordinary course of business and documents entered into in connection with the Transaction (described in Section 3.1(a) above), except as follows:

1. Transfer Agency Agreement between Infopet and TMX Equity Transfer Services dated September 24, 2013 as supplemented by Schedule of Fees dated November 12, 2013;

2. the Form 46-201 Escrow Agreement; and

3. the Purchase Agreement.

MXM has not entered into any material contracts within the two years before the date of this Listing Statement, other than contracts entered into in the ordinary course of business and documents entered into in connection with the Transaction (described in Section 3.1(a) above), except as follows:

1. on October 1, 2013, MXM entered into an agreement with Rebels Media for branding and website development in connection with SponsorsOne and to produce a product demonstration video. All assets and intellectual property related to these services have been assigned to MXM Nation; and

2. the Purchase Agreement.

The material contracts described above may be inspected without further charge at the offices of Gowling Lafleur Henderson LLP, solicitors of the Issuer, located at located at Suite 1020, 50 Queen Street North, Kitchener, Ontario, N2H 6M2 during ordinary business hours until the date of the completion of the Listing and for a period of 30 days thereafter.

22.2 – Special Agreements

The Issuer is not a party to any co-tenancy, unitholders' or limited partnership agreement.

23. INTEREST OF EXPERTS

23.1 – Interest of Experts – Issuer and MXM

The auditors of Infopet, McCarney Greenwood LLP, Chartered Accountants audited the financial statements of Infopet dated February 11, 2013 comprising the statements of financial position at October 31, 2012, October 31, 2011 and November 1, 2010 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years ended October 31, 2012 and October 31, 2011 and is independent within the meaning of the Canadian Institute of Chartered Accountants Handbook. As of the date of this Listing Statement, McCarney Greenwood LLP, Chartered Accountants did not own or have any registered or beneficial interests, direct or indirect, in any securities or the property of the Issuer.

The auditors of MXM, MNP LLP, Chartered Accountants audited the financial statements of MXM for the for the years ended December 31, 2012, December 31, 2011 and December 31, 2010 and is independent within the meaning of the Canadian Institute of Chartered Accountants Handbook. As of the date of this Listing Statement, MNP LLP, Chartered Accountants did not own or have any registered or beneficial interests, direct or indirect, in any securities or the property of MXM.

24. OTHER MATERIAL FACTS

Other than as set out elsewhere in this Listing Statement, there are no other material facts about the Issuer and its securities which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

25. FINANCIAL STATEMENTS

25(a) – Financial Statements – Infopet

Schedule "A" contains the audited financial statements dated February 11, 2013 comprising the statements of financial position at October 31, 2012, October 31, 2011 and November 1, 2010 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years ended October 31, 2012 and October 31, 2011 and the unaudited interim financial statements for the three and nine months ended July 31, 2013.

25(b) – Financial Statements – MXM

Schedule "B" contains the audited financial statements for MXM for the years ended December 31, 2012, December 31, 2011 and December 31, 2010 and the unaudited condensed interim financial statements for the three and nine months ended September 30, 2013.

25(c) – Pro Forma Consolidated Financial Statements

Schedule "E" contains the unaudited pro forma consolidated statement of financial position of the Issuer as at September 30, 2013.

SCHEDULE "A"
FINANCIAL STATEMENTS OF INFOPET

NEW INTERNATIONAL INFOPET SYSTEMS LTD.

AMENDED FINANCIAL STATEMENTS

YEARS ENDED OCTOBER 31, 2012 AND 2011

(EXPRESSED IN CANADIAN DOLLARS)

NOTICE TO READER

The following document is New International Infopet System Ltd.'s amended financial statements for the years ended October 31, 2012 and 2011, which has been amended and re-filed to include the independent auditor's report which was inadvertently omitted from the first filing. No other changes have been made to the financial statements and these amended financial statements reflect the events as of the original filing date, do not reflect events that may have occurred subsequent to the original filing date, and do not modify or update in any way the other disclosures made in the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of New International Infopet Systems Ltd. (the "Company") are the responsibility of the management and Board of Directors of the Company.

The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the date of the statement of financial position. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with all applicable International Financial Reporting Standards.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) *"Jack Greenberg"*
Jack Greenberg
Acting in the capacity of Chief Executive Officer
and Chief Financial Officer

(signed) *"Zoolficarali Kassum"*
Zoolficarali Kassum
Director

Toronto, Canada
February 11, 2013

McCarneyGreenwood

Independent Auditor's Report

To the Shareholders of
New International Infopet Systems Ltd.

We have audited the accompanying financial statements of New International Infopet Systems Ltd., which comprise the statements of financial position as at October 31, 2012, October 31, 2011 and November 1, 2010 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years ended October 31, 2012 and October 31, 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.

Auditor's 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 audits 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 auditor's 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 is sufficient and appropriate to provide a basis for our audit opinion.

McCarney Greenwood LLP
Chartered Accountants
10 Bay Street, Suite 600
Toronto, ON M5J 2R8
T 416 362 0515 F 416 362 0539
www.mgca.com

McCarneyGreenwood

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of New International Infopet Systems Ltd. as at October 31, 2012, October 31, 2011 and November 1, 2010 and its financial performance and its cash flows for the years ended October 31, 2012 and October 31, 2011 in accordance with International financial reporting standards, as issued by the International Accounting Standards Board.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements which describes that the Company will require additional financing in order to fund its planned activities. This condition, along with other matters set out in note 1, indicates the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

"McCarney Greenwood LLP"

Toronto, Canada
February 11, 2013

McCarney Greenwood LLP
Chartered Accountants
Licensed Public Accountants

New International Infopet Systems Ltd.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at October 31, 2012	As at October 31, 2011 (Note 10)	As at November 1, 2010 (Note 10)
Assets			
Current Assets			
Cash	$ **135**	$ 1,259	$ 1,828
	135	1,259	1,828
Long-term investment (Note 6)	**1**	1	1
	$ **136**	$ 1,260	$ 1,829
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	$ **8,765**	$ 7,861	$ 7,861
Due to related parties (Note 7)	**191,486**	191,486	191,486
	200,251	199,347	199,347
Shareholders' Deficit			
Capital stock (Note 8)	**1,586,504**	1,586,504	1,586,504
Reserve	**224,527**	224,527	224,527
Deficit	**(2,011,146)**	(2,009,118)	(2,008,549)
	(200,115)	(198,087)	(197,518)
	$ **136**	$ 1,260	$ 1,829

Nature of operations and going concern (Note 1)

Approved on behalf of the Board

"Jack Greenberg", director
Jack Greenberg

"Zoolficarali Kassum", director
Zoolficarali Kassum

The accompanying notes are an integral part of these financial statements

New International Infopet Systems Ltd.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended October 31, 2012	Year Ended October 31, 2011 (Note 10)
Operating expenses		
Office	**$ 2,084**	$ 2,241
Professional fees	**9,944**	6,328
Operating loss before the following item:	**12,028**	8,569
Revenue (Note 7(b))	**10,000**	8,000
Net loss and comprehensive loss for the year	**$ (2,028)**	$ (569)
Loss per share - basic and diluted	**$ (0.00)**	$ (0.00)
Weighted average number of shares outstanding - basic and diluted	**1,068,400**	1,068,400

The accompanying notes are an integral part of these financial statements

New International Infopet Systems Ltd.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Capital stock	Reserve	Deficit	Total
Balance, November 1, 2010 (Note 10)	$ 1,586,504	$ 224,527	$ (2,008,549)	$ (197,518)
Net loss and comprehensive loss for the year	-	-	(569)	(569)
Balance, October 31, 2011 (Note 10)	1,586,504	224,527	(2,009,118)	(198,087)
Net loss and comprehensive loss for the year	-	-	(2,028)	(2,028)
Balance, October 31, 2012	$ 1,586,504	$ 224,527	$ (2,011,146)	$ (200,115)

The accompanying notes are an integral part of these financial statements

New International Infopet Systems Ltd.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended October 31, 2012	2011 (Note 10)
Operating Activities		
Net loss	$ **(2,028)**	$ (569)
Changes in non-cash working capital balances:		
Increase in accounts payable and accrued liabilities	**904**	-
Cash flows provided by (used in) operations	**(1,124)**	(569)
Change in cash	**(1,124)**	(569)
Cash, beginning of year	**1,259**	1,828
Cash, end of year	$ **135**	$ 1,259

The accompanying notes are an integral part of these financial statements

(Expressed in Canadian Dollars)

1. Nature of operations and going concern

New International Infopet Systems Ltd. (the "Company") was incorporated under the laws of the Province of Ontario on March 9, 1965. The Company has no operations and is currently seeking new business opportunities. The Company has limited working capital to pursue such business opportunities. To date, activities have been funded by loans from related parties (Note 7). There can be no assurance that should additional financing from the related parties or others be required, it will be available or on terms acceptable to the Company. The ability of the Company to continue as a going concern is dependent upon, among other things, its being able to obtain additional financing, and maintaining positive operating cash flows. The Company's discretionary activities do have considerable scope for flexibility in terms of the amount and timing of expenditure, and expenditures may be adjusted accordingly.

The primary office is located at Suite 204, 181 Eglinton Avenue East, Toronto, Ontario, Canada, M4P 1J4.

The Company's financial year ends on October 31.

The financial statements were authorized by the Board of Directors on February 11, 2013.

2. Statement of compliance

These are the Company's first annual financial statements prepared in accordance with IFRS. Previously, the Company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). The disclosures required by the provisions of IFRS 1, "First-time adoption of International Financial Reporting Standards", explaining how the transition to IFRS has affected the reported financial performance, cash flows and financial position of the Company, are presented in Note 10.

These financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended October 31, 2012.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. They also have been applied in preparing an opening IFRS balance sheet at November 1, 2010 (Note 10) for the purposes of the transition to IFRS, as required by IFRS 1.

3. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(b) Financial assets

The Company's financial instruments consist of the following:

Financial assets:	**Classification:**
Cash	Fair value through profit and loss ("FVTPL")
Financial liabilities:	**Classification:**
Accounts payable and accrued liabilities	Other financial liabilities
Due to related parties	Other financial liabilities

3. Significant accounting policies (continued)

(b) Financial assets (continued)

Fair value through profit and loss:

Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management (fair value option), or if they are derivative assets that are not part of an effective and designated hedging relationship. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the statements of income (loss).

The Company's financial assets classified as FVTPL include cash. The Company does not currently hold any derivative instruments or apply hedge accounting.

Other financial liabilities:

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. 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 assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account 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.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

3. Significant accounting policies (continued)

(b) Financial assets (continued)

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of October 31, 2012, October 31, 2011 and November 1, 2010, other than cash, none of the Company's financial instruments are recorded at fair value on the statement of financial position. Cash is considered as a Level 1 financial instrument.

(c) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

(d) Cash

Cash in the statements of financial position comprises cash at banks.

(e) Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted average number of shares outstanding. Diluted earnings (loss) per share is calculated using the treasury stock method. In order to determine diluted earnings (loss) per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted earnings (loss) per share calculation. The diluted earnings (loss) per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

(f) Investments

Investments in entities not controlled but subject to significant influence are accounted for using the equity method.

3. Significant accounting policies (continued)

(g) Critical accounting estimates

Significant assumptions about the future that management has made 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:

- management's position that the Company will continue as a going concern; and
- management's position that there are no income tax considerations required within these financial statements.

(h) Income taxes

Income tax on the profit or loss for the periods presented 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, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet 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. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. 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 financial position reporting 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 utilised. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Future accounting changes

The following accounting pronouncements have been released but have not yet been adopted by the Company.

(a) IFRS 9 Financial Instruments

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 Financial Instruments (IFRS 9) as a first phase in its ongoing project to replace IAS 39. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2015.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities. Management has not yet determined the potential impact the adoption of IFRS 9 will have on the Company's financial statements.

3. Significant accounting policies (continued)

Future accounting changes (continued)

(b) IFRS 13 Fair Value Measurement

On May 12, 2011, the IASB issued IFRS 13 Fair Value Measurement (IFRS 13). IFRS 13, which is to be applied prospectively, is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 13 defines fair value, provides a framework for measuring fair value and includes disclosure requirements for fair value measurements. IFRS 13 will be applied in cases when another IFRS requires (or permits) fair value measurement. Management has not yet determined the potential impact that the adoption of IFRS 13 will have on the Company's financial statements.

(c) Other

In June 2011, the IASB issued amendments to IFRS 7 Financial Instruments: Disclosures. The Company does not believe the changes resulting from these amendments are relevant to its financial statements.

In May 2011, the IASB issued IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The Company does not believe the changes resulting from these new standards are relevant to its financial statements.

In June 2011, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 19 Employee Benefits, primarily related to accounting for defined benefit pension plans. The Company does not believe the changes resulting from these amendments will have an impact on its financial statements.

4. Capital Management

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future business opportunities, and pursuit of business or asset acquisitions; and
- To maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be capital stock, reserve and deficit which at October 31, 2012 totaled a deficit balance of $200,115 (October 31, 2011 - deficit balance of $198,087 and November 1, 2010 - deficit balance of $197,518).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended October 31, 2012. The Company is not subject to any capital requirements imposed by a lending institution.

(Expressed in Canadian Dollars)

5. Financial Instruments

The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

Credit Risk

The Company is exposed to credit risk through its cash, which is held at a Canadian chartered bank. The Company believes this credit risk is insignificant.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at October 31, 2012, the Company had a cash balance of $135 (October 31, 2011 - $1,259 and November 1, 2010 - $1,828) to settle current liabilities of $200,251 (October 31, 2011 - $199,347 and November 1, 2010 - $199,347). Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

It is expected the Company will render one invoice annually for consulting fees to the President/Chief Executive Officer of the Company in an amount sufficient to cover its ongoing operating expenses.

Fair Values

The fair values of cash, accounts payable, accrued liabilities and due to related parties approximate their carrying values due to the short-term maturity of these financial instruments.

Sensitivity analysis

The Company does not have significant financial instruments as at October 31, 2012. A one percentage point increase or decrease in the Company's financial instruments would not have a significant impact on profit or loss.

6. Long term investment

The Company owns 1,000 common shares of International Infopet Systems Inc., a privately owned company registered in Delaware, United States. This holding represents a one-third interest in that corporation.

The Company exercises significant influence over the investee and uses the equity method to account for its investment. During 2004, the investment became permanently impaired and was written down to a nominal amount of $1. Any subsequent increase in value will be recognized only when the investment becomes profitable.

7. Due to Related Parties and Related Party Transactions

(a) The following amounts were due to related parties:

	As at October 31, 2012	**As at October 31, 2011**	**As at November 1, 2010**
Dapaul Management Limited (as trustee) (i)	**$ 157,586**	$ 157,586	$ 157,586
857710 Ontario Limited (ii)	**32,445**	32,445	32,445
Due to president (iii)	**1,455**	1,455	1,455
	$ 191,486	$ 191,486	$ 191,486

(i) The president of the Company owns 100% of Dapaul Management Limited. The amount due is non-interest bearing and payable on demand.

(Expressed in Canadian Dollars)

7. Due to Related Parties and Related Party Transactions (continued)

(a) (continued)

(ii) 857710 Ontario Limited is a corporation controlled by a director and officer of the Company. The amount is unsecured, non-interest bearing, and without definite terms of repayment.

(iii) The amount is due to the president of the Company. The amount is unsecured, non-interest bearing, and without definite terms of repayment.

(b) During the year ended October 31, 2012, the Company received $10,000 from the Company's president for consulting services rendered to him (year ended October 31, 2011 - $8,000).

8. Capital Stock

(a) Authorized

Unlimited number of common shares

(b) Common shares issued

	Number of common shares		Stated value
Balance at November 1, 2010, October 31, 2011, and October 31, 2012	**1,068,400**	**$**	**1,586,504**

(c) Other

The Company had no convertible shares, stock options or warrants outstanding during the current or prior years.

9. Income taxes

There are no future income tax liabilities.

The Company has future income tax assets as follows:

		2012		2011
Future income tax asset				
Non-capital losses carried forward	$	857	$	350
Valuation allowance for future tax asset		(857)		(350)
		-		-
Net future income tax asset	$	-	$	-

At October 31, 2012, the Company had non-capital losses carried forward of $3,428 which may be utilized to reduce future year's taxable income. These losses expire as follows:

2027	$	379
2028		304
2029		148
2031		569
2032		2,028
	$	3,428

(Expressed in Canadian Dollars)

9. Income taxes (continued)

The income tax benefit of these carry forward non-capital losses has not been recognized in these financial statements as the realization thereof is not considered more likely than not. The Company's income tax expense for each of the years ended October 31, 2012 and October 31, 2011 is $Nil. The Company's actual income tax expense for each of the years is made up as follows:

	2012	2011
(Loss) Income before income taxes	$ 2,028	$ (569)
Income tax (recovery) provision at the combined federal and provincial rates of 26.79% (2011 - 28.71%)	(543)	(163)
Taxable benefit no recognized	543	163
Actual income tax (recovery) expense	$ -	$ -

10. Conversion to IFRS

(i) Overview

As stated in statement of compliance (Note 2), these are the Company's first annual financial statements prepared in accordance with IFRS as issued by the IASB.

The policies set out in the significant accounting policies section have been applied in preparing the financial statements for the year ended October 31, 2012, including comparatives, and in the preparation of an opening IFRS balance sheet at November 1, 2010 (the Company's Transition Date).

(ii) First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has elected to apply the following optional exemptions in its preparation of an opening IFRS statement of financial position as at the "Transition Date".

- To apply IFRS 3 Business Combinations prospectively from the Transition Date, therefore not restating business combinations that took place prior to the Transition Date.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date are consistent with those that were made under Canadian GAAP.

The Company's Transition Date IFRS statement of financial position is included as comparative information in the statements of financial position in these financial statements.

(iii) Changes to accounting policies

The Company has changed certain accounting policies to be consistent with IFRS as is expected to be effective or available on October 31, 2012, the Company's first annual IFRS reporting date. The changes to its accounting policies have not resulted in any changes to the recognition and measurement of assets, liabilities, equity, and expenses within its financial statements.

(iv) Presentation

No amounts in the statements of financial position, statements of loss and comprehensive loss and statements of cash flows have been reclassified to conform to the presentation adopted under IFRS.

(Expressed in Canadian Dollars)

10. Conversion to IFRS (continued)

(v) Reconciliation between IFRS and Canadian GAAP

The November 1, 2010 Canadian GAAP balance sheet has been reconciled to IFRS as follows:

November 1, 2010	Canadian GAAP	Effect of transition to IFRS	IFRS
ASSETS			
Current assets			
Cash	$ 1,828	$ -	$ **1,828**
	1,828	-	**1,828**
Long-term investment	1	-	**1**
	$ 1,829	$ -	$ **1,829**
EQUITY AND LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	$ 7,861	$ -	$ **7,861**
Due to related parties	191,486	-	**191,486**
	199,347	-	**199,347**
Equity			
Capital stock	1,586,504	-	**1,586,504**
Reserves	224,527	-	**224,527**
Deficit	(2,008,549)	-	**(2,008,549)**
	(197,518)	-	**(197,518)**
	$ 1,829	$ -	$ **1,829**

(Expressed in Canadian Dollars)

10. Conversion to IFRS (continued)

(v) Reconciliation between IFRS and Canadian GAAP (continued)

The October 31, 2011 Canadian GAAP balance sheet has been reconciled to IFRS as follows:

October 31, 2011	Canadian GAAP	Effect of transition to IFRS	IFRS
ASSETS			
Current assets			
Cash	$ 1,259	$ -	**$ 1,259**
	1,259	-	**1,259**
Long-term investment	1	-	**1**
	$ 1,260	$ -	**$ 1,260**
EQUITY AND LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	$ 7,861	$ -	**$ 7,861**
Due to related parties	191,486	-	**191,486**
	199,347	-	**199,347**
Equity			
Capital stock	1,586,504	-	**1,586,504**
Reserves	224,527	-	**224,527**
Deficit	(2,009,118)	-	**(2,009,118)**
Total equity	(198,087)	-	**(198,087)**
	$ 1,260	$ -	**$ 1,260**

(Expressed in Canadian Dollars)

10. Conversion to IFRS (continued)

(v) Reconciliation between IFRS and Canadian GAAP (continued)

The Canadian GAAP statement of loss and comprehensive loss for the year ended October 31, 2011 has been reconciled to IFRS as follows:

Year ended October 31, 2011	Canadian GAAP	Effect of transition to IFRS	IFRS
Operating expenses			
Office	$ 2,241	$ -	$ **2,241**
Professional fees	6,328	-	**6,328**
	8,569	-	**8,569**
Operating loss before the following item:	(8,569)	-	**(8,569)**
Revenue	8,000	-	**8,000**
Net loss and comprehensive loss for the year	$ (569)	$ -	$ **(569)**

The Canadian GAAP statement of cash flows for the year ended October 31, 2011 has been reconciled to IFRS as follows:

Year ended October 31, 2011	Canadian GAAP	Effect of transition to IFRS	IFRS
Operating			
Net loss	$ (569)	$ -	$ **(569)**
Cash flows used in operations	(569)	-	**(569)**
Decrease in cash	(569)	-	**(569)**
Cash, beginning of year	1,828	-	**1,828**
Cash, end of year	$ 1,259	$ -	$ **1,259**

NEW INTERNATIONAL INFOPET SYSTEMS LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED JULY 31, 2013

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE TO READER

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

New International Infopet Systems Ltd.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at July 31, 2013	As at October 31, 2012
Assets		
Current Assets		
Cash	$ **566**	$ 135
	566	135
Long-term investment (Note 3)	**1**	1
	$ **567**	$ 136
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ **7,559**	$ 8,765
Due to related parties (Note 4)	**191,486**	191,486
	199,045	200,251
Shareholders' Deficiency		
Share capital (Note 5)	**1,586,504**	1,586,504
Reserve	**224,527**	224,527
Deficit	**(2,009,509)**	(2,011,146)
	(198,478)	(200,115)
	$ **567**	$ 136

Nature of operations and going concern (Note 1)

Approved on behalf of the Board

"Jack Greenberg", director
Jack Greenberg

"Zoolficarali Kassum", director
Zoolficarali Kassum

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

New International Infopet Systems Ltd.
Condensed Interim Statements of (Loss) Income and Comprehensive (Loss) Income
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended July 31, 2013	Three Months Ended July 31, 2012	Nine Months Ended July 31, 2013	Nine Months Ended July 31, 2012
Operating expenses				
Office	$ **201**	$ 203	$ **2,472**	$ 1,883
Professional fees	**2,053**	905	**7,891**	9,040
Operating loss before the following item:	**2,254**	1,108	**10,363**	10,923
Revenue (Note 4(b))	**-**	-	**12,000**	10,000
Net (loss) income and comprehensive (loss) income for the period	$ **(2,254)**	$ (1,108)	$ **1,637**	$ (923)
Net (loss) income per share - basic and diluted	$ **(0.00)**	$ (0.00)	$ **0.00**	$ (0.00)
Weighted average number of shares outstanding - basic and diluted	**1,068,400**	1,068,400	**1,068,400**	1,068,400

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

New International Infopet Systems Ltd.
Condensed Interim Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital	Reserve	Deficit	Total
Balance, October 31, 2011	$ 1,586,504	$ 224,527	$ (2,009,118)	$ (198,087)
Net loss and comprehensive loss for the period	-	-	(923)	(923)
Balance, July 31, 2012	$ 1,586,504	$ 224,527	$ (2,010,041)	$ (199,010)
Balance, October 31, 2012	$ 1,586,504	$ 224,527	$ (2,011,146)	$ (200,115)
Net income and comprehensive income for the period	-	-	1,637	1,637
Balance, July 31, 2013	$ 1,586,504	$ 224,527	$ (2,009,509)	$ (198,478)

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

New International Infopet Systems Ltd.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Months Ended July 31, 2013	Nine Months Ended July 31, 2012
Operating Activities		
Net income (loss)	**$ 1,637**	$ (923)
Changes in non-cash working capital balances:		
(Decrease) increase in accounts payable and accrued liabilities	**(1,206)**	1,074
Cash flows provided by operating activities	**431**	151
Change in cash	**431**	151
Cash, beginning of period	**135**	1,259
Cash, end of period	**$ 566**	$ 1,410

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

1. Nature of operations and going concern

New International Infopet Systems Ltd. (the "Company") was incorporated under the laws of the Province of Ontario on March 9, 1965. The Company has no operations and is currently seeking new business opportunities. The Company has limited working capital to pursue such business opportunities. To date, activities have been funded by loans from related parties (Note 4). There can be no assurance that should additional financing from the related parties or others be required, it will be available or on terms acceptable to the Company. The ability of the Company to continue as a going concern is dependent upon, among other things, its being able to obtain additional financing, and maintaining positive operating cash flows. The Company's discretionary activities do have considerable scope for flexibility in terms of the amount and timing of expenditure, and expenditures may be adjusted accordingly.

