SPONSORSONE INC.
(formerly New International Infopet Systems Ltd.)

Consolidated Financial Statements

Years ended December 31, 2014 and 2013

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SponsorsOne Inc.

We have audited the accompanying consolidated financial statements of SponsorsOne Inc., which comprise the statements of financial position as at December 31, 2014 and 2013, and the statements of operations and comprehensive loss, changes in shareholders' 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of SponsorsOne Inc. as at December 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on SponsorsOne Inc.'s ability to continue as a going concern.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
April 30, 2015

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The consolidated 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 consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated 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 consolidated 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 consolidated 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.

"Myles Bartholomew" (signed)
Myles Bartholomew, CEO

"James Fairbairn" (signed)
James Fairbairn, CFO

SPONSORSONE INC.
(FORMERLY NEW INTERNATIONAL INFOPET SYSTEMS LTD.)
Consolidated Statements of Financial Position
As at December 31,

	Note	2014	2013
Assets			
Current assets:			
Cash and cash equivalents		$ 56,891	$ 167,863
Other receivables	4	287,107	107,201
Prepayments and deposits		8,670	21,417
Investments	5	10,148	10,000
		362,816	306,481
Equipment	6	153,720	168,119
Intangible assets	7	153,471	295,139
		$ 670,007	$ 769,739
Liabilities and Shareholders' Equity (Deficiency)			
Current liabilities:			
Accounts payable and accrued liabilities	8	$ 1,335,099	$ 465,130
Current portion of long-term debt	9	11,783	8,842
		1,346,882	473,972
Long-term liabilities			
Long-term debt	9	171,241	183,300
		1,518,123	657,272
Shareholders' equity (deficiency)			
Share capital	10	2,914,156	1,416,627
Shares to be issued	10	59,584	-
Share-based payment reserve	11	422,345	86,178
Warrant reserve	12	782,633	948,551
Accumulated deficit		(5,026,834)	(2,338,889)
		(848,116)	112,467
		$ 670,007	$ 769,739

Nature of Operations and Going Concern – *Note 1*

Subsequent Events – *Note 20*

Approved on behalf of the Board:

"Myles Bartholomew"
Director (Signed)

"Gary Bartholomew"
Director (Signed)

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

SPONSORSONE INC.

(FORMERLY NEW INTERNATIONAL INFOPET SYSTEMS LTD.)

Consolidated Statements of Operations and Comprehensive Loss

Years ended December 31,

	Note		2014		2013
Operating expenses:					
Marketing, general and administrative		**$**	**2,099,520**	$	668,094
Research and development			**416,195**		136,652
Depreciation	**6 & 7**		**157,952**		145,511
Listing costs	**3**		**-**		846,523
Loss before finance expense			**2,673,667**		1,796,780
Finance expense			**14,278**		13,943
Net loss and comprehensive loss		**$**	**2,687,945**	$	1,810,723
Weighted average number of common shares			**14,814,440**		7,831,290
Loss per share - basic and diluted		**$**	**0.18**	$	0.23

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

SPONSORSONE INC.

(FORMERLY NEW INTERNATIONAL INFOPET SYSTEMS LTD.)

Consolidated Statements of Changes in (Deficiency) Equity

Years ended December 31, 2014 and 2013

	Number of common shares	Share capital	Shares to be issued	Warrants	Share-based payment reserve	Deficit	Total
Balance at December 31, 2013	13,422,323	$ 1,416,627	$ -	$ 948,551	$ 86,178	$ (2,338,889)	$ 112,467
Shares issued for warrant exercise	1,958,334	927,579	-	(284,579)	-	-	643,000
Shares issued on private placement, net	553,805	315,875	-	118,661	-	-	434,536
Shares issued for debt settlement	291,414	254,075	-	-	-	-	254,075
Proceeds received for shares to be issued	-	-	59,584	-	-	-	59,584
Share-based payments	-	-	-	-	336,167	-	336,167
Net loss for the year	-	-	-	-		(2,687,945)	(2,687,945)
Balance at December 31, 2014	**16,225,876**	**$ 2,914,156**	**$ 59,584**	**$ 782,633**	**$ 422,345**	**$ (5,026,834)**	**$ (848,116)**