The primary office is located at Suite 204, 181 Eglinton Avenue East, Toronto, Ontario, Canada, M4P 1J4.

The Company's financial year ends on October 31.

2. Statement of compliance

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

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of September 10, 2013, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended October 31, 2012, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending October 31, 2013 could result in restatement of these unaudited condensed interim financial statements.

Changes in accounting policies

Amendments to IAS 1 Presentation of Financial Statements
On November 1, 2012, the Company adopted IAS 1 Presentation of Financial Statements (amendments to IAS 1), issued by the IASB in June 2011. The amendments require items presented in the statement of other comprehensive income to be categorized according to whether the items will or will not be reclassified to income at a future date. The adoption did not impact the Company's unaudited condensed interim financial results.

3. Long-term investment

The Company owns 1,000 common shares of International Infopet Systems Inc., a privately owned company registered in Delaware, United States. This holding represents a one-third interest in that corporation.

The Company exercises significant influence over the investee and uses the equity method to account for its investment. During 2004, the investment became permanently impaired and was written down to a nominal amount of $1. Any subsequent increase in value will be recognized only when the investment becomes profitable.

(Expressed in Canadian Dollars)

4. Due to related parties and related party transactions

(a) The following amounts were due to related parties:

	As at July 31, 2013	As at October 31, 2012
Dapaul Management Limited (as trustee) (i)	$ **157,586**	$ 157,586
857710 Ontario Limited (ii)	**32,445**	32,445
Due to president (iii)	**1,455**	1,455
	$ **191,486**	$ 191,486

(i) The president of the Company owns 100% of Dapaul Management Limited. The amount due is non-interest bearing and payable on demand.

(ii) 857710 Ontario Limited is a corporation controlled by a director and officer of the Company. The amount is unsecured, non-interest bearing, and without definite terms of repayment.

(iii) The amount is due to the president of the Company. The amount is unsecured, non-interest bearing, and without definite terms of repayment.

(b) During the three and nine months ended July 31, 2013, the Company received $nil and $12,000, respectively, from the Company's president for consulting services rendered to him (three and nine months ended July 31, 2012 - $nil and $10,000, respectively).

5. Share capital

(a) Authorized

Unlimited number of common shares

(b) Common shares issued

	Number of common shares	Stated value
Balance at October 31, 2011, July 31, 2012, October 31, 2012 and July 31, 2013	**1,068,400**	$ **1,586,504**

(c) Other

The Company had no convertible shares, stock options or warrants outstanding during the current or prior periods.

SCHEDULE "B"
FINANCIAL STATEMENTS OF MXM NATION INC.

Financial Statements
(Stated in CAD dollars)

MXM NATION INC.

For the years ended December 31, 2010, 2011, 2012

MXM NATION INC.

Financial Statements

For the years ended December 31, 2010, 2011, 2012

MNP LLP

INDEPENDENT AUDITOR'S REPORT

To the shareholders of MXM Nation Inc.

We have audited the accompanying financial statements of MXM Nation Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2010, 2011 and 2012 and the related 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.

Auditor's 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 audits 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 auditor's 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of MXM Nation Inc. as at December 31, 2010, 2011 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 modifying our opinion, we draw attention to Note 1 to the financial statements which highlight the existence of a material uncertainty relating to conditions that cast significant doubt on MXM Nation Inc.'s ability to continue as a going concern.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
December 17, 2013

MXM NATION INC.

Statements of Financial Position
(Stated in CAD dollars)

	December 31, 2010	December 31, 2011	December 31, 2012
Assets			
Current assets			
Cash and cash equivalents	-	-	-
Prepayments and deposits	-	4,000	-
Accounts receivable	-	-	727
Total current assets	-	4,000	727
Capital assets – net (note 8)	30,592	197,551	182,168
	30,592	201,551	182,895
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7,401	13,601	34,589
Due to shareholder (note 4)	261,066	326,847	477,503
Current portion of long term debt (note 9)	1,963	7,641	8,225
Total current liabilities	270,430	348,089	520,317
Long term liabilities			
Long term debt (note 9)	33,658	198,968	190,743
Total long term liabilities	33,658	198,968	190,743
Total liabilities	304,088	547,057	711,060
Shareholders' deficiency			
Share capital (note 5)	1	1	1
Unlimited number of common shares, no par value, authorized, (December 31, 2012, 2011 and 2010 - 100) issued and outstanding			
Accumulated deficit	(273,497)	(345,507)	(528,166)
	(273,496)	(345,506)	(528,165)
	30,592	201,551	182,895

See accompanying notes to financial statements.

Going concern – note 1

Approved by the Board

Signed: "Gary Bartholomew"

Director

MXM NATION INC.

Statements of Comprehensive Loss
(Stated in CAD dollars)

For the years ended	December 31, 2010	December 31, 2011	December 31, 2012
Operating expenses			
Sales, general and administrative	44,245	47,576	151,790
Depreciation	4,269	12,073	15,383
Loss before interest expense	48,514	59,649	167,173
Interest expense	2,450	12,361	15,486
Net Loss and comprehensive loss	(50,964)	(72,010)	(182,659)
Basic and diluted net loss per share	(510)	(720)	(1,827)
Weighted average number of common shares outstanding – basic and diluted	100	100	100
Common shares outstanding, end of year	100	100	100

See accompanying notes to financial statements.

MXM NATION INC.

Statements of Changes in Shareholder's Deficiency
(Stated in CAD dollars)

	Common shares Issued		Additional		Accumulated	
	Shares	Amount	paid-in capital	Warrants	Deficit	Total
(All amounts in Canadian dollars except share amounts)						
Balance – December 31, 2009	100	1	-	-	(222,533)	(222,532)
Issuance of common stock						
Net loss					(50,964)	(50,964)
Balance – December 31, 2010	100	1	-	-	(273,497)	(273,496)
Issuance of common stock						
Net loss					(72,010)	(72,010)
Balance – December 31, 2011	100	1	-	-	(345,507)	(345,506)
Issuance of common stock						
Net loss					(182,659)	(182,659)
Balance – December 31, 2012	100	1	-	-	(528,166)	528,165)

See accompanying notes to financial statements.

MXM NATION INC.

Statements of Cash Flows
(Stated in CAD dollars)

For the years ended	December 31, 2010	December 31, 2011	December 31, 2012
Cash flow from (used in) operating activities:			
Net loss from continuing operations	(50,964)	(72,010)	(182,659)
Items not affecting cash:			
Depreciation	4,269	12,074	15,383
Decrease (increase) in non-cash working capital:			
Accounts receivable	-	-	(727)
Prepayments and deposits	-	(4,000)	4,000
Accounts payable and accrued liabilities	6,200	6,200	20,989
Cash flow used in operating activities	(40,495)	(57,736)	(143,014)
Cash flow from (used in) financing activities:			
Proceeds from due to shareholder	42,332	65,781	150,655
Payment of long term debt	(1,837)	(5,922)	(7,641)
Proceeds from long term debt	-	176,910	-
Cash flow from financing activities	40,495	236,769	143,014
Cash flow from (used in) investing activities:			
Purchase of capital assets	-	(179,033)	-
Cash flow used in investing activities	-	(179,033)	-
Net cash inflow (outflow)	-	-	-
Cash and cash equivalents, beginning of year	-	-	-
Cash and cash equivalents, end of year	-	-	-

Supplemental cash flow information			
Cash paid for interest	4,269	12,361	15,486
Cash paid for income taxes	-	-	-

See accompanying notes to financial statements.

1. Organization and Going Concern

MXM Nation Inc. (the "Company") was incorporated on February 2, 2005 under the Business Corporations Act of Ontario, Canada. The Company's office is located at 295 Hagey Boulevard, First Floor, Waterloo, Ontario, N2L 6R5. The Company was originally incorporated as Deep Creek Ventures Inc., changing its name to MX Mechanics Inc. on April 4, 2007, and to MXM Nation Inc. on February 5, 2013.

The Company was initially incorporated to support amateur athletes, specifically those in motocross, with sponsorship opportunities. With the advent of social media, the Company has built an online platform to facilitate the goal of matching amateur athletes with sponsors. The Company intends to expand its operations by licensing its social media technology, acquiring social media networks, and building new social networks.

The Board of Directors approved the Company's financial statements on December 16, 2013.

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 is liabilities in the normal course of the business for the foreseeable future.

Historically the Company has had operating losses, negative cash flows from operations and working capital deficiencies. These uncertainties cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.

The Company has relied on financing from its shareholder and officer to fund operations to date. The continuing operations of the Company are dependent upon its ability to raise adequate financing, to complete its proposed go-public transaction (see note 12) and to develop profitable operations in the future.

2. Significant Accounting Policies

Basis of presentation

These financial statements have been prepared on a historical cost basis and presented in Canadian dollars ("CAD" dollars).

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

2. Significant Accounting Policies (continued)

Use of estimates

The preparation of these financial statements and related disclosures in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of these financial statements, and the reported amounts of revenue and expenses during the periods reported. By their nature, these estimates are subject to uncertainty and the effect on the financial statements of changes in estimates in future periods could be significant.

In determining whether any impairment losses have been incurred, management assesses the higher of the asset's fair value less costs to sell and its value in use for non-financial assets. These determinations and their individual assumptions require that management make a decision based on the best available information at the end of each reporting period.

Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the period that they are determined to be necessary.

Cash and cash equivalents

Cash and cash equivalents include all cash on demand, interest bearing deposits with original maturities of three months or less. The Company did not hold any cash or cash equivalents as at December 31, 2012, 2011 and 2010.

Foreign currency translation

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at period end exchange rates are recognized in profit and loss.

2. Significant Accounting Policies (continued)

Capital assets

The Company records capital assets at cost and provides for depreciation over the useful lives of the assets using the straight-line method over 3 years for computer and office equipment, and 10 to 20 years for transportation equipment.

In the year of disposal, the resulting gain or loss is included in the statements of loss and the cost of assets retired or otherwise disposed and the related accumulated depreciation are eliminated from these accounts.

Research and development costs

Research costs are expensed as incurred. The Company has not capitalized development expenditures to date. An intangible asset may be recognized in future periods if the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably of the expenditure during development.

Capitalized development costs will be amortized over the expected life of the related products, which is expected to be 24 to 36 months.

Income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in the countries where the Company operates.

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. Significant Accounting Policies (continued)

Income tax (continued)

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for deductible temporary differences of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted.

Deferred tax assets and deferred tax liabilities are offset, provided a legally enforceable right to set off current tax assets against current income tax liabilities exists and the deferred taxes relate to the same taxable entity and the same taxation authority.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

2. Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial assets (continued)

Fair value through profit or loss - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity dates. They are initially recognized at fair value and subsequently carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company classifies its accounts receivables as loans and receivables.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are initially recognized at fair value and subsequently are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statements of comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in other comprehensive income, within equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statements of comprehensive loss.

Transactions costs associated with fair value through profit or loss financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial assets, except for those at fair value through profit or loss, are subject to review for impairment at least at the end of each reporting period. Financial assets are impaired when there is any objective evidence that the future cash flows associated with a financial asset or a group of financial assets have been negatively impacted. Different criteria to determine impairment are applied for each category of financial assets, described above.

2. Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss.

Other financial liabilities - This category includes all other liabilities, all of which are initially recognized at fair value, net of transaction costs, and are subsequently stated at amortized cost. The Company classifies its accounts payable and accrued liabilities, long-term debt and due to shareholder as other financial liabilities.

Impairment of non-current assets

At the end of each reporting period, the Company's non-current assets are reviewed to determine whether there is any indication that the carrying value of those assets are impaired and may not be recoverable. If any such indication exists, the recoverable amount of the asset is evaluated at the level of a cash-generating unit ("CGU"), 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, where the recoverable amount of a CGU is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. If the recoverable amount is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

2. Significant Accounting Policies (continued)

Impairment of non-current assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. Future Accounting Policies

Standards issued but not yet effective up to the date of issuance of these financial statements are described below. This description is of standards and interpretations issued that the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 Financial Instruments ("IFRS 9") was published on November 12, 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables. The effective date of the standard has not yet been determined. The Company is still evaluating the impact of IFRS 9 on its financial statements.

IFRS 10 Consolidated Financial Statements

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 supersedes SIC-12 Consolidations – Special Purpose Entities and replaces parts of IAS 27. The standard is effective for annual periods beginning on or after January 1, 2013. The adoption of IFRS 10 will not have a material effect on the Company's financial statements.

3. Future Accounting Policies (continued)

IFRS 11 Joint Arrangements

IFRS 11 requires a venture to classify its interest in a joint arrangement as a joint operation or a joint venture. The standard eliminates the use of the proportionate consolidation method to account for joint ventures. Joint ventures will be accounted for using the equity method of accounting while, for a joint operation, the venture will recognize its share of the assets, liabilities, revenues and expenses of the joint operation. IFRS 11 supersedes SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers and IAS 31 Joint Ventures. The standard is effective for annual periods beginning on or after January 1, 2013. The adoption of IFRS 11 will not have a material effect on the Company's financial statements.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities such as subsidiaries, joint arrangements, associates and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interest in other entities. IFRS 12 replaces the previous disclosure requirements included in IAS 27 Consolidated and Separate Financial Statements, IAS 31 Joint Ventures and IAS 28 Investment in Associates. The standard is effective for annual periods beginning on or after January 1, 2013. The adoption of IFRS 12 will not have a material effect on the Company's financial statements.

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. IFRS 13 defines fair value and establishes disclosures about fair value measurement. The standard is effective for annual periods beginning on or after January 1, 2013. The adoption of IFRS 13 will not have a material effect on the Company's financial statements.

IAS 28 Investments in Associates and Joint Ventures

The IASB also amended IAS 28, an existing standard, to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 12. The standard is effective for annual periods beginning on or after January 1, 2013 and is not expected to materially affect the Company.

(Stated in CAD dollars)

4. Related Party Transactions

In the course of operations the Company has transactions with related parties. These transactions are in the normal course of operations and are measured at their exchange value, which approximates the fair market value as with any third party.

The amounts due from (to) related parties as at:

	December 31, 2010	December 31, 2011	December 31, 2012
Due to a company controlled by an officer and shareholder	261,066	326,848	477,503

The Company also has a loan outstanding to which the shareholder and officer is paying on behalf of the Company. See note 10.

For the years ended December 31, 2012, 2011 and 2010 there was no compensation paid to key management personnel.

5. Share Capital

Common Shares

The Company is authorized to issue an unlimited number of common shares with no par value. Common share may only transfer upon:

a) The consent of the directors of the Company expressed by a resolution passed at a meeting of the Board of Directors, or signed by all directors of the Company; or

b) The consent of greater than 50% of the outstanding voting shares of the Company expressed by a resolution passed at a meeting of the shareholders, or signed by all shareholders of the Company.

Preferred Shares

The Company is authorized to issue an unlimited number of preference shares with no par value. The preference shares may be issued in separate series under terms to be determined by the Company. No preferred shares have issued by the Company. The terms to be determined are:

a) the rate and method of calculation of any dividends, the currency of payment, the date and place of payment thereof and the date from which any such dividends shall accrue, provided always that dividends on each series of preference shares shall be non-cumulative;

b) any right of redemption and/or purchase and the redemption or purchase prices and terms and conditions of any such right;

c) any right of retraction vested in the holders of preference shares of such series and the prices and terms and conditions of any such rights;

5. Share Capital (continued)

Preferred Shares (continued)

d) any rights upon dissolution, liquidation or winding-up of the Company;

e) any voting rights; and

f) any other provisions attaching to any such series of preference shares.

6. Financial Instruments

Fair Value

The Company has determined that the carrying values of accounts receivable, accounts payable and accrued liabilities and due to shareholder approximate their fair values due to the current nature of these instruments. The fair value of long-term debt is based on the discounted value of future cash flows under the current financial arrangements at the interest rate the Company expects to currently negotiate for loans with similar terms and conditions and maturity dates. The fair value of long-term debt approximates its carrying value due to the current market rates.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is currently exposed to credit risk only with respect to its receivables.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities. See note 1 for disclosure on the Company's ability to continue as a going concern.

Market Risk

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

6. Financial Instruments (continued)

Interest rate risk

Interest rate risk consists of a) the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Due to the short-term nature of the Company's financial instruments, and the fixed rate of interest attached to the long-term debt, fluctuations in market rates do not have a significant impact on estimated fair values.

Foreign currency risk

The Company is not exposed to any significant foreign currency risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

7. Capital Management

The Company's objectives when managing capital, defined as shareholders' equity (currently a deficiency), are to safeguard the Company's ability to continue as a going concern in order to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's investment policy is to invest any short-term excess cash in highly liquid short-term interest bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

There have been no changes to the Company's approach to capital management during the years ended December 31, 2012, 2011 and 2010. The Company is not subject to externally imposed capital requirements.

(Stated in CAD dollars)

8. Capital Assets

December 31, 2012	Cost	Accumulated depreciation	Net book value
Equipment – transportation	219,596	38,843	180,753
Computers	2,123	708	1,415
	221,719	39,551	182,168

December 31, 2011	Cost	Accumulated depreciation	Net book value
Equipment – transportation	219,596	24,168	195,428
Computers	2,123	-	2,123
	221,719	24,168	197,551

December 31, 2010	Cost	Accumulated depreciation	Net book value
Equipment – transportation	42,687	12,095	30,592

9. Loans Payable

In February 2007, a company controlled by an officer of the Company entered into a loan agreement for the purchase of equipment. As the sole purpose of the equipment was for the benefit of the Company, the equipment and corresponding loan obligation are recorded on the Company's records. The loan amount was $42,043, maturing February 2023 bearing interest at 6.69%. The loan was refinanced at 7.71% for another five years effective February 2012. The equipment serves as collateral for the loan.

In March 2011, an officer of the Company entered into a loan agreement for the purchase of equipment. As the sole purpose of the equipment was for the benefit of the Company, the equipment and corresponding loan obligation are recorded on the Company's records. The loan amount was $176,910, maturing February 2028 bearing interest at 7.64%. The equipment serves as collateral for the loan.

The following table summarizes the payments and interest payable for the next five years:

	December 31,2012
Payments due within one year	23,164
Payments due years two to five	115,818
Total Interest paid	67,632

(Stated in CAD dollars)

10. Income Taxes

The provision for income taxes reflects an effective tax rate that differs from the corporate tax rate for the following reasons:

	December 31, 2010	December 31, 2011	December 31, 2012
Combined basic federal and provincial income tax rate	15.5%	15.5%	15.5%
Expected combined Canadian federal and provincial tax recovery based on above rates	(7,899)	(11,162)	(27,686)
Permanent differences	4	6	79
Changes in future tax rates	-	-	-
Changes in tax benefits not recognized	7,895	11,156	27,607
Total income tax expense (recovery)	-	-	-

The Company recognizes its tax benefits which are offset by a valuation allowance to the extent that it is not probable that the future income tax assets will be realized. The Company will continue to evaluate and examine the valuation allowance on a regular basis.

At December 31, 2012, the Company has estimated non-capital losses of $510,891, which expire between 2029 and 2033. As the Company is in the process of commencing operations and future operations remain uncertain, a valuation allowance has been recorded on tax benefits relating to its loss carry-forwards.

The components of deferred income tax assets (liabilities) are as follows:

As at December 31,	December 31, 2010	December 31, 2011	December 31, 2012
Capital assets	1,875	3,746	6,130
Loss carry-forwards	13,038	22,322	47,545
Tax benefits not recognized	(14,913)	(26,068)	(53,675)
Net deferred income tax asset (liability)	-	-	-

11. Subsequent Events

Proposed Go-Public Transaction

The Company has entered into a share purchase agreement with New International Infopet Systems Ltd. ("Infopet") to complete a going-public transaction in the fourth quarter of 2013. The Company will become a wholly owned subsidiary of Infopet through a reverse takeover transaction. Upon completion of the transaction, each of the Company's common shares will be exchanged for one payment unit. Each payment unit will consist of one common share and one-half warrant, expiring in one year, to purchase one common share for $0.65. In addition, all other outstanding warrants and options will be exchanged for Infopet warrants and options with equivalent values and terms.

Infopet will be the legal parent of the Company. However, as the transaction is being completed through a reverse takeover, for accounting purposes, the Company will account for the transaction as the acquirer.

Financing

Prior to January 1, 2010, the Company issued 100 common shares to a company controlled by an officer of the Company for nominal consideration.

On February 5, 2013, the Company issued 5,833,333 common shares to an officer of the Company in exchange for the transfer of intangible property valued at $425,000.

On February 12, 2013, the Company issued 1,666,567 common shares to a companies controlled by an officer of the Company for reimbursement of $249,999 of expenses paid on behalf of the Company.

On February 19, 2013, the Company issued 500,000 common shares to a company controlled by an officer of the Company for reimbursement of $150,000 of expenses paid on behalf of the Company.

On September 25, 2013, the Company issued 666,667 common shares to a company controlled by an officer of the Company for reimbursement of $200,000 of expenses paid on behalf of the Company.

In September 2013, the Company issued 500,000 common shares to investors for proceeds of $150,000 less agent fees of $15,000.

Subsequent to September 30, 2013, the Company secured $750,200 in equity financing at a price of $0.30. The Company issued 2,500,668 shares and warrants respectively. The warrants have an exercise price of $0.30 and expire two years from the date of issuance. The Company incurred share issue costs of approximately $71,000 on the financing.

11. Subsequent Events (continued)

Warrants

On February 19, 2013, the Company issued 500,000 warrants to a company controlled by an officer of the Company. The warrants have an exercise price of $0.30, expires two years from the date of issuance.

In September 2013, the Company issued the following warrants:

- 666,667 warrants to a company controlled by an officer of the Company;
- 500,001 warrants to private investors; and
- 395,763 warrants to an agent representing private investors.

The warrants have an exercise price of $0.30; expire two years from the date of issuance. None of the warrants have been exercised to date.

Unaudited Condensed Interim Financial Statements
(Stated in CAD dollars)

MXM NATION INC.

For the three and nine months ended September 30, 2013 and 2012

MXM NATION INC.

Unaudited Condensed Interim Financial Statements

For the three and nine months ended September 30, 2013 and 2012

MXM NATION INC.

Unaudited Condensed Interim Statements of Financial Position
(Stated in CAD dollars)

Unaudited	September 30, 2013	December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	58,950	-
Prepayments and deposits	2,500	-
Accounts receivable	41,121	727
Total current assets	102,571	727
Capital assets – net (note 10)	172,098	182,168
Intangible assets – net (note 9)	330,556	-
	605,225	182,895
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	255,720	34,589
Current portion of long term debt (note 11)	9,043	8,225
Due to shareholder (note 5)	-	477,503
Note payable (note 12)	41,430	-
Total current liabilities	306,193	520,317
Long term liabilities		
Long term debt (note 11)	185,211	190,743
Total long term liabilities	185,211	190,743
Total liabilities	491,404	711,060
Shareholders' equity (deficiency)		
Share capital (note 6)	894,067	1
Unlimited number of common shares, no par value, authorized, 9,166,668 (December 31, 2012 - 100) issued and outstanding		
Additional paid-in capital (note 6)	68,752	-
Warrants (note 6)	265,933	-
Accumulated deficit	(1,114,931)	(528,166)
	113,821	(528,165)
	605,225	182,895

See accompanying notes to unaudited condensed interim financial statements.

Going concern (note 1)

Approved by the Board

Signed: "Gary Bartholomew"
Director

MXM NATION INC.

Unaudited Condensed Interim Statements of Comprehensive Loss
(Stated in CAD dollars)

	Three months ended September 30		Nine months ended September 30	
Unaudited	2013	2012	2013	2012
Operating expenses				
Sales, general and administrative	183,324	8,863	385,373	135,622
Research and development	45,487	-	82,809	-
Depreciation and amortization	39,396	3,846	106,115	11,537
Loss before interest expense	268,207	12,709	574,297	147,159
Interest expense	4,920	3,868	12,468	11,656
Net loss and comprehensive loss	(273,127)	(16,577)	(586,765)	(158,815)
Basic and Diluted net loss per share	(0.03)	(165)	(0.08)	(1,588)
Weighted average number of common shares outstanding – basic and diluted	8,005,079	100	6,912,714	100
Common Shares outstanding, end of period	9,166,668	100	9,166,668	100

See accompanying notes to unaudited condensed interim financial statements.

MXM NATION INC.

Unaudited Condensed Interim Statements of Changes in Equity (Deficiency)
(Stated in CAD dollars)

For the nine months ended September 30, 2013 Unaudited	Common shares issued Shares	 Amount	Additional paid-in capital	Warrants	Accumulated deficit	Total
(All amounts in Canadian dollars except share amounts)						
Balance – December 31, 2012	100	1	-	-	(528,166)	(528,165)
Issuance of common stock	9,166,568	894,066	-	-	-	894,066
Issuance of stock options	-	-	68,752	-	-	68,752
Issuance of stock warrants	-	-	-	265,933	-	265,933
Net loss	-	-	-	-	(586,765)	(586,765)
Balance – September 30, 2013	9,166,668	894,067	68,752	265,933	(1,114,931)	113,821

For the nine months ended September 30, 2012 Unaudited	Common shares issued Shares	 Amount	Additional paid-in capital	Warrants	Accumulated deficit	Total
(All amounts in Canadian dollars except share amounts)						
Balance – December 31, 2011	100	1	-	-	(345,507)	(345,506)
Net loss	-	-	-	-	(158,815)	(158,815)
Balance – September 30, 2012	100	1	-	-	(504,322)	(504,321)

See accompanying notes to unaudited condensed interim financial statements.

MXM NATION INC.

Statements of Cash Flows
(Stated in CAD dollars)

Unaudited	Nine months ended September 30 2013	2012
Cash flow from (used in) operating activities:		
Net loss from continuing operations	(586,765)	(158,815)
Items not affecting cash:		
Depreciation and amortization	106,115	11,537
Stock-based compensation expense	68,751	-
Decrease (increase) in non-cash working capital:		
Accounts receivable	(40,393)	-
Prepayments and deposits	(2,500)	4,000
Accounts payable and accrued liabilities	221,132	4,650
Cash flow from (used in) operating activities	(233,660)	(138,628)
Cash flow from (used in) financing activities:		
Proceeds from issuance of common shares and warrants	150,000	-
Proceeds from due to shareholder	107,494	144,309
Payment of long term debt	(4,714)	(5,681)
Proceeds from short term debt	41,430	-
Cash flow from financing activities	294,210	138,628
Cash flow from (used in) investing activities:		
Purchase of capital assets	(1,600)	-
Cash flow from (used in) investing activities	(1,600)	-
Net cash inflow (outflow)	58,950	-
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of period	58,950	-
Components of cash and cash equivalents		
Cash	58,950	-
Cash equivalents	-	-
Total cash and cash equivalents	58,950	-
Supplemental cash flow information		
Cash paid for interest	7,788	7,548
Cash paid for income taxes	-	-

See accompanying notes to unaudited condensed interim financial statements.

1. Organization and Going Concern

MXM Nation Inc. (the "Company") was incorporated on February 2, 2005 under the Business Corporations Act of Ontario, Canada. The Company was originally incorporated as Deep Creek Ventures Inc., changing its name to MX Mechanics Inc. on April 4, 2007, and to MXM Nation Inc. on February 5, 2013. The Company's head office is located at 295 Hagey Boulevard, First Floor, Waterloo, Ontario, N2L 6R5.

The Company was incorporated to support amateur athletes, specifically those in motocross, with sponsorship opportunities. With the advent of social media, the Company has built an online platform to facilitate the goal of matching amateur athletes with sponsors. The Company intends to expand its operations by licensing its social media technology, acquiring social media networks, and building new social networks.

The Board of Directors approved the Company's these condensed interim financial statements on December 16, 2013.

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 is liabilities in the normal course of the business for the foreseeable future.

Historically the Company has had operating losses, negative cash flows from operations and working capital deficiencies. These uncertainties cast significant doubt upon the Company's ability to continue as a going concern. These unaudited condensed interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.

The Company has relied on financing from its shareholders and officer to fund operations to date. The continuing operations of the Company are dependent upon its ability to raise adequate financing, to complete its proposed go-public transaction (see note 14) and to develop profitable operations in the future.

2. Significant Accounting Policies

Basis of presentation

These unaudited condensed interim financial statements have been prepared on a historical cost basis and presented in Canadian dollars ("CAD" dollars), except for certain financial instruments which are measured at fair market value.

Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board. Accordingly, these unaudited condensed interim financial statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year end reporting purposes. Results for the periods ended September 30, 2013 are not necessarily indicative of future results.

2. Significant Accounting Policies (continued)

Use of estimates

The preparation of these financial statements and related disclosures in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of these financial statements, and the reported amounts of revenue and expenses during the periods reported. By their nature, these estimates are subject to uncertainty and the effect on the financial statements of changes in estimates in future periods could be significant.

The Company applied judgment in the determination of the recoverability of both capital assets and intangible assets.

Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the period that they are determined to be necessary.

Cash and cash equivalents

Cash and cash equivalents include all cash on demand, interest bearing deposits with original maturities of three months or less. As at September 30, 2013 the Company did not hold any cash equivalents.

Intangible assets

Costs of start-up activities and organizational costs are expensed as incurred. Start-up costs include those one-time activities related to organizing a new entity.

The Company records intangible assets, excluding goodwill and intangible assets with indefinite lives at cost and provides for amortization over their expected useful lives using the straight-line method over the following periods:

Customer lists	3 years
Patents and trademarks	3 years
System development costs	3 years

Goodwill and other intangible assets with indefinite lives are not amortized, but are tested for impairment at least annually, or more frequently, if events or changes in circumstances indicate that the asset might be impaired, such as, the loss of a patent litigation or a significant decline in the Company's revenue.

2. Significant Accounting Policies (continued)

Share-based payment transactions

Employees of the Company, including management personnel, may receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the equity instruments are granted. The fair value is determined by using the Black-Scholes pricing model.

The cost of equity-settled transactions is recognized over the period in which the performance or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date reflects the extent to which vesting periods have expired and reflects the Company's best estimate of the number of equity instruments that will ultimately vest.

Where the terms of an equity instrument are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee, as measured at the date of modification.

The dilutive effect of outstanding share options is reflected as additional share dilution in the computation of diluted earnings per share.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity dates. They are initially recognized at fair value and subsequently carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company classifies its cash and cash equivalents and accounts receivables as loans and receivables.

2. Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss.

Other financial liabilities - This category includes all other liabilities, all of which are initially recognized at fair value, net of transaction costs, and are subsequently stated at amortized cost. The Company classifies its accounts payable and accrued liabilities, note payable, long term debt and due to shareholder as other financial liabilities.

3. Future Accounting Policies

Standards issued but not yet effective up to the date of issuance of these unaudited condensed interim financial statements are described below. This description is of standards and interpretations issued that the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 Financial Instruments ("IFRS 9") was published on November 12, 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables. The standard is effective for annual periods beginning on or after a date yet to be determined. The Company is still evaluating the impact of IFRS 9 on its financial statements.

4. New and Revised Accounting Standards effective January 1, 2013

The following new and revised accounting standards were effective January 1, 2013.

IFRS 10 Consolidated Financial Statements

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 supersedes SIC-12 Consolidations – Special Purpose Entities and replaces parts of IAS 27. The effective date of this amendment is for annual periods beginning on or after January 1, 2013. The adoption of IFRS 10 will not have a material effect on the Company's financial statements.

IFRS 11 Joint Arrangements

IFRS 11 requires a venture to classify its interest in a joint arrangement as a joint operation or a joint venture. The standard eliminates the use of the proportionate consolidation method to account for joint ventures. Joint ventures will be accounted for using the equity method of accounting while, for a joint operation, the venture will recognize its share of the assets, liabilities, revenues and expenses of the joint operation. IFRS 11 supersedes SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers and IAS 31 Joint Ventures. The effective date of this amendment is for annual periods beginning on or after January 1, 2013. The adoption of IFRS 11 did not have a material effect on the Company's financial statements.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities such as subsidiaries, joint arrangements, associates and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interest in other entities. IFRS 12 replaces the previous disclosure requirements included in IAS 27 Consolidated and Separate Financial Statements, IAS 31 Joint Ventures and IAS 28 Investment in Associates. The effective date of this amendment is for annual periods beginning on or after January 1, 2013. The adoption of IFRS 12 did not have a material effect on the Company's financial statements.

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. IFRS 13 defines fair value and establishes disclosures about fair value measurement. The effective date of this amendment is for annual periods beginning on or after January 1, 2013. The adoption of IFRS 13 did not have a material effect on the Company's financial statements.

(Stated in CAD dollars)

5. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

In the course of operations the Company has transactions with related parties. These transactions are in the normal course of operations and are measured at their exchange value, which approximates the fair market value as with any third party.

The amounts due from (to) related parties as at:

	September 30, 2013	December 31, 2012
Due to a company controlled by an officer and shareholder	-	477,503

The following table outlines the Company's related party transactions for the periods ending:

	For the three months ended September		For the nine months ended September	
	2013	2012	2013	2012
Transfer of intangible property by an officer (see note 9)	-	-	425,000	-
Equity issued to related companies to settle amounts due	200,000	-	600,000	-

For the nine month period ended September 30, 2013 compensation of 197,344 (September 30, 2012 - $Nil) was paid to key management personnel. In addition share-based payments to key management amounted to $24,867 for the nine month period ended September 30, 2013 (September 30, 2012 - $Nil).

6. Share Capital

Common Shares

The Company is authorized to issue an unlimited number of common shares with no par value. Common shares may only transfer upon:

a) The consent of the directors of the Company expressed by a resolution passed at a meeting of the Board of Directors, or signed by all directors of the Company; or

b) The consent of greater than 50% of the outstanding voting shares of the Company expressed by a resolution passed at a meeting of the shareholders, or signed by all shareholders of the Company.

The Company has issued the following common share capital:

Prior to January 1, 2010, the Company issued 100 common shares to a company controlled by an officer of the Company for nominal consideration.

On February 5, 2013, the Company issued 5,833,333 common shares to an officer of the Company in exchange for the transfer of intangible property valued at $425,000.

(Stated in CAD dollars)

6. Share Capital (continued)

Common Shares (continued)

On February 12, 2013, the Company issued 1,666,567 common shares to a companies controlled by an officer of the Company for reimbursement of $249,999 of expenses paid on behalf of the Company.

On February 19, 2013, the Company issued 500,000 common shares to a company controlled by an officer of the Company for reimbursement of $150,000 of expenses paid on behalf of the Company.

On September 25, 2013, the Company issued 666,667 common shares to a company controlled by an officer of the Company for reimbursement of $200,000 of expenses paid on behalf of the Company.

In September 2013, the Company issued 500,000 common shares to investors for proceeds of $150,000 less agent fees of $15,000.

Warrants

On February 19, 2013, the Company issued 500,000 warrants to a company controlled by an officer of the Company. The warrants have an exercise price of $0.30, expire two years from the date of issuance and were valued at $79,483. None of the warrants have been exercised to date.

In September 2013, the Company issued the following warrants:

- 666,667 warrants to a company controlled by an officer of the Company;
- 500,001 warrants to private investors; and
- 50,000 warrants to an agent representing private investors.

The warrants have an exercise price of $0.30, expire two years from the date of issuance, and were valued at $186,450. None of the warrants have been exercised to date.

The Company has estimated the fair value of these warrants on the date of issuance using the Black-Scholes model and the following assumptions:

Risk free interest rate	1.97% - 2.57%
Expected term in years	2
Expected dividend yield	0%
Expected volatility	100%

(Stated in CAD dollars)

6. Share Capital

Preferred Shares

The Company is authorized to issue an unlimited number of preference shares with no par value. The preference shares may be issued in separate series under terms to be determined by the Company. No preferred shares have issued by the Company. The terms to be determined are:

a) the rate and method of calculation of any dividends, the currency of payment, the date and place of payment thereof and the date from which any such dividends shall accrue, provided always that dividends on each series of preference shares shall be non-cumulative;

b) any right of redemption and/or purchase and the redemption or purchase prices and terms and conditions of any such right;

c) any right of retraction vested in the holders of preference shares of such series and the prices and terms and conditions of any such rights;

d) any rights upon dissolution, liquidation or winding-up of the Company;

e) any voting rights; and

f) any other provisions attaching to any such series of preference shares.

Stock Options

The Company has issued stock options during the period ended September 30, 2013. Stock options have a maximum term of ten years and vest at the discretion of the Board of Directors at the time the options are granted.

The Company has estimated the fair value of stock options on the date of issuance using the Black-Scholes model and the following assumptions:

Risk free interest rate	1.87% - 2.48%
Expected term in years	10
Expected dividend yield	0%
Expected volatility	100%

Stock option activity and related information for the period ended September 30, 2013:

September 30, 2013	Shares under options, and RSUs	Weighted average exercise price
Outstanding, beginning of period	–	–
Granted	1,385,000	$0.27
Exercised	–	–
Forfeited	–	–
Expired	–	–
Outstanding, end of period	1,385,000	$0.27

(Stated in CAD dollars)

6. Share Capital (continued)

Stock Options (continued)

	September 30, 2013	
	Shares under options, and RSUs	Weighted average grant date fair value
Unvested, beginning of period	–	–
Granted	1,385,000	$0.09
Vested	(182,500)	$0.06
Forfeited	–	–
Unvested, end of period	1,202,500	$0.12

The following table summarizes the exercise price ranges of outstanding and exercisable stock options as at September 30, 2013:

	Total stock options outstanding		
Range of exercise prices	Number outstanding	Weighted average remaining contractual life	Weighted average exercise price
$0.00 – $1.00	1,385,000	9.4 years	$0.27
$1.01 – $2.00	–	–	–
$2.01 – $3.00	–	–	–
$0.00 – $3.00	1,385,000	9.4 years	$0.27

7. Financial Instruments

Fair Value

The Company has determined that the carrying values of accounts receivable, accounts payable and accrued liabilities, note payable and due to shareholder approximates their fair values due to the current nature of these instruments. The fair value of long term debt is based on the discounted value of future cash flows under the current financial arrangements at the interest rate the Company expects to currently negotiate for loans with similar terms and conditions and maturity dates. The fair value of long term debt approximates its carrying value due to the current market rates.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is exposed to credit risk with respect to its cash and cash equivalents and receivables.

7. Financial Instruments

Credit Risk (continued)

The Company's credit risk is primarily attributable to cash. Management believes that the credit risk with respect to cash is remote as it maintains accounts with highly rated financial institutions. The Company's concentration of credit risk and maximum exposure is as follows:

	September 30, 2013	December 31, 2012
Bank accounts	58,950	-
Accounts receivable	41,121	727
	100,071	727

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to 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 consists of a) the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Due to the short-term nature of the Company's financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values.

Foreign currency risk

The Company is not exposed to any significant foreign currency risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

(Stated in CAD dollars)

8. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

There have been no changes to the Company's approach to capital management for the period ended September 30, 2013. The Company is not subject to externally imposed capital requirements.

9. Intangible Assets

September 30, 2013	Cost	Accumulated amortization	Net book value
System architecture and design	200,000	44,444	155,556
Patent applications	150,000	33,333	116,667
Customer lists	25,000	5,556	19,444
Application code, web design and branding	50,000	11,111	38,889
Total	425,000	94,444	330,556

The Company received intangible property with a value of $425,000 during the nine months September 30, 2013 in exchange for common shares (notes 5 and 6).

(Stated in CAD dollars)

10. Capital Assets

September 30, 2013	Cost	Accumulated amortization	Net book value
Equipment – transportation	219,597	49,850	169,747
Computers	3,723	1,372	2,351
	223,320	51,222	172,098

December 31, 2012	Cost	Accumulated amortization	Net book value
Equipment – transportation	219,596	38,843	180,753
Computers	2,123	708	1,415
	221,719	39,551	182,168

11. Loans Payable

In February 2007, a company controlled by an officer of the Company entered into a loan agreement for the purchase of equipment. As the sole purpose of the equipment was for the benefit of the Company, the equipment and corresponding loan obligation are recorded on the Company's records. The loan amount was $42,043, maturing February 2023 bearing interest at 6.69%. The loan was refinanced at 7.71% for another five years effective February 2012. The equipment serves as collateral for the loan.

In March 2011, an officer of the Company entered into a loan agreement for the purchase of equipment. As the sole purpose of the equipment was for the benefit of the Company, the equipment and corresponding loan obligation are recorded on the Company's records. The loan amount was $176,910 maturing February 2028 bearing interest at 7.64%. The equipment serves as collateral for the loan.

The following table summarizes the payments and interest payable for the next five years:

	September 30, 2013	December 31, 2012
Payments due within one year	22,722	23,164
Payments due years two to five	90,888	92,654
Total interest paid	61,086	67,632

12. Note Payable

The note payable bears interest at 15% and matures when the Company raises not less than $150,000 of equity.

13. Income Taxes

The Company recognizes its tax benefits which are offset by a valuation allowance to the extent that it is more likely than not that the future income tax assets will not be realized. The Company will continue to evaluate and examine the valuation allowance on a regular basis.

The Company's effective income tax rate was nil for the nine months ended September 30, 2013. The effective tax rate is less than the statutory rate primarily due to recording a valuation allowance on its loss carryforwards.

At December 31, 2008, the Company has estimated non-capital losses of $716,852, which expire between 2029 and 2033. As the Company is in the process of commencing operations and future operations remain uncertain, a valuation allowance has been recorded on tax benefits relating to its loss carry-forwards.

14. Subsequent Events

Share Purchase Agreement

The Company has entered into a share purchase agreement with New International Infopet Systems Ltd. ("Infopet") to complete a going-public transaction in the fourth quarter of 2013. The Company will become a wholly-owned subsidiary of Infopet through a reverse takeover transaction. Upon completion of the transaction, each of the Company's common shares will be exchanged for one payment unit. Each payment unit will consist of one common share and one-half warrant, expiring in one year, to purchase one common share for $0.65. In addition, all other outstanding warrants and options will be exchanged for Infopet warrants and options with equivalent values and terms.

Infopet will be the legal purchaser of the Company. However, as the transaction is being completed through a reverse takeover, for accounting purposes, the Company will account for the transaction as the purchaser.

Financing

Subsequent to September 30, 2013, the Company secured $750,200 in equity financing at a price of $0.30. The Company issued 2,500,668 shares and warrants respectively. The warrants have an exercise price of $0.30 and expire two years from the date of issuance. The Company incurred share issue costs of approximately $71,000 cash in addition to the issuance of 345,763 finder warrants. The warrants have an exercise price of $0.30 and expire two years from the date of issuance.

SCHEDULE "C"
MANAGEMENT'S DISCUSSION AND ANALYSIS OF INFOPET

Annual MD&A.

Interim MD&A.

NEW INTERNATIONAL INFOPET SYSTEMS LTD.

Suite 204, 181 Eglinton Avenue East
Toronto, Ontario, M4P 1J4
Telephone: (416) 485-8833
Facsimile: (416) 485-3246

Management's Discussion and Analysis of Financial Condition and Operating Results

For The Year Ended October 31, 2012

Prepared by Management

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

The following Management's Discussion and Analysis of Financial Condition and Operating Results ("MD&A") for New International Infopet Systems Ltd. ("Infopet" or the "Company") should be read in conjunction with the Financial Statements for the year ended October 31, 2012 and year ended October 31, 2011 and the Notes thereto and constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended October 31, 2012.

This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended October 31, 2012, 2011 and 2010, together with notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as at February 11, 2013, unless otherwise indicated.

On November 1, 2010, the Company adopted International Financial Reporting Standards ("IFRS"). The audited financial statements for the year ended October 31, 2012, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Readers of the MD&A should refer to "Changes in Accounting Policies" below for a discussion of IFRS and its effect on the Company's financial presentation.

The comparative financial information for 2011 and 2010 in this MD&A has been restated to conform to IFRS, unless otherwise stated.

Further information about the Company and its operations is available on SEDAR at **www.sedar.com**.

The following Management's Discussion and Analysis ("MD&A") may contain forward-looking statements. Forward-looking statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual events or results to differ materially from those reflected herein. Forward-looking statements are based on the estimates and opinions of management of the Company at the time the statements were made. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements (see Risks Factors below).