	Number of common shares	Share capital	Shares to be issued	Warrants	Share-based payment reserve	Deficit	Total
Balance at December 31, 2012	100	$ 1	$ -	$ -	$ -	$ (528,166)	$ (528,165)
Shares issued for reverse acquisition	1,068,320	320,496	-	-	-	-	320,496
Shares issued on acquisition of intangible assets	5,833,333	425,000	-	-	-	-	425,000
Shares issued on private placements, net	5,833,903	564,993	-	848,688	-	-	1,413,681
Shares issued for settlement of payables	686,667	106,137	-	99,863	-	-	206,000
Share-based payments	-	-	-	-	86,178	-	86,178
Net loss for the year	-	-	-	-	-	(1,810,723)	(1,810,723)
Balance at December 31, 2013	**13,422,323**	**$ 1,416,627**	**$ -**	**$ 948,551**	**$ 86,178**	**$ (2,338,889)**	**$ 112,467**

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

SPONSORSONE INC.
(FORMERLY NEW INTERNATIONAL INFOPET SYSTEMS LTD.)
Consolidated Statements of Cash Flows
Years ended December 31,

	Note		2014		2013
Cash flows from operating activities:					
Net loss for the year		$	(2,687,945)	$	(1,810,723)
Adjustments for:					
Depreciation	6 & 7		157,952		145,511
Share-based compensation	11		336,167		86,178
Non-cash listing costs	3		-		563,898
Change in non-cash operating working capital					
Other receivables			(179,906)		(106,474)
Prepayments and deposits			12,747		(21,417)
Accounts payables and accrued liabilities			1,123,960		423,007
			(1,237,025)		(720,020)
Cash flows from financing activities:					
Proceeds from issuance of common shares, net	10		434,620		813,680
Proceeds from warrant exercise	10		643,000		-
Proceeds received from shares to be issued	10		59,584		
Proceeds from due to shareholder			-		122,498
Repayment of due to shareholder			-		(29,986)
Proceeds from note payble			-		40,000
Payment of note payable			-		(40,000)
Payment of long-term debt	9		(9,118)		(6,826)
			1,128,086		899,366
Cash flows from investing activities:					
Investment in equipment	6		(1,884)		(1,601)
Investment			(148)		(10,000)
Net cash acquired in reverse takeover			-		118
			(2,032)		(11,483)
Increase (decrease) in cash and cash equivalents			(110,972)		167,863
Cash and cash equivalents, beginning of year			167,863		-
Cash and cash equivalents, end of year		$	56,891	$	167,863

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of Operations

SponsorsOne Inc. (formerly New International Infopet Systems Ltd., or “Infopet”) (the "Company" or “SponsorsOne”) was incorporated under the laws of the Province of Ontario on March 9, 1965. The primary office is located at 1129 – 36 Blue Jays Way Toronto, ON M5V 3T3.

MXM Nation Inc. (“MXM”) was incorporated on February 2, 2005 under the Business Corporations Act of Ontario, Canada. On December 19, 2013, MXM completed a reverse takeover transaction of Infopet. For accounting purposes, MXM is considered the acquirer and Infopet the acquiree. Additional information on the transaction is available in Note 3.

The Company is an early stage technology company developing a cloud based social sponsorship platform. This cloud-based platform called “SponsorsCloud” is designed to connect and facilitate one-to-one engagement between corporations to users within social networks.

These consolidated financial statements were authorized by the Board of Directors of the Company on April 30, 2015.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company has experienced negative cash flows from operations since inception and has net loss for the year of $2,687,945. As of December 31, 2014, the Company had a working capital deficit of $984,066.

The Company has relied on financing from its shareholders and officers as well as equity raises to fund operations to date. Implementation of the Company’s business plan will require additional debt or equity financing and there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. These uncertainties cast significant doubt upon the Company’s ability to continue as a going concern. Management believes that it can raise sufficient funds to pay its ongoing administrative expenses and to meet its liabilities for the ensuing twelve months as they fall due.