Risk Factors

Some of the business risks could include:

- ability to raise financing;
- ability to meet obligations as they come due;
- reliance on related parties;
- general business and economic conditions;
- the ability to attract and retain staff;
- competition for, among other things, financings, acquisitions and skilled personnel; and
- government regulation.

The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base their decisions on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The Company also cautions readers not to place undue reliance on these forward-looking statements. Moreover, these forward-looking statements may not be suitable for establishing strategic priorities and objectives, future strategies or actions, financial objectives and projections other than those mentioned above.

Overview

The Company has no operations and is currently seeking new business opportunities. Success in identifying a suitable new business for the Company is uncertain. Furthermore, the Company has limited working capital to pursue such opportunities.

The ability of the Company to continue as a going concern is dependent upon, among other things, its being able to obtain additional financing, and maintaining positive operating cash flows.

Overall Performance

During fiscal 2012, the Company concentrated on its IFRS conversion from Canadian Generally Accepted Accounting Principles ("Canadian GAAP") and searched for prospective assets and businesses to acquire or merge with.

At October 31, 2012, the Company had cash of $135 and shareholders' deficit of $2,011,146. This compares with cash of $1,259 and shareholders' deficit of $2,009,118 at October 31, 2011 and cash of $1,828 and shareholders' deficit of $2,008,549 at November 1, 2010.

At October 31, 2012, the Company had $200,251 of current liabilities (October 31, 2011 - $199,347 and November 1, 2010 - $199,347).

At October 31, 2012, the Company had a working capital deficiency of $200,115 compared to working capital deficiency of $198,087 at October 31, 2011 and $197,518 at November 1, 2010).

The Company had $10,000 of consulting revenue for the year ended October 31, 2012, compared to $8,000 for the year ended October 31, 2011.

The Company believes that additional financing will be required to fund its operating expenses as it searches for suitable assets and businesses to merge with or acquire. The Company is economically dependent on related parties for financing its ongoing operations.

Trends

The Company plans to continue to search for suitable assets or businesses to acquire or merge with in order to maximize value for shareholders. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and long-term strategic decisions. Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Selected Annual Information

The financial information disclosed below has been prepared in accordance with IFRS and is reported in Canadian dollars.

The following tables set forth selected financial data from the Company's accompanying audited financial statements and should be read in conjunction with those financial statements.

Description	2012	2011	2010
Revenue	$10,000	$8,000	$8,000
Net income (loss) for the year	$(2,028)	$(569)	$603
Net income (loss) per share – basic and diluted	$(0.00)	$(0.00)	$0.00
Total assets	$136	$1,260	$1,829

Selected Quarterly Information

For quarters ending after November 1, 2010, the quarterly results have been restated to reflect accounting policies consistent with IFRS. Quarterly results for quarters ended before November 1, 2010, have been prepared in accordance with Canadian GAAP.

Three Months Ended	Accounting Polices ($)	Total Sales ($)	Profit or Loss	
			Total ($)	Per Share ($)
October 31, 2012	IFRS	-	(1,105)	(0.00)
July 31, 2012	IFRS	-	(1,108)	(0.00)
April 30, 2012	IFRS	-	1,120	0.00
January 31, 2012	IFRS	-	(935)	(0.00)
October 31, 2011	IFRS	-	(29)	(0.01)
July 31, 2011	IFRS	-	(24)	(0.00)
April 30, 2011	IFRS	-	(492)	(0.00)
January 31, 2011	IFRS	-	(24)	(0.00)

Results of Operations

Year ended October 31, 2012, compared with year ended October 31, 2011

For the year ended October 31, 2012, the Company reported a loss of $2,208 (basic and diluted loss per share – ($0.00)) versus a loss of $569 (basic and diluted loss per share – ($0.00)) in 2011. Revenue in both periods related to consulting fees earned from the Company's president. Consulting fees amounted to $10,000 in the current year compared to $8,000 in the comparative year. Expenses in both periods related primarily to accounting fees and regulatory filing fees to keep the Company compliant with its public company reporting and disclosure obligations. Professional fees were $9,944 for the current year compared to $6,328 in the comparative year. Office fees were $2,084 for the current year compared to $2,241 in the comparative year. In general, most expenses in 2012 were slightly higher because the Company required assistance from external consultants to assist the Company with its IFRS conversion.

Liquidity

The Company has a significant working capital deficiency and is economically dependent on various related parties for financing its ongoing operations. At October 31, 2012 the Company has a working capital deficiency of $200,116 (October 31, 2011 - $198,088, November 1, 2010 - $197,519). The Company's primary use of funds was applied to operating expenses.

The Company's current assets as of October 31, 2012 were $135 which consists of cash (October 31, 2011 – cash of $1,259, November 1, 2010 – cash of $1,828). Long-term assets as of October 31, 2012 were $1 which consists of 1,000 common shares of International Infopet Systems Inc., a privately owned company registered in Delaware, United States. This holding represents a one-third interest in that corporation (October 31, 2011 – $1, November 1, 2010 – $1).

The Company exercises significant influence over the investee and uses the equity method to account for its investment. During 2004, the investment became permanently impaired and was written down to a nominal amount of $1. Any subsequent increase in value will be recognized only when the investment becomes profitable.

The Company's current liabilities at October 31, 2012 were $200,251 (October 31, 2011- $199,347, November 1, 2010 - $199,347). Included in current liabilities is accounts payable and accrued liabilities of $8,765 (October 31, 2011- $7,861 and November 1, 2010 - $7,861) and amounts due to related parties of $191,486 (October 31, 2011- $191,486, November 1, 2010 - $191,486).

The Company will require additional sources of revenue or further advances from related parties to meet its current and future working capital obligations.

The Company's past primary source of liquidity and capital resources has been advances from related parties and consulting revenue. The Company does not currently have any contracts or commitments for capital expenditures. At present, the Company does not have sufficient resources to fund its current working capital requirements. The Company may be required to obtain additional financing by way of debt, issuance of common shares or some other means to service its working capital requirements, any additional or unforeseen obligations or to implement any future opportunities.

Capital Resources

At present, the Company's operations are inactive. The Company does not have any contracts or commitments for capital expenditures. The Company will be required to obtain external financing in order to participate in any opportunities. In order to obtain sufficient financing, the Company may be required to obtain a listing of its common shares. If the Company issued additional common shares from treasury, it would cause the current shareholders of the Company to be diluted.

Off- Balance Sheet Transactions

The Company has no off balance sheet arrangements.

Related Party Transactions

(a) Amounts due to related parties by the Company at October 31, 2012, October 31, 2011 and November 1, 2010 are as follows:

	As at October 31, 2012	As at October 31, 2011	As at November 1, 2010
Dapaul Management Limited (as trustee) (i)	$ **157,586**	$ 157,586	$ 157,586
857710 Ontario Limited (ii)	**32,445**	32,445	32,445
Due to president (iii)	**1,455**	1,455	1,455
	$ **191,486**	$ 191,486	$ 191,486

(i) The president of the Company owns 100% of Dapaul Management Limited. The amount due is non-interest bearing and payable on demand.

(ii) 857710 Ontario Limited is a corporation controlled by a director and officer of the Company. The amount is unsecured, non-interest bearing, and without definite terms of repayment.

(iii) The amount is due to the president of the Company. The amount is unsecured, non-interest bearing, and without definite terms of repayment.

(b) During the year ended October 31, 2012, the Company received $10,000, from the Company's president for consulting services rendered to him (year ended October 31, 2011 - $8,000).

Economic dependence

The Company is economically dependent on the above related parties for financing of its ongoing operations.

Changes in Accounting Policies

Impact of Adopting IFRS on the Company's Accounting Policies

The financial statements for the year ended October 31, 2012 have been prepared in accordance with IFRS. The Company has prepared its financial statements until October 31, 2011 in accordance with Canadian GAAP, which differ in certain respects from IFRS. In preparing the October 31, 2012 financial statements, the Company amended certain accounting policies the Company previously applied in the Canadian GAAP financial statements, to comply with IFRS. However, these changes have not had any material impact on the amounts the Company previously recorded under Canadian GAAP.

The adoption of IFRS has resulted in some changes to the Company's accounting systems and business processes. However, the impact has been minimal. The Company has not identified any contractual arrangements that are significantly impacted by the adoption of IFRS.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after October 31, 2012. Many are not applicable or do not have a significant impact to the Company and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

(i) IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 Financial Instruments (IFRS 9) as a first phase in its ongoing project to replace IAS 39. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2015.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities. Management has not yet determined the potential impact the adoption of IFRS 9 will have on the Company's financial statements.

(ii) IFRS 13 – Fair value measurement ("IFRS 13") was issued by the IASB on May 12, 2011, the IASB issued IFRS 13 Fair Value Measurement (IFRS 13). IFRS 13, which is to be applied prospectively, is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 13 defines fair value, provides a framework for measuring fair value and includes disclosure requirements for fair value measurements. IFRS 13 will be applied in cases when another IFRS requires (or permits) fair value measurement. Management has not yet determined the potential impact that the adoption of IFRS 13 will have on the Company's financial statements.

(iii) Other

In June 2011, the IASB issued amendments to IFRS 7 Financial Instruments: Disclosures. The Company does not believe the changes resulting from these amendments are relevant to its financial statements.

In May 2011, the IASB issued IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The Company does not believe the changes resulting from these new standards are relevant to its financial statements.

In June 2011, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 19 Employee Benefits, primarily related to accounting for defined benefit pension plans. The Company does not believe the changes resulting from these amendments will have an impact on its financial statements.

Capital Management

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future business opportunities, and pursuit of business or asset acquisitions; and
- To maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be capital stock, reserve and deficit which at October 31, 2012 totaled a deficit balance of $200,115 (October 31, 2011 - deficit balance of $198,087 and November 1, 2010 - deficit balance of $197,518).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended October 31, 2012. The Company is not subject to any capital requirements imposed by a lending institution.

Financial Instruments

The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

Credit Risk

The Company is exposed to credit risk through its cash, which is held at a Canadian chartered bank. The Company believes this credit risk is insignificant.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at October 31, 2012, the Company had a cash balance of $135 (October 31, 2011 - $1,259 and November 1, 2010 - $1,828) to settle current liabilities of $200,251 (October 31, 2011 - $199,347 and November 1, 2010 - $199,347). Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

It is expected the Company will render one invoice annually for consulting fees to the President/Chief Executive Officer of the Company in an amount sufficient to cover its ongoing operating expenses.

Fair Values

The fair values of cash, accounts payable, accrued liabilities and due to related parties approximate their carrying values due to the short-term to maturity of these financial instruments.

Sensitivity analysis

The Company does not have significant financial instruments as at October 31, 2012. A one percentage point increase or decrease in the Company's financial instruments would not have a significant impact on profit or loss.

Other MD&A Requirements

Additional Information

Additional information relating to the Company may be obtained or viewed from the System for Electronic Data Analysis and Retrieval at www.sedar.com

Share Capital as at October 31, 2012 and as at the date of this MD&A

(a) Authorized

Unlimited number of common shares

(b) Common shares issued

	Number of common shares		Stated value
Balance at November 1, 2010, October 31, 2011, and October 31, 2012	**1,068,400**	**$**	**1,586,504**

(c) Other

The Company had no convertible shares, stock options or warrants outstanding during the current or prior years.

NEW INTERNATIONAL INFOPET SYSTEMS LTD.
Suite 204, 181 Eglinton Avenue East
Toronto, Ontario, M4P 1J4
Telephone: (416) 485-8833
Facsimile: (416) 485-3246

Management's Discussion and Analysis of Financial Condition and Operating Results

For The Three and Nine Months Ended July 31, 2013

Prepared by Management

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

The following Management's Discussion and Analysis of Financial Condition and Operating Results ("MD&A") for New International Infopet Systems Ltd. ("Infopet" or the "Company") should be read in conjunction with the unaudited condensed interim financial statements for the three and nine months ended July 31, 2013 and the audited annual financial statements for the year ended October 31, 2012 and the Notes thereto and constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended July 31, 2013.

This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as at September 10, 2013, unless otherwise indicated.

The unaudited condensed interim financial statements for the three and nine months ended July 31, 2013, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS.

As a result of ongoing review and possible amendments by interpretive guidance from the IASB and IFRIC, IFRS in effect at October 31, 2013, may differ from IFRS and interpretation statements applied in preparing the audited annual financial statements for the year ended October 31, 2012, and the unaudited condensed interim financial statements for the three and nine months ended July 31, 2013 and 2012.

Further information about the Company and its operations is available on SEDAR at **www.sedar.com**.

The following MD&A may contain forward-looking statements. Forward-looking statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual events or results to differ materially from those reflected herein. Forward-looking statements are based on the estimates and opinions of management of the Company at the time the statements were made. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements (see Risks Factors below).

Risk Factors

Some of the business risks could include:

- ability to raise financing;
- ability to meet obligations as they come due;
- reliance on related parties;
- general business and economic conditions;
- the ability to attract and retain staff;
- competition for, among other things, financings, acquisitions and skilled personnel; and

- government regulation.

The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base their decisions on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The Company also cautions readers not to place undue reliance on these forward-looking statements. Moreover, these forward-looking statements may not be suitable for establishing strategic priorities and objectives, future strategies or actions, financial objectives and projections other than those mentioned above.

Overview

The Company has no operations and is currently seeking new business opportunities. Success in identifying a suitable new business for the Company is uncertain. Furthermore, the Company has limited working capital to pursue such opportunities.

The ability of the Company to continue as a going concern is dependent upon, among other things, its being able to obtain additional financing, and maintaining positive operating cash flows.

Overall Performance

There were no notable events during the nine months ended July 31, 2013. The Company concentrated on searching for prospective assets and businesses to acquire or merge with.

At July 31, 2013, the Company had cash of $566 and a deficit of $2,009,509. This compares with cash of $135 and a deficit of $2,011,146 at October 31, 2012.

At July 31, 2013, the Company had $199,045 of current liabilities (October 31, 2012 - $200,251).

At July 31, 2013, the Company had a working capital deficiency of $198,479 compared to a working capital deficiency of $200,116 at October 31, 2012.

The Company believes that additional financing will be required to fund its operating expenses as it searches for suitable assets and businesses to merge with or acquire. The Company is economically dependent on related parties for financing its ongoing operations.

Trends

The Company plans to continue to search for suitable assets or businesses to acquire or merge with in order to maximize value for shareholders. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and long-term strategic decisions. Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Selected Quarterly Information

Three Months Ended	Total Sales ($)	Profit or Loss	
		Total ($)	Per Share ($)
July 31, 2013	-	(2,254)	(0.00)
April 30, 2013	-	8,219	0.01
January 31, 2013	-	(4,328)	(0.00)
October 31, 2012	-	(1,105)	(0.00)
July 31, 2012	-	(1,108)	(0.00)
April 30, 2012	-	1,120	0.00
January 31, 2012	-	(935)	(0.00)
October 31, 2011	-	(29)	(0.01)

Results of Operations

Nine months ended July 31, 2013, compared with nine months ended July 31, 2012

For the nine months ended July 31, 2013, the Company reported net income of $1,637 (basic and diluted income per share - $0.00) versus net loss of $923 (basic and diluted loss per share – $0.00) in the corresponding period in 2012. Revenue in both periods related to consulting fees earned from the Company's president. Consulting fees amounted to $12,000 in the current period compared to $10,000 in the comparative period. Expenses in both periods related primarily to accounting fees and regulatory filing fees to keep the Company compliant with its public company reporting and disclosure obligations. Professional fees were $7,891 for the current period compared to $9,040 in the comparative period. Professional expenses in 2013 were lower because the Company required assistance from external consultants to help the Company with its IFRS conversion in 2012. Office fees were $2,472 for the current period compared to $1,883 in the comparative period.

Three months ended July 31, 2013, compared with three months ended July 31, 2012

For the three months ended July 31, 2013, the Company reported net loss of $2,254 (basic and diluted loss per share - $0.00) versus net loss of $1,108 (basic and diluted loss per share – $0.00) in the corresponding period in 2012. Revenue related to consulting fees earned from the Company's president was $nil for both periods. Expenses in both periods related primarily to accounting fees and regulatory filing fees to keep the Company compliant with its public company reporting and disclosure obligations. Professional fees were $2,053 for the current period compared to $905 in the comparative period. Office fees were $201 for the current period compared to $203 in the comparative period. Professional expenses in 2013 were higher because the Company required assistance for its public company reporting and disclosure obligations.

Liquidity

The Company has a significant working capital deficiency and is economically dependent on various related parties for financing its ongoing operations. At July 31, 2013, the Company had a working capital deficiency of $198,479 (October 31, 2012 - $200,116). The Company's primary use of funds was applied to operating expenses.

The Company's current assets as of July 31, 2013 were $566 which consists of cash (October 31, 2012 – cash of $135). Long-term assets as of July 31, 2013 were $1 which consists of 1,000 common shares of International Infopet Systems Inc., a privately owned company registered in Delaware, United States. This holding represents a one-third interest in that corporation (October 31, 2012 – $1).

The Company exercises significant influence over the investee and uses the equity method to account for its investment. During 2004, the investment became permanently impaired and was written down to a nominal amount of $1. Any subsequent increase in value will be recognized only when the investment becomes profitable.

The Company's current liabilities at July 31, 2013 were $199,045 (October 31, 2012 - $200,251). Included in current liabilities is accounts payable and accrued liabilities of $7,559 (October 31, 2012 - $8,765) and amounts due to related parties of $191,486 (October 31, 2012 - $191,486).

The Company will require additional sources of revenue or further advances from related parties to meet its current and future working capital obligations.

The Company's past primary source of liquidity and capital resources has been advances from related parties and consulting revenue. The Company does not currently have any contracts or commitments for capital expenditures. At present, the Company does not have sufficient resources to fund its current working capital requirements. The Company may be required to obtain additional financing by way of debt, issuance of common shares or some other means to service its working capital requirements, any additional or unforeseen obligations or to implement any future opportunities.

Capital Resources

At present, the Company's operations are inactive. The Company does not have any contracts or commitments for capital expenditures. The Company will be required to obtain external financing in order to participate in any opportunities. In order to obtain sufficient financing, the Company may be required to obtain a listing of its common shares. If the Company issued additional common shares from treasury, it would cause the current shareholders of the Company to be diluted.

Off- Balance Sheet Transactions

The Company has no off balance sheet arrangements.

Related Party Transactions

(a) Amounts due to related parties by the Company at July 31, 2013 and October 31, 2012 are as follows:

	As at July 31, 2013	As at October 31, 2012
Dapaul Management Limited (as trustee) (i)	$ 157,586	$ 157,586
857710 Ontario Limited (ii)	32,445	32,445
Due to president (iii)	1,455	1,455
	$ 191,486	$ 191,486

(i) The president of the Company owns 100% of Dapaul Management Limited. The amount due is non-interest bearing and payable on demand.

(ii) 857710 Ontario Limited is a corporation controlled by a director and officer of the Company. The amount is unsecured, non-interest bearing, and without definite terms of repayment.

(iii) The amount is due to the president of the Company. The amount is unsecured, non-interest bearing, and without definite terms of repayment.

(b) During the three and nine month periods ended July 31, 2013, the Company received $nil and $12,000, respectively, from the Company's president for consulting services rendered to him (three and nine month periods ended July 31, 2012 - $nil and $10,000, respectively).

Economic dependence

The Company is economically dependent on the above related parties for financing of its ongoing operations.

Changes in Accounting Policies

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the section entitled "Changes in Accounting Policies" in the Company's MD&A for the fiscal year ended October 31, 2012, available on SEDAR at **www.sedar.com**.

New Accounting Policies

Amendments to IAS 1 Presentation of Financial Statements
On November 1, 2012, the Company adopted IAS 1 Presentation of Financial Statements (amendments to IAS 1), issued by the IASB in June 2011. The amendments require items presented in the statement of other comprehensive income to be categorized according to whether the items will or will not be reclassified to income at a future date. The adoption did not impact the Company's unaudited condensed interim financial results.

Capital Management

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future business opportunities, and pursuit of business or asset acquisitions; and
- To maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be share capital, reserve and deficit which at July 31, 2013 totalled a deficit balance of $198,478 (October 31, 2012 - deficit balance of $200,115).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the three and nine months ended July 31, 2013. The Company is not subject to any capital requirements imposed by a lending institution.

Financial Instruments

The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

Credit Risk

The Company is exposed to credit risk through its cash, which is held at a Canadian chartered bank. The Company believes this credit risk is insignificant.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. At July 31, 2013, the Company had a cash balance of $566 (October 31, 2012 - $135) to settle current liabilities of $199,045 (October 31, 2012 - $200,251). Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

It is expected that the Company will render one invoice annually for consulting fees to the President/Chief Executive Officer of the Company in an amount sufficient to cover its ongoing operating expenses.

Fair Values

The fair values of cash, accounts payable, accrued liabilities and due to related parties approximate their carrying values due to the short-term to maturity of these financial instruments.

Sensitivity analysis

The Company does not have significant financial instruments as at July 31, 2013. A one percentage point increase or decrease in the Company's financial instruments would not have a significant impact on profit or loss.

Other MD&A Requirements

Additional Information

Additional information relating to the Company may be obtained or viewed from the System for Electronic Data Analysis and Retrieval at www.sedar.com.

Share Capital as at July 31, 2013 and as at the date of this MD&A

(a) Authorized

Unlimited number of common shares

(b) Common shares issued

	Number of common shares	Stated value
Balance at October 31, 2011, July 31, 2012, October 31, 2012 and July 31, 2013	**1,068,400**	**$ 1,586,504**

(c) Other

The Company had no convertible shares, stock options or warrants outstanding during the current or prior periods.

SCHEDULE “D”
MANAGEMENT'S DISCUSSION AND ANALYSIS OF MXM NATION INC.

MXM NATION INC.

Management's Discussion & Analysis ("MD&A")

For the years ended December 31, 2010, 2011, 2012

The MD&A of MXM Nation Inc. ("MXM" or the "Company") has been prepared by management of MXM and should be read in conjunction with the Company's audited financial statements and accompanying notes for the years ended December 31, 2010, 2011, and 2012. The audited financial statements and notes thereto and this MD&A are presented in Canadian currency (unless otherwise noted) and were prepared in accordance with international financial reporting standards ("IFRS").

Forward-Looking Information

This MD&A contains certain forward-looking statements and information relating to the Company that is based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "may", "will", "anticipate", "plan", "intend", "estimate", "project", "continue", "believe", "estimate", "expect" and similar forward-looking terminology, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital and the estimated cost and availability of funding for the continued operation of the Company. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, all forward-looking statements address matters that involve known and unknown risks, uncertainties and other factors and should not be read as guarantees of future performance or results. Accordingly, there are or will be a number of significant factors which could cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual future results, performance or achievements to differ materially include, but are not limited to, our limited operating history, our reliance on key personnel, future capital needs, dependence on proprietary technology and limited protection thereof and general economic trends and international risk. The Company is subject to significant risks and any past performance is no guarantee of future performance. The Company cannot predict all of the risk factors, nor can it assess the impact, if any, of such risk factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. This MD&A offers a brief overview of some of the risk factors to be considered in relation to the Company's business. This list may not be exhaustive and new risk factors may emerge from time to time. Please see the section "Risks and Uncertainties" for further information. We disclaim any intention or obligation to publicly update or revise any forward-looking statements after distribution of this MD&A, whether as a result of new information, future events or other circumstances, except as may be required pursuant to applicable securities laws.