Accordingly, these consolidated financial statements do not reflect adjustments or classifications which might be necessary if the Company was not able to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance with International Financial Reporting Standards

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the Interpretations of the IFRS Interpretations Committee (“IFRIC”).

b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Functional currency

The Company and its subsidiary's functional and reporting currency as determined by management, is the Canadian dollar.

d) Basis of consolidation

The consolidated financial statements of the Company include the accounts of the Company and its wholly-owned subsidiary, MXM. All intercompany balances and transactions have been eliminated. Subsidiaries are consolidated from the date of acquisition, being the date on which the Company has power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, and continue to be consolidated until the date such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies in all material respects.

e) Use of estimates and judgments

The preparation of these consolidated financial statements requires management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities, revenue and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to, impairment of assets and the useful life of intangible assets.

f) New standards and interpretations adopted

Changes in accounting policies are described below:

- IFRS 10 *Consolidated Financial Statements and* IAS 27 *Separate Financial Statements*
  IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replace the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls 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. To meet the definition of control in IFRS 10, all the following three criteria must be met: (a) an investor has power over the investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investors returns. The adoption of this new standard did not result in any changes to the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) New standards and interpretations adopted - continued

- IFRS 11 *Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures*
  IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities-Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities ("JCEs") using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. The adoption of this new standard did not result in any changes to the consolidated financial statements.

- IFRS 12 *Disclosure of Interests in Other Entitie*s
  IFRS 12 sets out the requirement for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The adoption of this new standard did not result in any changes to the consolidated financial statements.

- IFRS 13 *Fair Value Measurement*
  IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not impacted the fair value measurements carried out by the Company.

g) Standards issued but not yet effective

IFRS 9 Financial Instruments ("IFRS 9") covers the classification and measurement of financial assets and financial liabilities and the effective date is for annual periods on or after January 1, 2018, with earlier application permitted. The Company is still assessing the impact of adopting IFRS 9. Amendments to IFRS 9 also provide relief from the requirement to restate comparative financial statements for the effect of applying IFRS 9. Instead, additional transition disclosures will be required to help investors understand the effect that the initial application of IFRS 9 has on the classification and measurement of financial instruments.

h) Foreign currency translation

Transactions in foreign currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the period end exchange rate with the resulting gains and losses being recognized in the consolidated statements of operations and comprehensive loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

i) Equipment

The Company records equipment at cost and provides for depreciation over the useful life of the assets using the straight-line method over two years for computer and office equipment.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) 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 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 generally expected to be three years.

k) Intangible assets

Intangible assets consist of system architecture and design, patent applications, customer lists, and application code, design and branding. The Company carries intangible assets with finite useful lives that it acquires separately at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized over their useful lives, on the straight-line basis over 3 years.

The Company reviews the estimated useful life and amortization method at the end of each reporting period, accounting for the effect of any changes in estimate on a prospective basis.

l) Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers and employees. The Board of Directors grants such options for periods of up to ten years, with vesting periods determined at its sole discretion and at exercise prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of the options for employee services is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period of the options using the graded vesting method. The fair value is recognized as an expense with the corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Where the terms of a stock option are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Share-based payments for non-employee services are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Loss per share

Basic loss per share is calculated using the weighted-average number of common shares outstanding during the year. Diluted loss per share is computed using the treasury stock method. Stock options and warrants outstanding are not included in the computation of diluted loss per share if their inclusion would be anti-dilutive.

n) Income tax

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in profit or loss or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

o) 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 profit or loss. The Company classifies its cash as fair value through profit or 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 other receivables and investments as loans and receivables.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Financial instruments – continued

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 profit or 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 profit or loss.

Transaction 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 each reporting date. 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.

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 at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities – items in this category are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The Company classifies its accounts payable and accrued liabilities as other financial liabilities.

Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Impairment of non-financial assets

The Company reviews its tangible and intangible assets for indications of impairment at the end of each reporting period or when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any indication of impairment exists, the asset's recoverable amount is estimated. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the assets belong. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

An impairment loss is recognized when the carrying amount of an asset, or its CGU, exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. In determining the value in use, the expected future cash flows from the asset 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. Impairment losses are recognized in profit or loss. Where an impairment loss subsequently reverses the carrying amount of the asset or CGU is increased by the revised estimate of its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of such impairment loss is also recognized in profit or loss.

No impairment of non-financial assets have been recorded for the years ended December 31, 2014 or 2013.