Overview of the Business

Business Profile

The Company was incorporated as Deep Creek Ventures Inc. on February 2, 2005 under the Business Corporations Act of Ontario, Canada. The Company changed its name to MX Mechanics Inc. on April 4, 2007, and to MXM Nation Inc. on February 5, 2013.

MXM Nation Inc. was created to support amateur athletes, specifically in Canadian motocross with sponsorship opportunities. In 2007 MXM launched its trackside sponsor promotion program in conjunction with a full support program; MXM signed 30 major sponsors to participate in the program during MXM's first full season. Sponsors recognize the benefits of promotion at a local level, within niche markets.

In 2009, social media was changing the dynamics of the advertising and promotion model. A major equipment manufacturer approached MXM to move the sponsorship model online so every athlete could participate. In response, MXM developed the xCredits online sponsorship engagement model and subsequently recognized that the online solution developed for motocross athletes and sponsors is a highly applicable and beneficial offering for the thousands of Vertical Social Networks ("VSN") in existence faced with the challenges of monetization, user engagement and return on investment for brands/advertisers. In light of recognizing this opportunity, the concept of SponsorsCloud – a white-labeled platform for integration into any VSN to deliver the social sponsorship engagement and social commerce model – was developed.

Evaluating the disruptive technology innovation and the industry impact of the sponsorship engagement model, MXM pivoted its focus from the single solution for motocross athletes (B2C) to a robust B2B integrated platform for monetizing VSN by delivering social sponsorship engagement and social commerce between Brands (Sponsors) and Users. Subsequently, MXM rebranded itself as SponsorsOne (SPO) in June 2013. In order to protect this technology innovation, MXM developed a major patent on Sponsorship Management within a Social Network and filed this patent as an international patent on September 20, 2013, and is currently working on drafting a second patent to be filed. MXM Nation will continue to have a presence as a vertical social network capturing the market for Canadian motocross athletes and Brands.

<u>SponsorsCloud and xCredits Model</u>

SPO is powered by the SponsorsCloud platform and the xCredits sponsorship engagement currency and rewards engine, in combination addressing the social media marketing challenges faced by brands. SponsorsCloud is the white-labeled platform that is integrated into VSN to enable the VSN to deliver the sponsorship engagement model to Brands and its users. xCredits is the underlying currency and sponsorship engagement rewards engine that drives the sponsorship engagement model.

Historically, it has been difficult to earn and measure the return on investment and the impact of sponsorship marketing for Brands, aside from when dealing with the top high profile sponsored persons. It is also very challenging for the Brands to nurture one-one relationships and keep the sponsored person engaged and promoting the Brand. Not infrequently, sponsored persons never engage with the Brand again after the initial product/service support engagement. There has been limited ways to measure the impact of sponsorship and/or to determine if promotion of the Brand ever even occurred. To alleviate the challenges of sponsorship engagement (i.e. maintaining ongoing engagement with sponsored persons, no meaningful understanding of the return on investment, costs related to product/service and support given to the sponsored persons with no communication channel post sponsorship), MXM has developed the patent pending xCredits engagement model and is developing the SponsorsCloud platform.

The xCredits system establishes and nurtures a one-to-one relationship between Users and Brands and motivates the user to continuously engage with the Brands through VSN. Sponsorship provides an immediate benefit to the User of a social network in the form of immediate discounts to the User from the Brand, set by the Brand. The Brand further engages the User by offering the incentive of xCredits whereby the User will be rewarded for engaging with the Brand. Users work their way up to higher levels of sponsorship by continuously and authentically engaging with Brands through various social engagement activities online and in store promotion activities, all the while earning xCredits as a sponsorship reward and currency that can also be used for transactions with the sponsors through the system. The xCredits engine monitors all the activity of the User within the social network and based on criteria set by the Brand such as quantity, quality, and type of engagement related to a Brand (sponsorship program/campaign criteria), xCredits will be transferred from the Brand to the User representing sponsorship currency. The more points the User receives the higher the discount levels the User will be entitled to in a tiered format set by the Brand. The xCredits can also be used to access special promotions/offers aside from the core sponsorship program.

The SponsorsCloud platform is being developed to also allow the User to perform ecommerce transactions with the Brands within the system, transfer xCredits to other users, and perform transactions offline in retail locations with discounts and/or offers earned with xCredits. As Users earn xCredits and reach higher discount levels, the sponsored User can exchange their xCredits for products and services from their sponsoring brands in whatever channel works best for them, either direct from brand (online/in store) or from a retailer (online/in store).

In combination, SponsorsCard – the SPO mobile app that runs on all mobile devices – will be the primary device that the user of the social network engages with the brand so this can be in real time, anywhere, anytime and any way.

SPO will attract the global and national sponsors into the platform and manage these relationships and SPO will seek to acquire existing digital media marketing firms that have established relationships with major brands. The VSN also have opportunity and are encouraged to bring Brands specific to their network to the platform. The general categories of Brands are:

Global/National: These are the major corporation such as car rental, hotel, fuel, airline, drug prescription, services, office supplies, insurance, financial services, food, home repair, etc.

Regional: These are local product and service providers that may compete with the national sponsors but offer a higher level of local service. Their promotional strategy may be highly differentiated from the national sponsors.

Vertical: These sponsors are very specialized within the VSN and their topic of interest. For example extreme sports may have helmets and snow board manufacturers targeted specifically to this vertical.

The SPO platform will provide all the tools necessary for Brands, Users, and VSN to achieve their social media goals and objectives including earning an impressive return on investment from their social media efforts, which has proven to be very challenging to date in the social era. Brands are provided with an automated, data rich sponsorship platform to reach hundreds of millions of member accounts and thousands of social networks.

The system monitors and tracks and logs all of the relevant data of the system, specifically engagement activity of the User and Brands within the VSN, all of the movement of xCredits between users, brands, and across VSN. This data is then used to perform in-depth analysis and provide analytics reporting to the Brand in the form of marketing intelligence, which is invaluable for Brands. This is an essential component of the platform and this potential insight to be gained by the Brand is unlike any other social media analytics or marketing intelligence available because of the nature of the unique one-to-one social sponsorship engagement model.

The SPO sponsorship engagement and incentive model drives long-term user engagement and is the future of targeted online marketing within social networks in the social era. Sponsorship is the cornerstone to establishing a one-to-one connection between Brands and members of a social network. Dollar for dollar, Brands much prefer to spend their dollars on one-to-one promotion rather than on targeted display ads. Brands recognize the value of word-of-mouth, and the bragging rights Users associate with being sponsored. SPO facilitates this type of marketing in a highly innovative and disruptive manner; continuously connecting the brand and the User on a one-to-one basis through sponsorship while serving the VSN's best interest as well. The Sponsorship model applies to all VSN whereby social networks of all type can benefit from Sponsorship by using it to drive engagement with their Users and monetize their user base.

Expansion Strategy

SponsorsOne has a 3-pronged License, Build, and Buy strategic approach to rapidly build its business and establish its social sponsorship engagement platform as the industry standard for Brands to most effectively engage users in the social era.

1) License Strategy: License and Integrate the Social Sponsorship Engagement Platform: SponsorsCloud is designed for integration into existing VSN. These VSN are targeted to specific markets and interests with a highly engaged user base. While these networks are not large compared to Twitter or Facebook, they tend to have higher Revenue Per User (RPU) potential than these large consumer-based social networks. For example, Facebook generates approximately $4.00/user in North America and $1.71 - $4.05 per user outside of North America, while Twitter's RPU is well under $1.00/user. LinkedIn produces $5.00/user annually with total users at 500m and less than 20% contributing to subscription fees. LinkedIn has a subscription membership fee as well as advertising revenues, which is driving its RPU slightly higher than Facebook. The conversion rate from free to paid subscription is still low at 20%.

VSN tend to have a smaller user base (between 100,000 to 1,000,000 members) but can demonstrate higher RPU in the $20 – $60 per year. This is driven by higher user engagement and higher conversion to paid subscriptions with higher subscription costs. Further, the RPU through the sponsorship engagement model expects to generate significantly higher RPU than display ads.

Under this strategy, SPO will also seek to partner with major Influencers who have a substantial number of followers in social media, and who can be considered VSN of their own with all their followers. These major Influencers will typically have relationships established major Brands and Brands are greatly interested in accessing their followers. SPO will license and integrate the SPO platform in their web/mobile properties to monetize their followers.

Integration Revenue

It is anticipated that it will take about 2-3 months to integrate SponsorsCloud into an existing VSN, using the SponsorsOne integration services. The VSN will then begin their marketing programs to encourage user migration to sponsorship, engagement and conducting transactions. Integration fees may be applicable in certain instances and not in other depending on the licensing agreement.

License Revenue

SponsorsOne will bring a slate of national sponsors onto the platform that the VSN can offer to their community immediately with discounts in the 10% - 20% range. This brings immediate benefit to the members of the VSN, encouraging them to engage with xCredits for higher discounts and eventually to transact business among the members and the sponsors. In a licensing model, SponsorsOne will license the platform for a share of gross revenue from subscriptions and sponsorship. In addition, SPO will operate, maintain and support the social commerce Platform for a monthly fee based on the number of total users on the system.

Transaction Revenue

In addition, SponsorsBank will operate, maintain and support the xCredit transaction system within the SponsorsCloud platform. Revenue comes from either a monthly fee or continuous purchases on demand paid by the Brands to acquire xCredits for rewarding users on engagement activity.

2) Build Strategy: Build the Vertical Social Network: SponsorsOne can rapidly build a social network using its social sponsorship engagement platform and launch to the target user base using traditional social networking techniques. This is the case with the extreme sport's athletes, whereby MXM has established relationships with multiple sponsors, athletes and dealers to participate within the vertical. It is estimated that Extreme sports have 5 million amateur and professional athletes competing in local and international competitions around the world. These sports are very expensive and athlete support is critical. Most sponsorship programs offered by the major manufacturers and service providers are ad hoc and not very well organized and funded. The user engagement model and sponsorship incentives are designed to bring all athletes together with their sponsors and drive an economic model of support, both financially and socially.

Revenues will be derived from monthly subscriptions from the Brands. Note that sponsorship revenue per VSN will vary depending on the number of users within the VSN.

3a) Buy Strategy 1: Acquire the Vertical Network: It is estimated that there are thousands of vertical social networks operating around the world with little to no revenue. Their user count is typically 100,000 to 5 million and their revenue sources are display advertising through Google or Yahoo and possibly a small subscription fee. The valuations on these VSN are low making them an ideal acquisition target in order to acquire more specific users that Brands can target. SponsorsOne will allow each Brand, national, regional and vertical to select the networks they wish to participate in, allowing one-to-one sponsorship engagement to promote their products and services. As discussed, the size of the vertical will determine the Brands monthly subscription.

SponsorsOne has identified a number of other VSNto acquire and is working with a number of VSN platform developers to build their VSN strategy on the SponsorsCloud platform creating joint ownership opportunities.

3b) Buy Strategy 2: Acquire Digital Media Creative Agencies: Many global brands are now looking to the boutique digital media creative agencies to deliver their online, digital media marketing campaigns, within the social networks. These agencies are unique in their ability to attract and retain the rare combination of creative, marketing and technology talent that are highly sought after by Brands wanting to maximize their online engagement with their Users.

These agencies have a solid relation with most of the global brands that spend significantly on online engagement. Given the marketing initiatives that will be required to build awareness amongst online Users, these agencies are the best of the best in building buzz online. They will assist the Brands on properly running their sponsorship engagement campaigns.

Agencies also have access to some of the most influential people in social media with significant followership all over the world. These major influencers are very attractive and sought after by Brands and have very committed followers with no way to currently monetize their follower base making them ideal candidates for the SPO platform to monetize their network of followers. SPO will seek to partner with these major influencers through the digital media creative agencies.

SPO has an established agreement with a Toronto based agency that has strong relations with a network of some of the best of these agencies around the world. The Toronto agency will lead SPO's acquisition strategy in this regard. Through this Toronto agency an agreement has been established with a New York City based agency that has all of these attractive attributes described above and will be the global management firm for SPO's digital media agency conglomerate. A management service agreement with SPO will allow the NYC firm to manage and disseminate strategy to all the creative assets that SPO acquires, and drive and manage the relationships with the marketing departments of the Brands and the major Influencers.

Strategies and Outlook

The Company is in the process of raising capital to execute its three pronged growth strategies and continued development of its disruptive xCredits engine and the SponsorsCloud technologies.

In July 2013, the Company entered into a non-binding letter of intent with New International Infopet Systems Ltd. ("Infopet") to complete a going-public transaction. It is intended that the proposed transaction will proceed through a reverse takeover whereby the Company will legally become a wholly owned subsidiary of Infopet. Upon completion of the proposed transaction, the holders of common shares of the Company will receive Infopet common shares.

The transaction includes a private placement which is expected to raise $1 million from the issuance of 3,333,333 units. Each unit will consist of one common share and one warrant to purchase one common share at $0.30. Each warrant will expire two years from the date of issuance.

The Company will be considered the purchaser under IFRS accounting rules. Accordingly, subsequent to the transaction, the financial statements will record the purchase of Infopet under purchase accounting. The disclosure for share capital will be amended to reflect Infopet's equity.

Operating Results

	December 31, 2010	December 31, 2011	December 31, 2012
Total assets	30,592	201,551	182,895
Total liabilities	304,088	547,057	711,060
Total equity	(273,496)	(345,506)	(528,165)
Net loss	(50,964)	(72,010)	(182,659)

Operating Highlights

- MXM Nation Inc commenced operations in 2006, with the primary focus on building its network of athletes and sponsors. Initial operations consisted of participation in local racing events and raising brand awareness with a primary focus on motocross racing.
- With the advent and explosion of social media, the Company determined that social media provided the opportunity to expand its business operations.
- On February 5, 2013, the Company officially acquired key intellectual property from an officer of the Company. The intellectual property consisted of the system architecture and design for the social network, current and future patent applications, industry contacts (partners, sponsors, athletes, and customer lists), and Company branding and logos.
- Pursuant to the acquisition of its intellectual property, the Company continues its strategy of filing the patents required to protect its intellectual property and business model.
- On July 10, 2013, the Company entered into a non-binding agreement with Infopet to complete a going-public transaction. The non-binding agreement requires both parties to satisfy certain conditions before completion and listing. Both parties continue to progress toward satisfying all conditions with the goal of listing in the fourth quarter of 2013.
- In November 2013, the share purchase agreement between the Company and Infopet was executed. As a result, the transaction to take the Company public is expected to be competed in the fourth quarter of 2013.
- The Company has reserved the name SponsorsOne Inc, and the trading symbol "SPO" during the nine month period ended September 30, 2013. Upon executing the going public transaction, Infopet's name and trading symbol will be amended accordingly.

Revenue

The Company has not earned significant revenues for the periods ended December 31, 2010, 2011 and 2012. The primary focus has been building and maintaining key relationships and the development of its social media sponsorship infrastructure called SponsorsCloud and SponsorsCard (mobile app).

The Company is in the process of expanding its operations through the roll-out of its current VSN, the acquisition of new VSN, and the licensing of its VSN technology and platform. The Company expects to earn ongoing revenues in 2014.

Expenses

	December 31, 2010	December 31, 2011	December 31, 2012	Change 2011 versus 2010	Change 2012 versus 2011
Sales, general & administrative	44,245	47,576	151,790	3,331	104,214

Sales, general and administrative expense represents the general expenses required to attend sporting events and promote MXM brand. Also included are general office expenses including accounting, legal and office fees.

Sales, general and administrative expense for the year ended December 31, 2012 is $151,790, an increase of $104,214 from 2011. The increase in expenses is attributable to an increase in travel, promotion, supplies, legal and professional fees. Travel relates to the ongoing cost of attending and participating in sporting events in North America, and professional fees represent the cost of ongoing training. The increase in costs was offset slightly by a decrease in repairs and maintenance.

Sales, general and administrative expense for the year ended December 31, 2011 is $47,576, an increase of $3,331 from 2010. The minor increase in expenses is due primarily to an increase in vehicle expenses as a result of the purchase of mobile accommodation. The increase was partially offset with decreases in supplies, professional fees and repairs & maintenance.

	December 31, 2010	December 31, 2011	December 31, 2012	Percent change 2011 versus 2010	Percent change 2012 versus 2011
Research & Development	-	-	-	-	-

Research and development expense represents the cost of developing and operating the VSN. As the Company's tradition of attending trade shows, research and development costs are expected to increase substantially in the future.

Research and development expenses are nil for the years ended December 31, 2010, 2011 and 2012. Research and development expenses are incurred in early 2013. It is important to note that the Company acquired intellectual property value at $425,000 in early 2013 from its majority shareholder. The Company also added personnel in early 2013 and is incurring research and development costs which are expected to increase further in subsequent years as the technology is developed and brought to market.

	December 31, 2010	December 31, 2011	December 31, 2012	Percent change 2011 versus 2010	Percent change 2012 versus 2011
Depreciation	4,269	12,073	15,383	7,804	3,310

Depreciation expense for the year ended December 31, 2012 is $15,383, an increase of $3,310 from 2011. The increase is attributed to incurring a full year of depreciation expense on mobile accommodation and transportation equipment acquired in the first half of 2011.

Depreciation expense for the year ended December 31, 2011 is $12,073, an increase of $7,804 from 2010. The increase is attributed to the additional depreciation incurred on the purchase of mobile accommodation and transportation in 2011.

	December 31, 2010	December 31, 2011	December 31, 2012	Percent change 2011 versus 2010	Percent change 2012 versus 2011
Interest expense	2,450	12,361	15,486	9,911	3,125

Interest expense for the year ended December 31, 2012 is $15,486, an increase of $3,125 from 2011. The increase is attributed to incurring a full year of interest expense on additional financing incurred in 2011. The increase was partially offset by lower interest costs as a portion of the principal is paid monthly.

Interest expense for the year ended December 31, 2011 is $12,361, an increase of $9,911 from 2010. The increase is attributed to a significant increase in the Company's loan payable to finance the purchase of mobile accommodation and transportation in 2011.

Interest expense is expected to increase in the second half of 2013 on account of interest to be paid on a $40,000 note payable. See "Subsequent Events" section for more detail. Absent any additional financing, interest expense should be lower in subsequent periods as the principal is paid down during the year.

	December 31, 2010	December 31, 2011	December 31, 2012	Percent change 2011 versus 2010	Percent change 2012 versus 2011
Income tax recovery	-	-	-	-	-

The Company recorded no income tax recoveries for the years ended December 31, 2012, 1011, and 2010. While the Company incurred taxable losses which can be applied against future taxable income in future periods, the Company is in the process of commercializing its technology, and therefore, has recorded a valuation allowance on its deferred taxable assets.

The Company will assess its valuation allowance in future periods. Should management decide it is appropriate to reduce its valuation allowance in subsequent periods, a deferred taxable asset will be recorded. While not exhaustive, events that may lead to reversing the valuation allowance include taxable income and the successful commercialization its technology.

Summary of Quarterly Results

The following table highlights selected unaudited financial information in respect of the previous eight quarters of the Company. The Company's quarterly operating results have varied in the past and may vary substantially in the future. Accordingly, the information below is not necessarily indicative of results for any future quarter.

Balance Sheet

	Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012
Current assets	727	-	-	-
Total assets	182,895	186,014	189,860	193,706
Current liabilities	520,317	497,476	482,669	422,298
Total liabilities	711,060	690,334	677,603	619,269
Total equity	(528,165)	(504,320)	(487,743)	(425,563)

	Fourth Quarter 2011	Third Quarter 2011	Second Quarter 2011	First Quarter 2011
Current assets	4,000	-	-	-
Total assets	201,551	199,097	202,766	206,435
Current liabilities	348,089	310,129	304,077	288,211
Total liabilities	547,057	511,057	506,928	492,948
Total equity	(345,506)	(311,960)	(304,162)	(286,513)

Income Statement

	Fourth Quarter 2012	Third Quarter 2012	Second Quarter 2012	First Quarter 2012
Revenues	-	-	-	-
Expenses	23,845	16,577	62,180	80,058
Net loss	23,845	16,577	62,180	80,058
	Fourth Quarter 2011	**Third Quarter 2011**	**Second Quarter 2011**	**First Quarter 2011**
Revenues	-	-	-	-
Expenses	33,545	7,798	17,649	13,017
Net loss	33,545	7,798	17,649	13.017

Liquidity and Capital Resources

The Company is in the early stage of operations and has historically been most active during the summer months when athletes, especially in motocross racing, are most active. The Company has predominantly financed its operations either directly from an officer of the Company or from companies controlled by the officer. In anticipation of significant expansion of operations, the Company opened its bank account in the first quarter of 2013.

The Company is in the process of expanding its operations and requires additional capital to achieve its strategic objectives. The Company requires additional working capital to fund business development efforts expanding its VSN, building and acquiring new VSN and licensing its technology.

During the 6 month period ended June 30, 2013, the company has received funding from a company controlled by an officer of the Company. The funding totaling $71,500, is payable on demand, and is not incurring interest.

On July 5, 2013, the Company entered into a term loan with a principal amount of $40,000 to fund short term operations. The Loan bears interest at the rate of 15% per annum with, interest payable on maturity in arrears. The loan matures when the Company successfully raises $150,000 in equity financing.

In September 2013, the Company successfully raised $150,000 in equity financing, less agent commissions of 10%. The Company issued 500,001 common shares and share purchase warrants respectively. The warrants have an exercise price of $0.30 expiring two years from the date of issuance.

On July 10, 2013 the Company entered into a non-binding letter of intent with Infopet to complete a going-public transaction. The share purchase agreement was executed in November 2013. The transaction is expected raise $1 million by way of a private placement of up to 3,333,333 common shares and warrants.

In addition, when the going public transaction is executed each shareholder will receive one Infopet common share and one-half warrant exercisable into one Infopet Common Share upon payment of $0.65.

The Company anticipates the use of proceeds as follows:

Sponsor cloud and Social Commerce Platform Development	$500,000
Sales, general & administrative	100,000
Acquisition – US Company	100,000
Working Capital	150,000
Legal fees & commissions	150,000
Total capital received	$1,000,000

Management continues to monitor the capital resources of the Company. Should management determine that additional resources are required, the Company will raise proceeds by entering into loan agreements or raise additional equity funding. While the Company will use its best efforts to raise capital as needed, the Company may be unsuccessful in its ability to raise additional capital, and may affect is ability to meet its ongoing obligations.

Commitments, Contingencies and Off-Balance Sheet Arrangements

The Company has no commitments for capital expenditures, no contingencies and no off-balance sheet arrangements.

Outstanding Share Data

As at June 30, 2013, the following Common Shares and convertible securities of the Company are issued and outstanding:

Common Shares – issued and outstanding	8,000,000
Stock options – vested and unvested	1,235,000
Warrants	500,000

If all of the options and warrants outstanding at June 30, 2013 were exercised, there would be 9,735,000 Common Shares issued and outstanding.

Accounting Policies

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company has adopted the following accounting policies:

Use of estimates

The preparation of these financial statements and related disclosures in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of these financial statements, and the reported amounts of revenue and expenses during the periods reported. By their nature, these estimates are subject to uncertainty and the effect on the financial statements of changes in estimates in future periods could be significant.

In determining whether any impairment losses have been incurred, management assesses the higher of the asset's fair value less costs to sell and its value in use for non-financial assets. These determinations and their individual assumptions require that management make a decision based on the best available information at the end of each reporting period.

Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the period that they are determined to be necessary.

Cash and cash equivalents

Cash and cash equivalents include all cash on demand, interest bearing deposits with original maturities of three months or less. The Company did not hold any cash or cash equivalents as at December 31, 2012, 2011 and 2010.

Foreign currency translation

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at period end exchange rates are recognized in profit and loss.

Capital assets

The Company records capital assets at cost and provides for amortization over the useful lives of the assets using the straight-line method over 3 years for computer and office equipment, and 10 to 20 years for transportation equipment.

In the year of disposal, the resulting gain or loss is included in the statements of loss and the cost of assets retired or otherwise disposed and the related accumulated amortization are eliminated from these accounts.

Research and development costs

Research costs are expensed as incurred. The Company has not capitalized development expenditures to date. An intangible asset may be recognized in future periods if the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;

- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably of the expenditure during development.

Capitalized development costs will be amortized over the expected life of the related products, which is expected to be 24 to 36 months.

Income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in the countries where the Company operates.

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted.

Deferred tax assets and deferred tax liabilities are offset, provided a legally enforceable right to set off current tax assets against current income tax liabilities exists and the deferred taxes relate to the same taxable entity and the same taxation authority.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity dates. They are initially recognized at fair value and subsequently carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company classifies its accounts receivables as loans and receivables.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are initially recognized at fair value and subsequently are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statements of comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in other comprehensive income, within equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statements of comprehensive loss.

Transactions costs associated with fair value through profit or loss financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial assets, except for those at fair value through profit or loss, are subject to review for impairment at least at the end of each reporting period. Financial assets are impaired when there is any objective evidence that the future cash flows associated with a financial asset or a group of financial assets have been negatively impacted. Different criteria to determine impairment are applied for each category of financial assets, described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss.

Other financial liabilities - This category includes all other liabilities, all of which are initially recognized at fair value, net of transaction costs, and are subsequently stated at amortized cost. The Company classifies its accounts payable and accrued liabilities, long-term debt and due to shareholder as other financial liabilities.

Impairment of non-current assets

At the end of each reporting period, the Company's non-current assets are reviewed to determine whether there is any indication that the carrying value of those assets are impaired and may not be recoverable. If any such indication exists, the recoverable amount of the asset is evaluated at the level of a cash-generating unit ("CGU"), 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, where the recoverable amount of a CGU is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. If the recoverable amount is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Future Accounting Changes

Standards issued but not yet effective up to the date of issuance of these financial statements are described below. This description is of standards and interpretations issued that the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 Financial Instruments ("IFRS 9") was published on November 12, 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivables. The effective date of the standard has not yet been determined. The Company is still evaluating the impact of IFRS 9 on its financial statements.

IFRS 10 Consolidated Financial Statements

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 supersedes SIC-12 Consolidations – Special Purpose Entities and replaces parts of IAS 27. The standard is effective for annual periods beginning on or after January 1, 2013. The Company does not expect the adoption of IFRS 10 to have a material effect on its financial statements.

IFRS 11 Joint Arrangements

IFRS 11 requires a venture to classify its interest in a joint arrangement as a joint operation or a joint venture. The standard eliminates the use of the proportionate consolidation method to account for joint ventures. Joint ventures will be accounted for using the equity method of accounting while, for a joint operation, the venture will recognize its share of the assets, liabilities, revenues and expenses of the joint operation. IFRS 11 supersedes SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers and IAS 31 Joint Ventures. The standard is effective for annual periods beginning on or after January 1, 2013. The Company does not expect the adoption of IFRS 11 to have a material effect on its financial statements.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities such as subsidiaries, joint arrangements, associates and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interest in other entities. IFRS 12 replaces the previous disclosure requirements included in IAS 27 Consolidated and Separate Financial Statements, IAS 31 Joint Ventures and IAS 28 Investment in Associates. The standard is effective date for annual periods beginning on or after January 1, 2013. The Company does not expect the adoption of IFRS 12 to have a material effect on its financial statements.

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. IFRS 13 defines fair value and establishes disclosures about fair value measurement. The standard is effective for annual periods beginning on or after January 1, 2013. The Company does not expect the adoption of IFRS 13 to have a material effect on its financial statements.

IAS 28 Investments in Associates and Joint Ventures

The IASB also amended IAS 28, an existing standard, to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 12. The standard is effective for annual periods beginning on or after January 1, 2013 and is not expected to materially affect the Company.

Transactions with Related Parties

The Company has transactions with related parties. These transactions are in the normal course of operations and are measured at their exchange value, which approximates the fair market value as with any third party.

The amounts due from (to) related parties as at:

	December 31, 2010	December 31, 2011	December 31, 2012
Due to a company controlled by an officer and shareholder	261,066	326,848	477,503

The Company also has a loan outstanding to which the shareholder and officer is paying on behalf of the Company.

In February 2007, a company controlled by an officer of the Company entered into a loan agreement for the purchase of equipment. As the sole purpose of the equipment was for the benefit of the Company, the equipment and corresponding loan obligation are recorded on the Company's records. The loan amount was $42,043, maturing February 2023 bearing interest at 6.69%. The loan was refinanced at 7.71% for another five years effective February 2012. The equipment serves as collateral for the loan.

In March 2011, an officer of the Company entered into a loan agreement for the purchase of equipment. As the sole purpose of the equipment was for the benefit of the Company, the equipment and corresponding loan obligation are recorded on the Company's records. The loan amount was $176,910, maturing February 2028 bearing interest at 7.64%. The equipment serves as collateral for the loan.

The following table summarizes the payments and interest payable for the next five years:

	December 31,2012
Payments due within one year	23,164
Payments due years two to five	115,818
Total Interest paid	67,632

Investor Relations Activities

MXM does not have any investor relations arrangements.

Financial Instruments

All financial assets are classified either held for trading, held-to-maturity investments, loans and receivables or available-for-sale. Also, all financial liabilities are classified as either held for trading or other financial liabilities. All financial instruments are initially recorded on the balance sheet at fair value. After initial recognition, financial instruments are measured at the fair values, except for held-to-maturity investments, loans and receivables and other liabilities, which are measured at amortized cost.

The Company's financial assets and liabilities are classified and measured as follows:

Asset/Liability	**Classification**	**Measurement**
Cash	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Loans payable	Other financial liabilities	Amortized cost

Litigation/Indemnification

The Company does not anticipate or foresee at this time any basis for any intellectual property proceedings being instigated by other parties against the Company or by the Company against other parties.

While the Company is not a party to any legal proceedings, the intellectual property industry is extremely competitive. There can be no assurance that in the future, the Company will not be subject to allegations concerning the status or validity of the Company's intellectual property.

Subsequent Events

The Company has entered into a share purchase agreement with New International Infopet Systems Ltd. ("Infopet") to complete a going-public transaction in the fourth quarter of 2013. The Company will become a wholly owned subsidiary of Infopet through a reverse takeover transaction. Upon completion of the transaction, each of the Company's common shares will be exchanged for one payment unit. Each payment unit will consist of one common share and one-half warrant, expiring in one year, to purchase one common share for $0.65. In addition, all other outstanding warrants and options will be exchanged for Infopet warrants and options with equivalent values and terms.

Infopet will be the legal purchaser of the Company. However, as the transaction being completed by way of a reverse takeover, for accounting purposes, the Company will account for the transaction as the purchaser.

The Company has entered into a loan agreement and raised additional equity subsequent to December 31, 2013. The terms and conditions are detailed in the section titled "Liquidity and Capital Resources".

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The Company is held privately, and has not been required to certify the design and evaluation of the Company's disclosure controls and procedures or internal controls over financial reporting, and the Company has not completed such an evaluation. Inherent limitations on the ability of the certifying officers of the Company to design and implement, on a cost-effective basis, disclosure controls and procedures or internal controls over financial reporting for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

Given the speculative nature of the business of the Company, an investment in the Common Shares should only be considered by those persons who can afford a total loss of their investment. The risks presented below should not be considered to be exhaustive and may not represent all of the risks that the Company may face. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations. If any of the risks described below occur, the Company's business, financial condition, liquidity and results of operations could be materially harmed:

Limited Operating History and Sales

The Company has a limited operating history on which to base an evaluation of its business, financial performance and prospects. As such, the Company's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development. As the Company is in an early stage and is introducing new products, the Company's revenues may be materially affected by the decisions, including timing decisions, of a relatively consolidated customer base. In addition, it is also difficult to evaluate the viability of the Company's client relationship management software as a service because the Company has had limited experience to address the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly companies in new and rapidly evolving markets such as the Company's target markets. There can be no assurance that the Company will be successful in addressing these risks, and the failure to do so in any one area could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

No Assurance of Profitability

The Company incurred a net loss of $182,659 for the period ended December 31, 2012, and has incurred total losses of $528,165 from incorporation. The Company cannot give assurances that it will not incur net losses in the future. The limited operating history makes it difficult to predict future operating results. The Company is subject to the risks inherent in the operation of a new business enterprise in an emerging business sector, and there can be no assurance that the Company will be able to successfully address these risks.

Future Capital Needs; Uncertainty of Additional Funding

The Company may not be able to fully implement and execute its business strategy without additional financing. There can be no assurance that such additional financing will be available, and if available, there can be no assurance that the cost of obtaining such financing will be on favourable or reasonable commercial terms or that financing will not result in substantial dilution to the Company's shareholders.

Dependence on Key Personnel

The Company's future success depends on its ability to retain key employees and attract, train, retain and successfully integrate new talent into its management team. The Company's success is highly dependent on its continuing ability to identify, hire, train, motivate and retain appropriate personnel. Competition for these personnel can be intense, and the Company cannot provide assurance that it will be able to attract or retain them. To do so, it may be necessary for the Company to materially increase the compensation it pays.

Management of Growth

The Company may experience a period of significant growth in the number of personnel that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. The Company's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Competition

Competition in the advertising industry as it relates to digital and social media is increasing. While the Company is targeting smaller niche sites with higher expected revenues per subscriber, there can be no assurances that competitors will not adopt a similar strategy and attempt to enter the markets that the Company has targeted.

Dependence on Proprietary Technology and Limited Protection Thereof

The Company will be relying on a combination of trademark, copyright, patent and trade secret law, as well as confidentiality restrictions contained in certain confidentiality agreements, to establish and protect the Company's proprietary rights in its intellectual property. As a result, the Company may not be able to adequately prevent a competitor, business partner or customer from creating or obtaining an illegal copy of its software or otherwise using it for inappropriate purposes such as reverse-engineering.

General Economic Trends

The worldwide economic slowdown and tightening of credit in the financial markets may impact the business of the Company's customers, which could have an adverse effect on the Company's business, financial condition, or results of operations. Adverse changes in general economic or political conditions in any of the major countries in which the Company does business could also adversely affect the Company's operating results.

Asset Location and Legal Proceedings

Substantially all of the Company's assets are located in Canada where intellectual property is generally enforced. Social media is global in nature, and the Company expects to have subscribers and assets located outside of Canada. Accordingly, the Company may be subject to legal proceedings and judgments in foreign jurisdictions.

Risk Associated with Foreign Operations in Developing Countries

The Company's primary revenues are expected to be achieved initially in North America. However, the Company may expand to markets outside of North America, and become subject to risks normally associated with conducting business in a developing country. The Company cannot predict government positions on such things as foreign investment, intellectual property rights or taxation. A change in government positions on these issues could adversely affect the Company's business.

Market Acceptance

The Company's ability to gain and increase market acceptance of its platform depends upon its ability to establish and maintain its brand name and reputation. In order to do so, substantial expenditures on product development, strategic relationships and marketing initiatives may be required.

Rapid Technological Change

The advertising industry as it relates to social media marketing is characterized by rapid technological change, changes in user and customer requirements and preferences, frequent new product and service introductions embodying new technologies and emergence of new industry standards and practices that could render the Company's existing products and systems obsolete and can exert price pressures on existing products. It is critical to the Company's success that it be able to anticipate and react quickly to changes in technology or in industry standards and successfully develop and introduce new, enhanced and competitive products on a timely basis. The Company cannot give assurance that it will successfully develop new products or enhance and improve its existing products, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhanced existing products by others will not render the Company's products obsolete. The process of developing new technology is complex and uncertain, and, if the Company fails to accurately predict customers' changing needs and emerging technological trends, its business could be harmed. The Company must commit significant resources to developing new products before knowing whether its investments will result in products the market will accept. To remain competitive, the Company may be required to invest significantly greater resources than currently anticipated in research and development and product enhancement efforts, and result in increased operating expenses.

Product Defects and Reputation
The Company will continue developing source code for its platform. Such source code and related products may contain errors or hidden defects that may significantly impact the user experience. The Company may not be able to correct the defects in a timely manner, and may lead to a loss of or a delay in market acceptance. In addition, such errors or hidden defects could cause adverse damage its reputation and impair its ability to acquire new users. In addition, the Company may need to make significant expenditures to eliminate defects from its products. As well, errors and defects and could lead to claims for liability or other claims involving costly litigation.

Risks Associated with Acquisitions

As part of the Company's overall business strategy, the Company intends to pursue select strategic acquisitions that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Company's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Electronic Communication Security Risks

A significant potential vulnerability of electronic communications is the security of transmission of confidential information over public networks. Anyone who is able to circumvent the Company's security measures could misappropriate proprietary information or cause interruptions in its operations. The Company may be required to expend capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches.

Data Transmission

The Company transmits the majority of the content of its client relationship management software as a service over the Internet. If the Company experiences transmission failures or limited transmission capacity on the Internet or other data networks the Company may use, it may be unable meet its commitments.

Insurance Coverage

The Company will require insurance coverage for a number of risks, including business interruption, environmental matters and contamination, personal injury and property damage. Although the Company believes that the events and amounts of liability covered by its insurance policies will be reasonable, taking into account the risks relevant to its business, and the fact that agreements with users contain limitations of liability, there can be no assurance that such coverage will be available or sufficient to cover claims to which the Company may become subject. If insurance coverage is unavailable or insufficient to cover any such claims, the Company's financial resources, results of operations and prospects could be adversely affected.

Tax Risk

The Company will be considered to have been carrying on business in Canada for purposes of the *Income Tax Act* (the "**Tax Act**"). However the Company will be operating in the social media space, a new and developing industry that has had historically low regulations and tax compliance. There is risk that foreign governments may look to increase their tax revenues or levy additional taxes to level the playing field for perceived disadvantages to the traditional brick and mortar business. While the Company does not foresee any adverse tax affects, there is no guarantee that governments will not impose such additional adverse taxes in the future.

Risks in Foreign Jurisdictions

Social media is a global phenomenon, and the Company anticipates that a significant user base will be located outside Canada. International business activities entail additional risks such as uncertainty as to the protection and use of intellectual property, partnership risks, political risks, legal and regulatory risks, the risk of increase in taxes (including value added taxes) and trade barriers. Furthermore, as profits of foreign subsidiaries are taxable under foreign income tax legislation revenues from foreign operations could be adversely impacted.

Currency Fluctuations

Due to the Company's present operations, and its intention to in the future operate in jurisdictions outside Canada, the Company is expected to be exposed to significant currency fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. A substantial portion of the Company's revenue could be earned in US dollars, but a substantial portion of its operating expenses are incurred in Canadian dollars. Fluctuations in the exchange rate between the US dollar and other currencies, such as the Canadian dollar, may have a material adverse effect on the Company's business, financial condition and operating results. The Company intends to continue to expand operations globally so it may be subject to additional gains and losses against additional currencies. The Company does not currently have a foreign exchange hedging program in place. However, in the future, it may establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Company develops a hedging program, it may not hedge its entire exposure to any one foreign currency and it may not hedge its exposure at all with respect to certain foreign currencies.

Fluctuations in Quarterly Results

The Company's quarterly operating results may fluctuate significantly in the future depending on factors such as the popularity of social media, the ability to attract users, progress on implementation of projects and upgrades, the number, timing and significance of new product announcements by the Company and its competitors, the ability to license and develop new VSN, introduce and market new and enhanced versions of products on a timely basis, changes in operating expenses, and general economic factors, among others. A significant portion of the Company's expenses are based on expectations of future revenue and, therefore, is relatively fixed in the short-term. Accordingly, if revenue levels are below expectations, operating results are likely to be adversely affected. As quarterly revenue is dependent upon building a significant user base, and the ability to monetize that user base, the inability to build and monetize the user base could cause the Company to plan or budget inaccurately, and those variations could adversely affect its financial results.

Officer and Director Conflicts

The Company's officers and directors may have certain interests and arrangements that are different from, or in addition to the Company's shareholders. Executive officers and directors may have rights to indemnification including directors' and officers' liability insurance that will survive consummation of their agreements.

Legal Claims and Contingent Liabilities

There were no material legal claims or contingent liabilities outstanding.

MXM NATION INC.

Management's Discussion & Analysis ("MD&A")

For the three and nine month periods ended September 30, 2013

The MD&A of MXM Nation Inc. ("MXM" or the "Company") has been prepared by management of MXM and should be read in conjunction with the Company's unaudited condensed interim financial statements and accompanying notes for the nine month periods ended September 30, 2013. The unaudited and condensed interim financial statements and notes thereto and this MD&A are presented in Canadian currency (unless otherwise noted) and were prepared in accordance with international financial reporting standards ("IFRS").

Forward-Looking Information

This MD&A contains certain forward-looking statements and information relating to the Company that is based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "may", "will", "anticipate", "plan", "intend", "estimate", "project", "continue", "believe", "estimate", "expect" and similar forward-looking terminology, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital and the estimated cost and availability of funding for the continued operation of the Company. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, all forward-looking statements address matters that involve known and unknown risks, uncertainties and other factors and should not be read as guarantees of future performance or results. Accordingly, there are or will be a number of significant factors which could cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual future results, performance or achievements to differ materially include, but are not limited to, our limited operating history, our reliance on key personnel, future capital needs, dependence on proprietary technology and limited protection thereof and general economic trends and international risk. The Company is subject to significant risks and any past performance is no guarantee of future performance. The Company cannot predict all of the risk factors, nor can it assess the impact, if any, of such risk factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. This MD&A offers a brief overview of some of the risk factors to be considered in relation to the Company's business. This list may not be exhaustive and new risk factors may emerge from time to time. Please see the section "Risks and Uncertainties" for further information. We disclaim any intention or obligation to publicly update or revise any forward-looking statements after distribution of this MD&A, whether as a result of new information, future events or other circumstances, except as may be required pursuant to applicable securities laws.

Overview of the Business

Business Profile

The Company was incorporated as Deep Creek Ventures Inc. on February 2, 2005 under the Business Corporations Act of Ontario, Canada. The Company changed its name to MX Mechanics Inc. on April 4, 2007, and to MXM Nation Inc. on February 5, 2013.

MXM Nation Inc. was created to support amateur athletes, specifically in Canadian motocross with sponsorship opportunities. In 2007 MXM launched its trackside sponsor promotion program in conjunction with a full support program; MXM signed 30 major sponsors to participate in the program during MXM's first full season. Sponsors recognize the benefits of promotion at a local level, within niche markets.

In 2009, social media was changing the dynamics of the advertising and promotion model. A major equipment manufacturer approached MXM to move the sponsorship model online so every athlete could participate. In response, MXM developed the xCredits online sponsorship engagement model and subsequently recognized that the online solution developed for motocross athletes and sponsors is a highly applicable and beneficial offering for the thousands of Vertical Social Networks ("VSN") in existence faced with the challenges of monetization, user engagement and return on investment for brands/advertisers. In light of recognizing this opportunity, the concept of SponsorsCloud – a white-labeled platform for integration into any VSN to deliver the social sponsorship engagement and social commerce model – was developed.

Evaluating the disruptive technology innovation and the industry impact of the sponsorship engagement model, MXM pivoted its focus from the single solution for motocross athletes (B2C) to a robust B2B integrated platform for monetizing VSN by delivering social sponsorship engagement and social commerce between Brands (Sponsors) and the users. Subsequently, MXM rebranded itself as SponsorsOne (SPO) in June 2013. In order to protect this technology innovation, MXM developed a major patent on Sponsorship Management within a Social Network and filed this patent as an international patent on September 20, 2013, and is currently working on drafting a second patent to be filed. MXM Nation will continue to have a presence as a vertical social network capturing the market for Canadian motocross athletes and Brands.

<u>SponsorsCloud and xCredits Model</u>

SPO is powered by the SponsorsCloud platform and the xCredits sponsorship engagement currency and rewards engine, in combination addressing the social media marketing challenges faced by brands. SponsorsCloud is the white-labeled platform that is integrated into VSN to enable the VSN to deliver the sponsorship engagement model to Brands and its users. xCredits is the underlying currency and sponsorship engagement rewards engine that drives the sponsorship engagement model.

Historically, it has been difficult to earn and measure the return on investment and the impact of sponsorship marketing for Brands, aside from when dealing with the top high profile sponsored persons. It is also very challenging for the Brands to nurture one-one relationships and keep the sponsored person engaged and promoting the Brand. Not infrequently, sponsored persons never engage with the Brand again after the initial product/service support engagement. There has been limited ways to measure the impact of sponsorship and/or to determine if promotion of the Brand even occurred. To alleviate the challenges of sponsorship engagement (i.e. maintaining ongoing engagement with sponsored persons, no meaningful understanding of the return on investment, costs related to product/service and support given to the sponsored persons with no communication channel post sponsorship), MXM has developed the patent pending xCredits engagement model and is developing the SponsorsCloud platform.

The xCredits system establishes and nurtures a one-to-one relationship between Users and Brands and motivates the user to continuously engage with the Brands through VSN. Sponsorship provides an immediate benefit to the User of a social network in the form of immediate discounts to the User from the Brand, set by the Brand. The Brand further engages the User by offering the incentive of xCredits whereby the User will be rewarded for engaging with the Brand. Users work their way up to higher levels of sponsorship by continuously and authentically engaging with Brands through various social engagement activities online and in store promotion activities, all the while earning xCredits as a sponsorship reward and currency that can also be used for transactions with the sponsors through the system. The xCredits engine monitors all the activity of the User within the social network and based on criteria set by the Brand such as quantity, quality, and type of engagement related to a Brand (sponsorship program/campaign criteria), xCredits will be transferred from the Brand to the User representing sponsorship currency. The more points the User receives the higher the discount levels the User will be entitled to in a tiered format set by the Brand. The xCredits can also be used to access special promotions/offers aside from the core sponsorship program.