3. REVERSE TAKEOVER TRANSACTION

On December 19, 2013, MXM completed a reverse takeover of Infopet (the "Transaction"). Infopet acquired all of the issued and outstanding shares of MXM by issuing one unit for each MXM common share held. Each unit consisted of one common share of Infopet and one-half warrant exercisable at $0.65 for one common share of Infopet, expiring one year from the date of the transaction.

Each of the stock options and warrants to purchase common shares of MXM were exchanged and retain all original terms but are now exercisable for one common share of Infopet. After closing of the Transaction, the name of the Company was changed to SponsorsOne Inc.

This Transaction has been accounted for as a reverse acquisition that does not constitute a business combination. For accounting purposes, these consolidated financial statements reflect a continuation of the financial position, operating results and cash flows of the Company's legal subsidiary, MXM.

Consideration:	
1,068,320 shares at a price of $0.30 per share (note 10 (iv))	**$ 320,496**
Net assets acquired:	
Cash and cash equivalents	$ 118
Accounts payable and accrued liabilities	(7,534)
Due to shareholders	(235,986)
	(243,402)
Excess attributed to cost of listing	563,898
Total	**$ 320,496**

3. REVERSE TAKEOVER TRANSACTION (continued)

Listing cost

Excess attributed to cost of listing	$ 563,898
Professional fees	200,000
Other	82,625
	$ 846,523

The price per share of $0.30 was based on the fair value of MXM common shares immediately prior to the closing of the Transaction.

4. OTHER RECEIVABLES

As at December 31,	**2014**	2013
HST recoverable	**$ 285,807**	$ 104,783
Other receivables	**1,300**	2,418
	$ 287,107	$ 107,201

5. SHORT-TERM INVESTMENTS

The Company holds a $10,000, 1-year GIC, paying a 1.3% annual coupon. The GIC is used to secure the Company's credit card facility.

6. EQUIPMENT

	Computer equipment	Marketing vehicles	Total
Cost			
At December 31, 2012	$ 2,123	$ 219,596	**$ 221,719**
Additions	1,601	-	**1,601**
At December 31, 2013	3,724	219,596	**223,320**
Additions	1,884	-	**1,884**
Balance at December 31, 2014	**$ 5,608**	**$ 219,596**	**$ 225,204**
Accumulated depreciation			
At December 31, 2012	$ 708	$ 38,843	**$ 39,551**
Expense for the year	975	14,675	**15,650**
At December 31, 2013	1,683	53,518	**55,201**
Expense for the period	1,607	14,676	**16,283**
Balance at December 31, 2014	**$ 3,290**	**$ 68,194**	**$ 71,484**
Net book value			
At December 31, 2013	$ 2,041	$ 166,078	**$ 168,119**
At December 31, 2014	$ 2,318	$ 151,402	**$ 153,720**

7. INTANGIBLE ASSETS

	System architecture and design	Patent applications	Customer lists	Application code, design, branding	Total
Cost					
At December 31, 2012	$ -	$ -	$ -	$ -	**$ -**
Additions	200,000	150,000	25,000	50,000	**425,000**
At December 31, 2014 and 2013	**$ 200,000**	**$ 150,000**	**$ 25,000**	**$ 50,000**	**$ 425,000**
Accumulated depreciation					
At December 31, 2012	$ -	$ -	$ -	$ -	**$ -**
Expense for the year	61,111	45,833	7,639	15,278	**129,861**
At December 31, 2013	61,111	45,833	7,639	15,278	**129,861**
Expense for the period	66,668	50,000	8,332	16,668	**141,668**
Balance at December 31, 2014	**$ 127,779**	**$ 95,833**	**$ 15,971**	**$ 31,946**	**$ 271,529**
Net book value					
At December 31, 2013	$ 138,889	$ 104,167	$ 17,361	$ 34,722	**$ 295,139**
At December 31, 2014	$ 72,221	$ 54,167	$ 9,029	$ 18,054	**$ 153,471**

The Company purchased property with a value of $425,000 in exchange for the issuance of 5,833,333 common shares (note 10 (ix))

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

As at December 31,	**2014**	2013
Accounts payable	**$ 1,218,898**	$ 378,950
Accrued liabilities	**116,201**	86,180
	$ 1,335,099	$ 465,130

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 Company holds an exclusive use agreement over the equipment, which was obtained for the benefit of the Company, and the Company has agreed to pay for all reasonable costs associated with using and financing the equipment, 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. As at December 31, 2014 the balance of this loan was $27,428 (December 31, 2013 – $29,525).