The SponsorsCloud platform is being developed to also allow the User to perform ecommerce transactions with the Brands within the system, transfer xCredits to other users, and perform transactions offline in retail locations with discounts and/or offers earned with xCredits. As Users earn xCredits and reach higher discount levels, the sponsored User can exchange their xCredits for products and services from their sponsoring brands in whatever channel works best for them, either direct from brand (online/in store) or from a retailer (online/in store).

In combination, SponsorsCard – the SPO mobile app that runs on all mobile devices – will be the primary device that the user of the social network engages with the brand so this can be in real time, anywhere, anytime and any way.

SPO will attract the global and national sponsors into the platform and manage these relationships and SPO will seek to acquire existing digital media marketing firms that have established relationships with major brands. The VSN also have opportunity and are encouraged to bring Brands specific to their network to the platform. The general categories of Brands are:

Global/National: These are the major corporation such as car rental, hotel, fuel, airline, drug prescription, services, office supplies, insurance, financial services, food, home repair, etc.

Regional: These are local product and service providers that may compete with the national sponsors but offer a higher level of local service. Their promotional strategy may be highly differentiated from the national sponsors.

Vertical: These sponsors are very specialized within the VSN and their topic of interest. For example extreme sports may have helmets and snow board manufacturers targeted specifically to this vertical.

The SPO platform will provide all the tools necessary for Brands, Users, and VSN to achieve their social media goals and objectives including earning an impressive return on investment from their social media efforts, which has proven to be very challenging to date in the social era. Brands are provided with an automated, data rich sponsorship platform to reach hundreds of millions of member accounts and thousands of social networks.

The system monitors and tracks and logs all of the relevant data of the system, specifically engagement activity of the User and Brands within the VSN's, all of the movement of xCredits between users, brands, and across VSN's. This data is then used to perform in-depth analysis and provide analytics reporting to the Brand in the form of marketing intelligence, which is invaluable for Brands. This is an essential component of the platform and this potential insight to be gained by the Brand is unlike any other social media analytics or marketing intelligence available because of the nature of the unique one-to-one social sponsorship engagement model.

The SPO sponsorship engagement and incentive model drives long-term user engagement and is the future of targeted online marketing within social networks in the social era. Sponsorship is the cornerstone to establishing a one-to-one connection between Brands and members of a social network. Dollar for dollar, Brands much prefer to spend their dollars on one-to-one promotion rather than on targeted display ads. Brands recognize the value of word-of-mouth, and the bragging rights Users associate with being sponsored. SPO facilitates this type of marketing in a highly innovative and disruptive manner; continuously connecting the brand and the User on a one-to-one basis through sponsorship while serving the VSN's best interest as well. The Sponsorship model applies to all VSN whereby social networks of all type can benefit from Sponsorship by using it to drive engagement with their Users and monetize their user base.

Expansion Strategy

SponsorsOne has a 3-pronged License, Build, and Buy strategic approach to rapidly build its business and establish its social sponsorship engagement platform as the industry standard for Brands to most effectively engage users in the social era.

1) License Strategy: License and Integrate the Social Sponsorship Engagement Platform: SponsorsCloud is designed for integration into existing VSN. These VSN are targeted to specific markets and interests with a highly engaged user base. While these networks are not large compared to Twitter or Facebook, they tend to have higher Revenue Per User (RPU) potential than these large consumer-based social networks. For example, Facebook generates approximately \$4.00/user in North America and \$1.71 - \$4.05 per user outside of North America, while Twitter's RPU is well under \$1.00/user. LinkedIn produces \$5.00/user annually with total users at 500m and less than 20% contributing to subscription fees. LinkedIn has a subscription membership fee as well as advertising revenues, which is driving its RPU slightly higher than Facebook. The conversion rate from free to paid subscription is still low at 20%.

VSN tend to have a smaller user base (between 100,000 to 1,000,000 members) but can demonstrate higher RPU in the \$20 – \$60 per year. This is driven by higher user engagement and higher conversion to paid subscriptions with higher subscription costs. Further, the RPU through the sponsorship engagement model expects to generate significantly higher RPU than display ads.

Under this strategy, SPO will also seek to partner with major Influencers who have a substantial number of followers in social media, and who can be considered VSN of their own with all their followers. These major Influencers will typically have relationships established major Brands and Brands are greatly interested in accessing their followers. SPO will license and integrate the SPO platform in their web/mobile properties to monetize their followers.

Integration Revenue

It is anticipated that it will take about 2-3 months to integrate SponsorsCloud into an existing VSN, using the SponsorsOne integration services. The VSN will then begin their marketing programs to encourage user migration to sponsorship, engagement and conducting transactions. Integration fees may be applicable in certain instances and not in other depending on the licensing agreement.

License Revenue

SponsorsOne will bring a slate of national sponsors onto the platform that the VSN can offer to their community immediately with discounts in the 10% - 20% range. This brings immediate benefit to the members of the VSN, encouraging them to engage with xCredits for higher discounts and eventually to transact business among the members and the sponsors. In a licensing model, SponsorsOne will license the platform for a share of gross revenue from subscriptions and sponsorship. In addition, SPO will operate, maintain and support the social commerce Platform for a monthly fee based on the number of total users on the system.

Transaction Revenue

In addition, SponsorsBank will operate, maintain and support the xCredit transaction system within the SponsorsCloud platform. Revenue comes from either a monthly fee or continuous purchases on demand paid by the Brands to acquire xCredits for rewarding users on engagement activity.

2) Build Strategy: Build the Vertical Social Network: SponsorsOne can rapidly build a social network using its social sponsorship engagement platform and launch to the target user base using traditional social networking techniques. This is the case with the extreme sport's athletes, whereby MXM has established relationships with multiple sponsors, athletes and dealers to participate within the vertical. It is estimated that Extreme sports have 5 million amateur and professional athletes competing in local and international competitions around the world. These sports are very expensive and athlete support is critical. Most sponsorship programs offered by the major manufacturers and service providers are ad hoc and not very well organized and funded. The user engagement model and sponsorship incentives are designed to bring all athletes together with their sponsors and drive an economic model of support, both financially and socially.

Revenues will be derived from monthly subscriptions from the Brands. Note that sponsorship revenue per VSN will vary depending on the number of users within the VSN.

3a) Buy Strategy: Acquire the Vertical Network: It is estimated that there are thousands of vertical social networks operating around the world with little to no revenue. Their user count is typically 100,000 to 5 million and their revenue sources are display advertising through Google or Yahoo and possibly a small subscription fee. The valuations on these VSN are low making them an ideal acquisition target in order to acquire more specific users that Brands can target. SponsorsOne will allow each Brand, national, regional and vertical to select the networks they wish to participate in, allowing one-to-one sponsorship engagement to promote their products and services. As discussed, the size of the vertical will determine the Brands monthly subscription.

SponsorsOne has identified a number of other VSN to acquire and is working with a number of VSN platform developers to build their VSN strategy on the SponsorsCloud platform creating joint ownership opportunities.

3b) Buy Strategy 2: Acquire Digital Media Creative Agencies: Many global brands are now looking to the boutique digital media creative agencies to deliver their online, digital media marketing campaigns, within the social networks. These agencies are unique in their ability to attract and retain the rare combination of creative, marketing and technology talent that are highly sought after by Brands wanting to maximize their online engagement with their Users.

These agencies have a solid relation with most of the global brands that spend significantly on online engagement. Given the marketing initiatives that will be required to build awareness amongst online Users, these agencies are the best of the best in building buzz online. They will assist the Brands on properly running their sponsorship engagement campaigns.

Agencies also have access to some of the most influential people in social media with significant followership all over the world. These major influencers are very attractive and sought after by Brands and have very committed followers with no way to currently monetize their follower base making them ideal candidates for the SPO platform to monetize their network of followers. SPO will seek to partner with these major influencers through the digital media creative agencies.

SPO has an established agreement with a Toronto based agency that has strong relations with a network of some of the best of these agencies around the world. The Toronto agency will lead SPO's acquisition strategy in this regard. Through this Toronto agency an agreement has been established with a New York City based agency that has all of these attractive attributes described above and will be the global management firm for SPO's digital media agency conglomerate. A management service agreement with SPO will allow the NYC firm to manage and disseminate strategy to all the creative assets that SPO acquires, and drive and manage the relationships with the marketing departments of the Brands and the major Influencers.

Strategies and Outlook

The Company is in the process of raising capital to execute its three pronged growth strategies and continued development of its disruptive xCredits engine and the SponsorsCloud technologies.

In July 2013, the Company entered into a non-binding letter of intent with New International Infopet Systems Ltd. ("Infopet") to complete a going-public transaction. It is intended that the proposed transaction will proceed through a reverse takeover whereby the Company will legally become a wholly owned subsidiary of Infopet. Upon completion of the proposed transaction, the holders of common shares of the Company will receive Infopet common shares.

The transaction includes a private placement which is expected to raise $1 million from the issuance of 3,333,333 units. Each unit will consist of one common share and one warrant to purchase one common share at $0.30. Each warrant will expire two years from the date of issuance.

In November 2013, the Company and Infopet executed the share purchase agreement thereby formalizing the non-binding letter of intent. The transaction is expected to be completed in the fourth quarter of 2013, whereby each common share will be converted to one Infopet common share and one-half warrant to purchase on Infopet common share at $0.65. The warrant will expire one year from the date of issuance.

The Company will be considered the purchaser under IFRS accounting rules. Accordingly, subsequent to the transaction, the financial statements will be prepared with the Company acquiring Infopet. The disclosure for share capital will be amended to reflect Infopet's equity.

Operating Results

	Three months ended		Nine months ended	
	Sept 30, 2013	Sept 30, 2012	Sept 30, 2013	Sept 30, 2012
Total assets	605,225	186,014	605,225	186,014
Total liabilities	491,404	690,334	491,404	690,334
Total equity	113,821	(504,320)	113,821	(504,320)
Selling, General and administrative	183,324	8,863	385,373	135,622
Research and development	45,487	-	82,809	-
Depreciation and amortization	39,396	3,846	106,115	11,537
Net loss	273,127	16,577	586,765	158,815

Operating Highlights

- MXM commenced operations in 2006, with the primary focus on building its network of athletes and sponsors. Initial operations consisted of participation in local racing events and raising brand awareness with a primary focus on motocross racing.

- With the advent and cost effectiveness of social media, the Company determined that social media provided the opportunity to expand its business operations.

- On February 5, 2013, the Company officially acquired key intellectual property from a shareholder and officer of the Company. The intellectual property consisted of the system architecture and design for the social network, current and future patent applications, industry contacts (partners, sponsors, athletes, and customer lists), and Company branding and logos.

- Pursuant to the acquisition of its intellectual property, the Company continues its strategy of filing the patents required to protect its intellectual property and business model.

- In July 2013, the Company entered into a non-binding agreement with Infopet to complete a going-public transaction. The non-binding agreement requires both parties to satisfy certain conditions before completion and listing.

- In November 2013, the share purchase agreement between the Company and Infopet was executed. As a result, the transaction to take the Company public is expected to be competed in the fourth quarter of 2013.

- The Company has reserved the name SponsorsOne Inc, and the trading symbol "SPO" during the nine month period ended September 30, 2013. Upon executing the going public transaction, Infopet's name and trading symbol will be amended accordingly.

Revenue

The Company has not earned significant revenues for the three and nine month periods ended September 30, 2013. The primary focus has been building and maintaining key relationships and the development of its social media sponsorship infrastructure called SponsorsCloud and SponsorsCard (mobile app).

The Company is in the process of expanding its operations through the roll-out of its current VSN, the acquisition of new VSN, and the licensing of its VSN technology and platform. The Company expects to earn ongoing revenues in 2014.

Expenses

	Three months ended Sep 30,			Six months ended Sep 30,		
	2013	2012	Change 2013 versus 2012	2013	2012	Change 2013 versus 2012
Sales, general & administrative	183,324	8,863	174,461	385,373	135,622	249,751

Sales, general and administrative expense represents the general expenses required to attend sporting events and promote MXM brand. Also included are general office expenses including accounting, legal and office fees.

Sales, general and administrative expense for the three month period ended September 30, 2013 is $183,324, an increase of $174,461 from the same period in 2012. The increase in expenses was due to an increase in executive consultant, accounting and legal fees. The consultant fees relate to the executive talent required to bring the Company to the public markets, raise capital, and expand its operations. The accounting and legal fees relate to the additional fees required to execute the expected going public transaction in the fourth quarter of 2013.

Sales, general and administrative expense for the nine month period ended September 30, 2013 is $385,373, an increase of $249,751 from the same period in 2012. Similar to the three month period ended September 30, 2013, the increase in costs is attributed to an increase in executive consultant accounting, and legal fees required to expand the Company's operations and execute the going-public transition in the fourth quarter of 2013. The increase in costs was partially offset with reductions in travel costs and professional fees. Travel relates to the ongoing cost of attending and participating in sporting events in North America, and professional fees represent the cost of ongoing sports training. These costs are decreasing in 2013 as the Company focuses on its social media infrastructure, and decreases its focus on attending sporting events.

It should be noted that the general increase in executive consultant and legal fees relates to the cost of acquiring the talent necessary to bring the Company public and grow its operations with a focus on social media. These costs are expected to increase in future periods as Company acquires resources required for expansion.

	Three months ended Sep 30,			Nine months ended Sep 30,		
	2013	2012	Change 2013 versus 2012	2013	2012	Change 2013 versus 2012
Research and development	45,487	-	45,487	82,809	-	82,809

Research and development expense represents the cost of developing and operating the VSN. As the Company re-focuses its operations from attending trade shows to on online platform, research and development costs are expected to increase substantially in the future.

Research and development expense for the three month period ended September 30, 2013 is $45,487, an increase from nil in the same period in 2012. The increase is attributed to the addition of consultants, staffing, and resources required to develop the Company's technology.

Research and development expense for the nine month period ended September 30, 2013 is $82,809, an increase from nil in the same period in 2012. Similar to the three month period ended September 30, 2013, the increase in costs is attributed to the addition of consultant and staff resources required to develop the Company's technology.

The Company officially acquired intellectual property valued at $425,000 in early 2013 from its majority shareholder. The Company added personnel in early 2013 to develop its technology, and anticipates that these costs will accelerate further in subsequent years as the Company continues to develop and expand its technology.

	Three months ended Sep 30,			Nine months ended Sep 30,		
	2013	**2012**	**Change 2013 versus 2012**	**2013**	**2012**	**Change 2013 versus 2012**
Depreciation and amortization	39,396	3,846	35,550	106,115	11,537	94,578

Depreciation and amortization expense for three month period ended September 30, 2013 is $39,396, an increase of $35,550 from the same period in 2012. The increase is attributed to the additional depreciation and amortization expense incurred on the intangible property and capital assets acquired in 2013.

Depreciation and amortization expense for nine month period ended September 30, 2013 was $106,115, an increase of $94,578 from the same period in 2012. Similar to the three month period ended September 30, 2013, the increase is caused by the additional depreciation and amortization expense on the acquired intangible property and capital assets.

	Three months ended June 30,			Nine months ended June 30,		
	2013	**2012**	**Change 2013 versus 2012**	**2013**	**2012**	**Change 2013 versus 2012**
Interest expense	4,920	3,868	1,052	12,468	11,656	812

Interest expense for three month period ended September 30, 2013 is $4,920, an increase of $1,052 from the same period in 2012. Interest is higher due to the interest incurred on the $40,000 note payable received at the beginning of the third quarter of 2013.

Interest expense for nine month period ended September 30, 2013 is $12,468, an increase of $812 from the same period in 2012. The increase is attributable to the interest incurred on the $40,000 note payable partially offset by lower interest expense on existing loans as a result of lower principal balances when compared to balances in 2012.

	Three months ended Sep 30,			Nine months ended Sep 30,		
	2013	2012	Change 2013 versus 2012	2013	2012	Change 2013 versus 2012
Income tax recovery	-	-	-	-	-	-

Income tax recovery for the three and nine month period ended September 30, 2013 is nil, unchanged from the comparable periods in the prior year. The company has tax losses that can be carryfoward to future years to reduce taxable income. As the Company is commencing operations and does not have a history of taxable income, a valuation allowance has been recorded on the tax losses thereby reducing tax recoveries to nil.

The Company will assess its valuation allowance in future periods. Should management decide it is appropriate to reduce its valuation allowance in subsequent periods, a deferred taxable asset will be recorded. While not exhaustive, events that may lead to reversing the valuation allowance include taxable income and the successful commercialization its technology.

Summary of Quarterly Results

The following table highlights selected unaudited financial information in respect of the previous eight quarters of the Company. The Company's quarterly operating results have varied in the past and may vary substantially in the future. Accordingly, the information below is not necessarily indicative of results for any future quarter.

Balance Sheet

	Third Quarter 2013	Second Quarter 2013	First Quarter 2013	Fourth Quarter 2012
Current assets	102,571	19,564	7,019	727
Total assets	605,225	560,014	586,731	182,895
Current liabilities	306,193	350,501	205,938	520,317
Total liabilities	491,404	536,890	394,525	711,060
Total equity	113,821	23,124	192,206	(528,165)
	Third Quarter 2012	**Second Quarter 2012**	**First Quarter 2012**	**Fourth Quarter 2011**
Current assets	-	-	-	4,000
Total assets	186,014	189,860	193,706	201,551
Current liabilities	497,476	482,669	422,298	348,089
Total liabilities	690,334	677,603	619,269	547,057
Total equity	(504,320)	(487,743)	(425,563)	(345,506)

Income Statement

	Third Quarter 2013	Second Quarter 2013	First Quarter 2013	Fourth Quarter 2012
Revenues	-	-	-	-
Expenses	273,127	191,221	122,417	23,845
Net loss	273,127	191,221	122,417	23,845
	Third Quarter 2012	**Second Quarter 2012**	**First Quarter 2012**	**Fourth Quarter 2011**
Revenues	-	-	-	-
Expenses	16,577	62,180	80,058	33,545
Net loss	16,577	62,180	80,058	33,545

Liquidity and Capital Resources

The Company is in the early stage of operations and has historically been most active during the summer months when athletes, especially in motocross racing, are most active. The Company has predominantly financed its operations either directly from an officer of the Company or from companies controlled by the officer. In anticipation of significant expansion of operations, the Company opened its bank account in the first quarter of 2013.

The Company is in the process of expanding its operations and requires additional capital to achieve its strategic objectives. The Company requires additional working capital to fund business development efforts expanding its VSN, building and acquiring new VSN and licensing its technology.

During the nine month period ended September 30, 2013, the company received funding from a company controlled by an officer of the Company. The funding was converted to share equity at the end of the third quarter of 2013.

On July 5, 2013, the Company entered into a term loan with a principal amount of $40,000 to fund short term operations. The Loan bears interest at the rate of 15% per annum, with interest payable on maturity in arrears. The loan matures when the Company successfully raises $150,000 in equity financing.

In September 2013, the Company successfully raised $150,000 in equity financing, less agent commissions of 10%. The Company issued 500,001 common shares and share purchase warrants respectively. The warrants have an exercise price of $0.30 expiring two years from the date of issuance.

On July 10, 2013 the Company entered into a non-binding letter of intent with Infopet to complete a going-public transaction. The transaction is expected raise $1 million by way of a private placement of up to 3,333,333 common shares and warrants.

In addition, when the going public transaction is executed each shareholder will receive one Infopet common share and one-half warrant exercisable into one Infopet Common Share upon payment of $0.65.

The Company anticipates the use of proceeds as follows:

Sponsor cloud and Social Commerce Platform Development	$500,000
Sales, general & administrative	100,000
Acquisition – US Company	100,000
Working Capital	150,000
Legal fees & commissions	150,000
Total capital received	$1,000,000

Management continues to monitor the capital resources of the Company. Should management determine that additional resources are required, the Company will raise proceeds by entering into loan agreements or raise additional equity funding. While the Company will use its best efforts to raise capital as needed, the Company may be unsuccessful in its ability to raise additional capital, and may affect is ability to meet its ongoing obligations.

Commitments, Contingencies and Off-Balance Sheet Arrangements

The Company has no commitments for capital expenditures, no contingencies and no off-balance sheet arrangements.

Outstanding Share Data

As at September 30, 2013, the following Common Shares and convertible securities of the Company are issued and outstanding:

Common Shares – issued and outstanding	9,166,668
Stock options – vested and unvested	1,385,000
Warrants	1,216,668

If all of the options and warrants outstanding at September 30, 2013 were exercised, there would be 11,768,336 Common Shares issued and outstanding.

Accounting Policies

Basis of presentation

These financial statements have been prepared on a historical cost basis and presented in Canadian dollars ("CAD" dollars), except for certain financial instruments which are measured at fair market value.

Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board. Accordingly, these unaudited condensed interim financial statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year end reporting purposes. Results for the periods ended September 30, 2013 are not necessarily indicative of future results.

Use of estimates

The preparation of these financial statements and related disclosures in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of these financial statements, and the reported amounts of revenue and expenses during the periods reported. By their nature, these estimates are subject to uncertainty and the effect on the financial statements of changes in estimates in future periods could be significant.

The Company applied judgment in the determination of the recoverability of both capital assets and intangible assets.

Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the period that they are determined to be necessary.

Cash and cash equivalents

Cash and cash equivalents include all cash on demand, interest bearing deposits with original maturities of three months or less. As at September 30, 2013 the Company did not hold any cash equivalents.

Intangible assets

Costs of start-up activities and organizational costs are expensed as incurred. Start-up costs include those one-time activities related to organizing a new entity.

The Company records intangible assets, excluding goodwill and intangible assets with indefinite lives at cost and provides for amortization over their expected useful lives using the straight-line method over the following periods:

Customer lists	3 years
Patents and trademarks	3 years
System development costs	3 years

Goodwill and other intangible assets with indefinite lives are not amortized, but are tested for impairment at least annually, or more frequently, if events or changes in circumstances indicate that the asset might be impaired, such as, the loss of a patent litigation or a significant decline in the Company's revenue.

Share-based payment transactions

Employees of the Company, including management personnel, may receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the equity instruments are granted. The fair value is determined by using the Black-Scholes pricing model.

The cost of equity-settled transactions is recognized over the period in which the performance or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date reflects the extent to which vesting periods have expired and reflects the Company's best estimate of the number of equity instruments that will ultimately vest.

Where the terms of an equity instrument are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee, as measured at the date of modification.

The dilutive effect of outstanding share options is reflected as additional share dilution in the computation of diluted earnings per share.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity dates. They are initially recognized at fair value and subsequently carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company classifies its cash and accounts receivables as loans and receivables.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss.

Other financial liabilities - This category includes all other liabilities, all of which are initially recognized at fair value, net of transaction costs, and are subsequently stated at amortized cost. The Company classifies its accounts payable and accrued liabilities, note payable, long-term debt and due to shareholder as other financial liabilities.