In March 2011, an officer of the Company entered into a loan agreement for the purchase of equipment. As the Company holds an exclusive use agreement over the equipment, which was obtained for the benefit of the Company, and the Company has agreed to pay for all reasonable costs associated with using and financing the equipment, 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 loan was refinanced at 7.10% in August 2013, with the maturity date unchanged. The equipment serves as collateral for the loan. As at December 31, 2014 the balance of this loan was $155,596 (December 31, 2013 – $162,617).

9. LOANS PAYABLE (continued)

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

As at December 31,	**2014**	2013
Payments due within one year	**$ 22,722**	$ 22,374
Payments due years two to five	**$ 90,888**	$ 89,497
Total Interest paid	**$ 56,956**	$ 60,506

10. SHARE CAPITAL

Authorized:

The Company is authorized to issue an unlimited number of common shares with no par value.

Issued:

(i) In May 2014, the Company announced it intended to raise up to $3,000,000 through a non-brokered private placement of up to 3,529,412 units at a price of $0.85 per unit. Each unit will consist of one common share and one half of one common share purchase warrant. Each whole warrant will be exercisable for a common share at a price of $1.10 for a period of 24 months from the date of close.

The Company paid a cash finder's fee equal to up to 8% of the units sold, as well as issue finder warrants equal to 8% of the shares sold. Each finder warrant would be entitled to one common share at an exercise price of $1.10 for a period of 24 months from the date of close.

During the year ended December 31, 2014, 553,805 Units were issued on this private placement for gross proceeds of $470,680. The Company paid $36,060 cash in commission and issued 19,648 broker warrants with a fair market value of $9,059. The fair market value of the 296,550 warrants issued is $100,384.

(ii) During the year ended December 31, 2014, 1,958,334 warrants were exercised for common shares for gross proceeds of $643,000. $284,579 was transferred from the Warrant reserve to share capital with respect to this warrant exercise.

(iii) During the year ended December 31, 2014, the Company issued 291,414 common shares to settle $254,075 of debt.

(iv) As part of the reverse takeover transaction, on December 19, 2013, 1,068,320 common shares were issued to former Infopet shareholders, valued at $0.30 per share for a total of $320,496.

(v) On December 19, 2013, immediately following the closing of the reverse takeover transaction, the Company converted $206,000 of outstanding debt owed to a former officer of Infopet into 686,667 common shares and 686,667 warrants. The warrants are exercisable for $0.30 and expire 2 years from the date of issuance. $106,137 was assigned to the value of the common shares and $99,863 to the warrants.

(vi) In September through November 2013, the Company completed a non-brokered private placement of $1,100,200 in equity financing at a price of $0.30 per unit. Each unit consisted of one common share and one warrant exercisable into one common share for $0.30, expiring two years from the date of the reverse takeover transaction. Transaction costs of $86,520, finder's and agent warrants of $183,110, and warrants of $665,578 were deducted. Cash proceeds of $900,200 less costs were received, while $200,000 was received as consideration in advances and expenses paid on behalf of the Company.

10. SHARE CAPITAL (continued)

(vii) On February 19, 2013, the Company issued 500,000 common shares and warrants exercisable at $0.30 to a company controlled by an officer of the Company for consideration consisting of $150,000 in advances and expenses paid on behalf of the Company (note 15). A value of $79,483 was ascribed to the warrants.

(viii) On February 12, 2013, the Company issued 1,666,567 common shares to companies controlled by an officer of the Company for consideration consisting of $249,999 in advances and expenses paid on behalf of the Company (note 15).

(ix) 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.

Shares to be issued

As at December 31, 2014, consideration of $59,584 (December 31, 2013 - $nil) had been received pertaining to the exercise of warrants to be settled after the year end. The shares will be settled at $0.65.

11. CONTRIBUTED SURPLUS

Share Option Plan

The Board of Directors of the Company adopted a stock option plan (the “Plan") whereby the aggregate number of common shares reserved for issuance under the Plan, including common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time, may not exceed 10% of the Company's issued and outstanding common shares. The Plan is administered by the Board of Directors and grants made pursuant to the Plan must at all times comply with the policies of the Canadian Stock Exchange and the Plan.

The terms of any options granted under the Plan are fixed by the Board of Directors and may not exceed a term of ten years. The exercise price of the options granted under the Plan is set at the last closing price of the Company’s common shares before the date of grant.

Each employee share option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The fair value of the Company’s stock options issued was estimated using the Black-Scholes model using the following assumptions:

A summary of the change in the Company’s stock options is as follows:

	Weighted Average Exercise Price	Number of Options
Balance – December 31, 2013	$ 0.27	1,385,000
Granted - February 27, 2014	$ 0.95	150,000
Granted - May 15, 2014	$ 0.87	100,000
Granted - June 11, 2014	$ 0.95	100,000
Granted - August 28, 2014	$ 1.00	300,000
Forfeited	$ 0.40	(550,000)
Balance – December 31, 2014	**$ 0.52**	**1,485,000**

11. CONTRIBUTED SURPLUS (continued)

During the year ended December 31, 2014, the Company granted 650,000 stock options at an exercise price range of $0.87 to $1.00 per share for a period of 10 years from the date of grant. For the year ended December 31, 2014, $336,167 of stock-based compensation expense was recorded for the fair value of stock options vested (2013 – $86,178).

The following table summarizes the exercise price of outstanding and exercisable stock options as at December 31, 2014:

Range of exercise prices	Number of options	Weighted average remaining life (years)	Vested and exercisable
$0.15 - $0.30	935,000	8.10	703,335
$0.31 - $0.90	100,000	9.38	50,000
$0.91 - $1.00	450,000	9.26	120,000
$0.00 - $1.00	1,485,000	8.16	873,335

The fair values of stock options issued in 2014 were estimated using the Black-Scholes option pricing model with the following assumptions:

	January 1, 2014	February 14, 2014	May 15, 2014	June 11, 2014	August 28, 2014
Assumptions					
Volatility - estimate based on comparable companies	100%	100%	100%	100%	100%
Risk-free interest rate	2.00%	2.41%	2.28%	2.34%	2.00%
Expected life (years)	10.00	10.00	10.00	10.00	10.00
Dividend yield	Nil	Nil	Nil	Nil	Nil
Forfeiture rate	0%	0%	0%	0%	0%
Exercise price	$ 1.00	$ 0.85	$ 0.87	$ 0.89	$ 1.00
Share price	$ 1.00	$ 0.95	$ 0.87	$ 0.95	$ 1.00

12. WARRANT RESERVE

The following is a summary of warrants:

Expiry date		Balance, December 31, 2013	Granted	Exercised	Expired or retracted	Balance, December 31, 2014	Weighted average exercise price
December 19, 2015	(a)	395,764	-	-	-	395,764	$0.30
December 19, 2015	(b)	750,000	-		-	750,000	$0.30
December 19, 2015	(c)	4,167,336	-	1,800,000	450,667	1,916,669	$0.30
December 19, 2014*	(d)	5,833,674	-	158,334	5,443,672	231,668	$0.65
December 19, 2015	(e)	686,667	-	-	-	686,667	$0.30
July 4, 2016	(f)	-	290,250	-	25,000	265,250	$1.10
August 28, 2016	(g)	-	6,300	-	-	6,300	$1.10
July 4, 2016	(h)	-	25,000	-	-	25,000	$1.10
December 19, 2015	(i)	-	450,667	-	-	450,667	$0.30
Total		**11,833,441**	**772,217**	**1,958,334**	**5,919,339**	**4,727,985**	**$0.33**

Subsequent to year 231,668 of these warrants were exercised. The expiry date was extended in order to allow for these exercises.

12. WARRANT RESERVE (continued)

(a) As part of the September through November 2013 equity raise, 395,764 finder's warrants were issued. These warrants are exercisable into common shares at an exercise price of $0.30 for a period of 2 years from the date of the reverse takeover transaction. These finder's warrants were valued at $63,249.