New Accounting Policies

There were a number of IFRS accounting policies that became effective for annual periods starting on or after January 1, 2013. These policies and their effects, if any, are described below.

IFRS 10 Consolidated Financial Statements

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 supersedes SIC-12 Consolidations – Special Purpose Entities and replaces parts of IAS 27. The effective date of this amendment is for annual periods beginning on or after January 1, 2013.

The Company does not expect the adoption of IFRS 10 to have a material effect on its financial statements.

IFRS 11 Joint Arrangements
IFRS 11 requires a venture to classify its interest in a joint arrangement as a joint operation or a joint venture. The standard eliminates the use of the proportionate consolidation method to account for joint ventures. Joint ventures will be accounted for using the equity method of accounting while, for a joint operation, the venture will recognize its share of the assets, liabilities, revenues and expenses of the joint operation. IFRS 11 supersedes SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers and IAS 31 Joint Ventures. The effective date of this amendment is for annual periods beginning on or after January 1, 2013. The Company does not expect the adoption of IFRS 11 to have a material effect on its financial statements.

IFRS 12 Disclosure of Interests in Other Entities
IFRS 12 establishes disclosure requirements for interests in other entities such as subsidiaries, joint arrangements, associates and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interest in other entities. IFRS 12 replaces the previous disclosure requirements included in IAS 27 Consolidated and Separate Financial Statements, IAS 31 Joint Ventures and IAS 28 Investment in Associates. The effective date of this amendment is for annual periods beginning on or after January 1, 2013. The Company does not expect the adoption of IFRS 12 to have a material effect on its financial statements.

IFRS 13 Fair Value Measurement
IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. IFRS 13 defines fair value and establishes disclosures about fair value measurement. The effective date of this amendment is for annual periods beginning on or after January 1, 2013. The Company does not expect the adoption of IFRS 13 to have a material effect on its financial statements.

IAS 28 Investments in Associates and Joint Ventures
The IASB also amended IAS 28, an existing standard, to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 12. The effective date of this amendment is for annual periods beginning on or after January 1, 2013 and is not expected to materially affect the Company.

Future Accounting Changes

Standards issued but not yet effective up to the date of issuance of these unaudited condensed interim financial statements are described below. This description is of standards and interpretations issued that the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

IFRS 9 Financial Instruments: Classification and Measurement
IFRS 9 Financial Instruments ("IFRS 9") was published on November 12, 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 retains but simplifies the mixed

measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivables. The standard is effective for annual periods beginning on or after a date yet to be determined. The Company is still evaluating the impact of IFRS 9 on its financial statements.

Transactions with Related Parties

The Company has transactions with related parties. These transactions are in the normal course of operations and are measured at their exchange value, which approximates the fair market value as with any third party.

The amounts due from (to) related parties as at:

	Sep 30, 2013	Sep 30, 2012
Due to a company controlled by an officer	-	471,157

The following table outlines the Company's related party transactions:

	Three months ended Sep 30,		Nine months ended Sep 30,	
	2013	2012	2013	2012
Transfer of Intangible Property by an officer (see note 5)	-	-	425,000	-
Equity issued to related companies to settle amounts due	200,000	-	600,000	-

Investor Relations Activities

MXM does not have any investor relations arrangements.

Financial Instruments

All financial assets are classified either held for trading, held-to-maturity investments, loans and receivables or available-for-sale. Also, all financial liabilities are classified as either held for trading or other financial liabilities. All financial instruments are initially recorded on the balance sheet at fair value. After initial recognition, financial instruments are measured at the fair values, except for held-to-maturity investments, loans and receivables and other liabilities, which are measured at amortized cost.

The Company's financial assets and liabilities are classified and measured as follows:

Asset/Liability	Classification	Measurement
Cash	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Loans payable	Other financial liabilities	Amortized cost

Litigation/Indemnification

The Company does not anticipate or foresee at this time any basis for any intellectual property proceedings being instigated by other parties against the Company or by the Company against other parties.

While the Company is not a party to any legal proceedings, the intellectual property industry is extremely competitive. There can be no assurance that in the future, the Company will not be subject to allegations concerning the status or validity of the Company's intellectual property.

Subsequent Events

Share Purchase Agreement

The Company has entered into a share purchase agreement with New International Infopet Systems Ltd. ("Infopet") to complete a going-public transaction in the fourth quarter of 2013. The Company will become a wholly owned subsidiary of Infopet by way of a reverse takeover. Upon completion of the transaction, each of the Company's common shares will be exchanged for one payment unit. Each payment unit will consist of one common share and one-half warrant, expiring in one year, to purchase one common share for $0.65. In addition, all other outstanding warrants and options will be exchanged for Infopet warrants and options with equivalent values and terms.

Infopet will be the legal purchaser of the Company. However, as the transaction being completed by way of a reverse takeover, for accounting purposes, the Company will account for the transaction as the purchaser.

Financing

Subsequent to September 30, 2013, the Company secured $750,200 in equity financing at a price of $0.30. The Company issued 2,500,668 shares and warrants respectively. The warrants have an exercise price of $0.30 and expire two years from the date of issuance. The Company incurred share issue costs of approximately $71,000 cash in addition to the issuance of 345,763 finder warrants. The warrants have an exercise price of $0.30 and expire two years from the date of issuance.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The Company is held privately, and has not been required to certify the design and evaluation of the Company's disclosure controls and procedures or internal controls over financial reporting, and the Company has not completed such an evaluation. Inherent limitations on the ability of the certifying officers of the Company to design and implement, on a cost-effective basis, disclosure controls and procedures or internal controls over financial reporting for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

Given the speculative nature of the business of the Company, an investment in the Common Shares should only be considered by those persons who can afford a total loss of their investment. The risks presented below should not be considered to be exhaustive and may not represent all of the risks that the Company may face. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations. If any of the risks described below occur, the Company's business, financial condition, liquidity and results of operations could be materially harmed:

Limited Operating History and Sales

The Company has a limited operating history on which to base an evaluation of its business, financial performance and prospects. As such, the Company's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development. As the Company is in an early stage and is introducing new products, the Company's revenues may be materially affected by the decisions, including timing decisions, of a relatively consolidated customer base. In addition, it is also difficult to evaluate the viability of the Company's client relationship management software as a service because the Company has had limited experience to address the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly companies in new and rapidly evolving markets such as the Company's target markets. There can be no assurance that the Company will be successful in addressing these risks, and the failure to do so in any one area could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

No Assurance of Profitability

The Company incurred a net loss of $586,765 for the nine month period ended Sept 30, 2013, and has incurred total losses of $1,114,931 from incorporation. The Company cannot give assurances that it will not incur net losses in the future. The limited operating history makes it difficult to predict future operating results. The Company is subject to the risks inherent in the operation of a new business enterprise in an emerging business sector, and there can be no assurance that the Company will be able to successfully address these risks.

Future Capital Needs; Uncertainty of Additional Funding

The Company may not be able to fully implement and execute its business strategy without additional financing. There can be no assurance that such additional financing will be available, and if available, there can be no assurance that the cost of obtaining such financing will be on favourable or reasonable commercial terms or that financing will not result in substantial dilution to the Company's shareholders.

Dependence on Key Personnel

The Company's future success depends on its ability to retain key employees and attract, train, retain and successfully integrate new talent into its management team. The Company's success is highly dependent on its continuing ability to identify, hire, train, motivate and retain appropriate personnel. Competition for these personnel can be intense, and the Company cannot provide assurance that it will be able to attract or retain them. To do so, it may be necessary for the Company to materially increase the compensation it pays.

Management of Growth

The Company may experience a period of significant growth in the number of personnel that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. The Company's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Competition

Competition in the advertising and social media spectrum is increasing. While the Company is targeting niche social media sites with higher expected revenues per subscriber, there can be no assurances that competitors will not adopt a similar strategy and attempt to enter the markets that the Company has targeted.

Dependence on Proprietary Technology and Limited Protection Thereof

The Company will be relying on a combination of trademark, copyright, patent and trade secret law, as well as confidentiality restrictions contained in certain confidentiality agreements, to establish and protect the Company's proprietary rights in its intellectual property. As a result, the Company may not be able to adequately prevent a competitor, business partner or customer from creating or obtaining an illegal copy of its software or otherwise using it for inappropriate purposes such as reverse-engineering.

General Economic Trends

The worldwide economic slowdown and tightening of credit in the financial markets may impact the business of the Company's customers, which could have an adverse effect on the Company's business, financial condition, or results of operations. Adverse changes in general economic or political conditions in any of the major countries in which the Company does business could also adversely affect the Company's operating results.

Asset Location and Legal Proceedings

Substantially all of the Company's assets are located in Canada where intellectual property is generally enforced. Social media is global in nature, and the Company expects to have subscribers and assets located outside of Canada. Accordingly, the Company may be subject to legal proceedings and judgments in foreign jurisdictions.

Risk Associated with Foreign Operations in Developing Countries

The Company's primary revenues are expected to be achieved initially in North America. However, the Company may expand to markets outside of North America, and become subject to risks normally associated with conducting business in a developing country. The Company cannot predict government positions on such things as foreign investment, intellectual property rights or taxation. A change in government positions on these issues could adversely affect the Company's business.

Market Acceptance

The Company's ability to gain and increase market acceptance of its social medial platform depends upon its ability to establish and maintain its brand name and reputation. In order to do so, substantial expenditures on product development, strategic relationships and marketing initiatives may be required.

Rapid Technological Change

The advertising industry is characterized by rapid technological change, changes in user and customer requirements and preferences, frequent new product and service introductions embodying new technologies and emergence of new industry standards and practices that could render the Company's existing products and systems obsolete and can exert price pressures on existing products. It is critical to the Company's success that it be able to anticipate and react quickly to changes in technology or in industry standards and successfully develop and introduce new, enhanced and competitive products on a timely basis. The Company cannot give assurance that it will successfully develop new products or enhance and improve its existing products, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhanced existing products by others will not render the Company's products obsolete. The process of developing new technology is complex and uncertain, and, if the Company fails to accurately predict customers' changing needs and emerging technological trends, its business could be harmed. The Company must commit significant resources to developing new products before knowing whether its investments will result in products the market will accept. To remain competitive, the Company may be required to invest significantly greater resources than currently anticipated in research and development and product enhancement efforts, and result in increased operating expenses.

Product Defects and Reputation

The Company will continue developing source code for its social media websites. Such source code and related social media products may contain errors or hidden defects that may significantly impact the user experience. The Company may not be able to correct the defects in a timely manner, and may lead to a loss of or a delay in market acceptance. In addition, such errors or hidden defects could cause adverse damage its reputation and impair its ability to acquire new users. In addition, the Company may need to make significant expenditures to eliminate defects from its products. As well, errors and defects and could lead to claims for liability or other claims involving costly litigation.

Risks Associated with Acquisitions

As part of the Company's overall business strategy, the Company intends to pursue select strategic acquisitions that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Company's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Electronic Communication Security Risks

A significant potential vulnerability of electronic communications is the security of transmission of confidential information over public networks. Anyone who is able to circumvent the Company's security measures could misappropriate proprietary information or cause interruptions in its operations. The Company may be required to expend capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches.

Data Transmission

The Company transmits the majority of the content of its client relationship management software as a service over the Internet. If the Company experiences transmission failures or limited transmission capacity on the Internet or other data networks the Company may use, it may be unable meet its commitments.

Insurance Coverage

The Company will require insurance coverage for a number of risks, including business interruption, environmental matters and contamination, personal injury and property damage. Although the Company believes that the events and amounts of liability covered by its insurance policies will be reasonable, taking into account the risks relevant to its business, and the fact that agreements with users contain limitations of liability, there can be no assurance that such coverage will be available or sufficient to cover claims to which the Company may become subject. If insurance coverage is unavailable or insufficient to cover any such claims, the Company's financial resources, results of operations and prospects could be adversely affected.

Tax Risk

The Company will be considered to have been carrying on business in Canada for purposes of the *Income Tax Act* (the "**Tax Act**"). However the Company will be operating in the social media space, a new and developing industry that has had historically low regulations and tax compliance. There is risk that foreign governments may look to increase their tax revenues or levy additional taxes to level the playing field for perceived disadvantages to the traditional brick and mortar business. While the Company does not foresee any adverse tax affects, there is no guarantee that governments will not impose such additional adverse taxes in the future.

Risks in Foreign Jurisdictions

Social media is a global phenomenon, and the Company anticipates that a significant user base will be located outside Canada. International business activities entail additional risks such as uncertainty as to the protection and use of intellectual property, partnership risks, political risks, legal and regulatory risks, the risk of increase in taxes (including value added taxes) and trade barriers. Furthermore, as profits of foreign subsidiaries are taxable under foreign income tax legislation revenues from foreign operations could be adversely impacted.

Currency Fluctuations

Due to the Company's present operations, and its intention to in the future operate in jurisdictions outside Canada, the Company is expected to be exposed to significant currency fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. A substantial portion of the Company's revenue could be earned in US dollars, but a substantial portion of its operating expenses are incurred in Canadian dollars. Fluctuations in the exchange rate between the US dollar and other currencies, such as the Canadian dollar, may have a material adverse effect on the Company's business, financial condition and operating results. The Company intends to continue to expand operations globally so it may be subject to additional gains and losses against additional currencies. The Company does not currently have a foreign exchange hedging program in place. However, in the future, it may establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Company develops a hedging program, it may not hedge its entire exposure to any one foreign currency and it may not hedge its exposure at all with respect to certain foreign currencies.

Fluctuations in Quarterly Results

The Company's quarterly operating results may fluctuate significantly in the future depending on factors such as the popularity of social media, the ability to attract users, progress on implementation of projects and upgrades, the number, timing and significance of new product announcements by the Company and its competitors, the ability to license and develop new VSN, introduce and market new and enhanced versions of products on a timely basis, changes in operating expenses, and general economic factors, among others. A significant portion of the Company's expenses are based on expectations of future revenue and, therefore, is relatively fixed in the short-term. Accordingly, if revenue levels are below expectations, operating results are likely to be adversely affected. As quarterly revenue is dependent upon building a significant user base, and the ability to monetize that user base, the inability to build and monetize the user base could cause the Company to plan or budget inaccurately, and those variations could adversely affect its financial results.

Officer and Director Conflicts

The Company's officers and directors may have certain interests and arrangements that are different from, or in addition to the Company's shareholders. Executive officers and directors may have rights to indemnification including directors' and officers' liability insurance that will survive consummation of their agreements.

Legal Claims and Contingent Liabilities

There were no material legal claims or contingent liabilities outstanding.

SCHEDULE "E"
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER AS AT DECEMBER 31, 2012 AND SEPTEMBER 30, 2013

New International Infopet Systems Ltd
Pro Forma Consolidated Statement of Financial Position
(Unaudited)

	MXM Nation Inc. as at Sept 30, 2013	New International Infopet as at July 30, 2013	Note Reference	Pro Forma Adjustments	Pro Forma Consolidated
Assets					
Current assets					
Cash and cash equivalents	58,950	566	2(b)	750,200	
			2(c)	(71,520)	
			2(f)	(75,000)	663,196
Accounts receivable	41,121				41,121
Prepayments and deposits	2,500				2,500
	102,571	566		603,680	706,817
Capital Assets	172,098	-			172,098
Intangible assets	330,556	-			330,556
Long term investment	-	1			1
	605,225	567		603,680	1,209,472
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	255,720	7,559			263,279
Notes Payable	41,430				41,430
Current Portion of long term debt	9,043				9,043
Due to related parties	-	191,486	2(g)	(191,486)	-
	306,193	199,045		(191,486)	313,752
Long term liabilities					
Long term debt	185,211				185,211
	491,404	199,045		-	498,963
Shareholders' equity					
Share capital	894,067	1,586,504	2(a)	(1,586,504)	
			2(a)	320,496	
			2(b)	386,524	
			2(c)	(71,520)	
			2(d)	(55,258)	
			2(e)	(119,861)	
			2(g)	106,137	1,460,585
Additional paid-in capital	68,752	-			68,752
Warrants	265,933	-	2(b)	363,676	
			2(d)	55,258	
			2(e)	119,861	
			2(g)	99,863	904,591
Reserve		224,527	2(a)	(224,527)	-
Deficit	(1,114,931)	(2,009,509)	2(a)	2,009,509	
			2(a)	(533,488)	
			2(f)	(75,000)	(1,723,419)
	113,821	(198,478)		795,166	710,509
	605,225	567		795,166	1,209,472

MXM Nation Inc. and New International Infopet Systems Ltd.
Notes to Pro Forma Consolidated Statement of Financial Position as at Sept 30, 2013
(Unaudited)

1. Basis of Presentation

The accompanying unaudited pro forma consolidated statement of financial position of MXM Nation Inc. ("MXM") has been prepared by management to reflect the acquisition of New International Infopet Systems Ltd. ("Infopet") by MXM after giving effect to the proposed transactions (the "Transaction") as described in Note 2.

The unaudited pro forma statement of financial position has been prepared from information derived from and should be read in conjunction with the following:

1. The unaudited condensed interim financial statements of MXM as at and for the period ended September 30, 2013.

2. The unaudited condensed interim financial statements of Infopet as at and for the period ended July 31, 2013.

The unaudited pro-forma consolidated statement of financial position of MXM has been presented assuming the Transaction had been completed on September 30, 2013.

The Transaction has been accounted for in accordance with IFRS 2, Share-Based Payment. The Transaction is considered to be a reverse takeover of Infopet by MXM. The Transaction has been accounted for in the unaudited pro-forma consolidated statement of financial position as a continuation of the financial statements of MXM, together with a deemed issuance of shares, equivalent to the shares held by the former shareholders of Infopet. The fair value of the shares issued was determined based on the fair value as determined in the share purchase agreement.

The unaudited pro-forma consolidated statement of financial position has been prepared in accordance with International Financial Reporting Standards ("IFRS"), and, in the opinion of management, include all adjustments necessary for fair presentation. No adjustments have been made to reflect additional costs or cost savings that could result from the combination of the operations of MXM and Infopet, as management does not anticipate any material costs or cost savings as a result of this Transaction.

The unaudited pro forma consolidated statement of financial position has been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the Transaction been in effect at the date indicated.

2. Pro Forma Assumptions and Adjustments

In November 2013, MXM executed the share purchase agreement with Infopet to complete the Transaction whereby all of the issued and outstanding securities of MXM, a non-reporting issuer incorporated under the Canadian Business Corporations Act, will be exchanged for securities of Infopet subject to a number of conditions.

The unaudited pro forma consolidated statement of financial position gives effect to the following assumptions and adjustments:

a) The issuance by Infopet of 11,667,334 common shares, to acquire 100% of the issued and outstanding common shares MXM; and

A reverse takeover transaction involving a non-public operating entity and a non-operating public company is in substance a share-based payment transaction, rather than a business combination. The transaction is equivalent to the issuance of shares by the non-public operating entity, MXM, for the net liabilities and the listing status of the non-operating public company, Infopet.

The fair value of the consideration is as follows:

Deemed issuance of 1,068,320 common shares to shareholders of Infopet	$320,496

The allocation of the consideration is as follows:

Cash	566
Long-term investment	1
Accounts payable and accrued liabilities	(7,559)
Due to related party	191,486
Due to related party subsequent to July 31, 2013	14,514
Net Liability	(212,992)
Transaction costs for public listing	($533,488)

As part of accounting for the Transaction the share capital, reserves and the deficit of Infopet are eliminated.

2. Pro Forma Assumptions and Adjustments

b) Subsequent to September 30, 2013 MXM completed a private placement to 2,500,666 units for gross proceeds of $750,200 (the "Private Placement"). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase a common share of MXM at a price of $0.30 for a period of two years from the date of issuance. The warrants have been valued at $363,676 using the Black-Scholes option pricing model, with the following assumptions:

Risk-free rate	2.57%
Dividend yield	Nil
Volatility factor	100%
Expected life	2 years

c) Agents of the Private Placement collectively received cash commissions of $71,520.

d) Agents of the Private Placement collectively received 345,763 broker warrants. Each warrant entitles the broker to purchase a common share of MXM at a price of $0.30 for a period of two years from the date of issuance. The broker warrants have been valued at $55,258 using the Black-Scholes option pricing model, with the following assumptions:

Risk-free rate	2.57%
Dividend yield	Nil
Volatility factor	100%
Expected life	2 years

e) Agents of the Private Placement also received 750,000 broker warrants. Each warrant entitles the broker to purchase a common share of MXM at a price of $0.30 for a period of two years from the date of issuance. The broker warrants have been valued at $119,861 using the Black-Scholes option pricing model, with the following assumptions:

Risk-free rate	2.57%
Dividend yield	Nil
Volatility factor	100%
Expected life	2 years

f) Costs associated with the Transactions are estimated to be $75,000.

g) At closing of the transaction, $206,000 of debt due to a related party was settle with the issuance of 686,667 common shares and share purchase warrants, respectively. Each warrant entitles the holder to purchase a common share of Infopet at a price of $0.30 for a period of two years from the date of issuance. The warrants have been valued at $99,863 using the Black-Scholes option pricing model, with the following assumptions.

Risk-free rate	2.57%
Dividend yield	Nil
Volatility factor	100%
Expected life	2 years

h) The pro-forma effective income tax rate applicable to the operations will be approximately 26%.

3. Pro Forma Share Capital

	Note	Number	Amount
Infopet common shares issued and outstanding as at July 31, 2013		1,068,320	$1,586,504
MXM common shares issued and outstanding as at September 30, 2013		9,166,668	894,067
Shares issued to MXM shareholders in connection with the Transaction	2a)	9,166,668	-
Elimination of Infopet share capital	2a)	-	(1,586,504)
Adjustment for the Transaction	2a)	(9,166,668)	320,496
Shares issued in connection with the Private Placement (net of warrants)	2b)	2,500,666	386,524
Share issue costs – cash	2c)		(71,520)
Share issue costs – broker warrants	2d)		(55,258)
Share issue costs – broker warrants	2e)		(119,861)
Shares issued – settlement of due to related party payable	2g)	686,667	106,137
Pro forma share capital as at September 30, 2013		13,422,321	$1,460,585

CERTIFICATE OF NEW INTERNATIONAL INFOPET SYSTEMS LTD.

Pursuant to a resolution duly passed by its Board of Directors, New International Infopet Systems Ltd. hereby applies for the listing of the above mentioned securities on CNSX. The foregoing contains full, true and plain disclosure of all material information relating New International Infopet Systems Ltd. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at ________________,

this 19th day of December, 2013.

_______________________ _______________________

Chief Executive Officer Chief Financial Officer

_______________________ Wm Douglas Beynon

Director Director

CERTIFICATE OF NEW INTERNATIONAL INFOPET SYSTEMS LTD.

Pursuant to a resolution duly passed by its Board of Directors, New International Infopet Systems Ltd. hereby applies for the listing of the above mentioned securities on CNSX. The foregoing contains full, true and plain disclosure of all material information relating New International Infopet Systems Ltd. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Kitchener, Ontario,

this 19th day of December, 2013.

Chief Executive Officer	Chief Financial Officer
Director	Director

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