(b) As part of the September through November 2013 equity raise, 750,000 agent warrants were issued. These warrants are exercisable into common shares at an exercise price of $0.30 for a period of 2 years from the date of the reverse takeover transaction. These warrants were valued at $119,861.

(c) As part of the September through November 2013 equity raise, 4,167,336 warrants were issued to investors as part of a unit private placement. These warrants are exercisable into common shares at an exercise price of $0.30 for a period of 2 years from the date of the reverse takeover transaction. These warrants were valued at $665,578.

(d) As part of the reverse takeover transaction (note 3), 5,833,674 warrants were issued to the shareholders of MXM (11,667,348 half warrants). Each whole warrant is exercisable into one common share at an exercise price of $0.65 for a period of 1 year from the date of the reverse takeover transaction. No value was assigned to these warrants as there was no consideration given.

(e) On December 19, 2013, immediately following the closing of the reverse takeover transaction, the Company converted $206,000 of outstanding debt owed to a former officer of Infopet into 686,667 common shares and 686,667 warrants (note 10). The warrants are exercisable for $0.30 and expire 2 years from the date of issuance. $99,863 was assigned to the value of the warrants.

(f) As part of the equity raise in 2014, the Company issued 270,602 warrants and 19,648 broker warrants. Each warrant is exercisable into one common share at an exercise price of $1.10 for a period of two years from the date of the issuance.

(g) As part of the equity raise in 2014, the Company issued 6,300 warrants. Each warrant is exercisable into one common share at an exercise price of $1.10 for a period of two years from the date of the issuance.

(h) On November 5, 2014, 25,000 warrants were issued as a replacement for the same amount of warrants retracted in (f).

(i) On November 14, 2014, 450,667 warrants were issued as a replacement for the same amount of warrants retracted in (c).

12. WARRANT RESERVE (continued)

The fair values of warrants issued in 2014 were estimated using the Black-Scholes option pricing model under the following assumptions:

Volatility - estimate based on comparable companies	100%
Risk-free interest rate	1.1% - 1.13%
Expected life (years)	2.00
Dividend yield	Nil

The fair values of warrants issued in 2013 were estimated using the Black-Scholes option pricing model under the following assumptions:

Volatility - estimate based on comparable companies	100%
Risk-free interest rate	1.97% - 2.57%
Expected life (years)	2.00
Dividend yield	Nil

13. LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2014 was based on the loss attributable to common shareholders of $2,687,945 (2013 – $1,810,723) and the weighted average number of common shares outstanding of 14,814,440 (2013 – 7,831,290). Diluted loss per share did not include the effect of 1,485,000 stock options (2013 – 1,385,000) and 4,727,985 (2013 – 11,833,441) as they are anti-dilutive.

14. INCOME TAX INFORMATION

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2013 – 26.5%) to the effective tax rate is as follows:

	2014	2013
Loss before recovery of income taxes	$ 2,687,945	$ 1,810,723
Expected income tax recovery	$ (712,310)	$ (479,842)
Tax rate changes and other adjustments	41,830	(102,631)
Non-deductible expenses	67,580	121,027
Change in tax benefits not recognized	602,900	461,446
Income tax (recovery) expense	$ -	$ -

14. INCOME TAX INFORMATION (continued)

Unrecognized Deferred Tax Assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

		2014		2013
Equipment	$	**175,257**	$	185,100
Share issuance costs	$	**105,310**	$	86,520
Non-capital losses carried forward	$	**3,976,810**	$	1,672,270

The Canadian non-capital loss carry forwards expire as noted in the table below. Share issue and financing costs will be fully amortized in 2018. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company's Canadian non-capital income tax losses expire as follows:

2026	$	-
2027		379
2028		212,679
2029		46,426
2030		59,125
2031		163,976
2032		751,478
2033		255,910
2034		2,486,840
	$	3,976,813

15. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2014 key management compensation was $752,377 (2013 - $528,137). Management compensation has been included in the following expense accounts:

As at December 31,		**2014**		2013
Consulting fees	**$**	**520,000**	$	450,606
Accounting fees		**46,000**		-
Share-based compensation		**186,377**		77,531
	$	**752,377**	$	528,137

As at December 31, 2014, included in accounts payable and accrued liabilities is $452,246 (2013 – $Nil) due to related parties for consulting services.

16. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities as at December 31, 2014 and 2013 were as follows:

As at December 31, 2014	**Fair value through profit and loss**	**Loans and receivables**	**Other financial liabilities**	**Total**
Cash and cash equivalents	**$ 56,891**	**$ -**	**$ -**	**$ 56,891**
Other receivables	**-**	**287,107**	**-**	**287,107**
Accounts payable and accrued liabilities			**(1,335,099)**	**(1,335,099)**
Current portion of long-term debt			**(11,783)**	**(11,783)**
Long-term debt	**-**	**-**	**(171,241)**	**(171,241)**
	$ 56,891	**$ 287,107**	**$(1,518,123)**	**$ (1,174,125)**

As at December 31, 2013	Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total
Cash and cash equivalents	$ 167,863	$ -	$ -	$ 167,863
Other receivables	-	107,201	-	107,201
Accounts payable and accrued liabilities			(465,130)	(465,130)
Current portion of long-term debt			(8,842)	(8,842)
Long-term debt	-	-	(183,300)	(183,300)
	$ 167,863	$ 107,201	$ (657,272)	$ (382,208)

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such loans and receivables. As at December 31, 2014 and 2013, the Company did not hold financial instruments recorded at fair value that would require classification within the fair value hierarchy, with the exception of cash and cash equivalents.

The carrying value of cash and cash equivalents, other receivable and accounts payable and accrued liabilities approximate fair value due to the short-term nature of these instruments.

17. FINANCIAL RISK FACTORS

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

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, investments and other receivables.

The Company's credit risk is primarily attributable to cash and HST recoverable. Management believes that the credit risk with respect to cash and investments is remote as it maintains accounts with highly rated financial institutions and the Government of Canada.

17. FINANCIAL RISK FACTORS (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets is hindered, whether as a result of a downturn in stock market conditions, generally, or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2014, the Company had a cash and cash equivalents balance of $56,891 (2013 - $167,863) to settle current liabilities of $1,346,882 (2013 - $473,972) (note 1).

All of the Company's financial liabilities have contractual maturities of less than one year and are subject to normal trade terms. The Company cannot ensure there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's cash holdings. The Company is currently seeking sources of funding to settle short term liabilities, and short term cash requirements.

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.

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

18. 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 (note 1) 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 or 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 during the year ended December 31, 2014. The Company is not subject to externally imposed capital requirements.

19. NFU ACQUISITION

The Company entered into a term sheet to acquire NFU Inc. ("NFU"), a Toronto-based digital marketing and creative agency. The Company intends to issue up to 1,000,000 shares at a price of $0.90 per share for a total of $900,000. These shares will be issued under the following schedule: 20% at closing, 20% six months after closing, 30% on the first anniversary of closing, and the remaining 30% issued eighteen months after closing. The final 30% tranche of shares will be subject to NFU meeting certain performance criteria.

The acquisition is conditional on board approval, regulatory approval, due diligence and the negotiation of definitive documentation.

20. SUBSEQUENT EVENTS

Exercise of Warrants

Subsequent to year end, 140,000 warrants were exercised for gross proceeds of $91,000.

Grant of Options

On January 29, 2015, the Company granted 25,000 options to a director.

Debt Settlement

On January 30, 2015, the Company settled an aggregate of $100,076 of indebtedness owed to certain arm's length creditors through the issuance of 105,343 common shares at a price of $0.95 per common share.

JWALK Acquisition

On February 4, 2015, the Company entered into a definitive term sheet to acquire 100% of the assets of JWALK NY LLC ("JWALK). The proposed transaction provides that SponsorsOne will acquire 100% of the assets of JWALK for USD$6 million, in a combination of cash and common shares of the Company. The acquisition was scheduled to close March 30, 2015 subject to financing, regulatory approval, and the completion of due diligence and definitive agreements. However, the acquisition has since been postponed due to lack of financing but both parties are still pursuing the transaction.

Promissory Note

The Company entered into a promissory note agreement with Argentas Holdings. The principal amount of the note is $65,000 with $13,000 arrangement fee. Maturity of the loan is June 23, 2015. If the loan is not paid as of the maturity date, interest accrual commences at a rate of 20% per annum on the principle and arrangement fee outstanding.