Synergy Acquisition Corp.
Annual Financial Statements
December 31, 2011

Synergy Acquisition Corp.
Contents
Year Ended December 31, 2011

Independent Auditor's Report

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To the Shareholders of
Synergy Acquisition Corp. (formerly Neo Alliance Mineral Inc.)

We have audited the accompanying financial statements of Synergy Acquisition Corp. (formerly Neo Alliance Mineral Inc.) which comprise the statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010 and the statements of loss and comprehensive loss, statements of changes in equity and the statements of cash flows for the years ended December 31, 2011 and December 31, 2010, 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 in our audits 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 Synergy Acquisition Corp. (formerly Neo Alliance Mineral Inc.) as at December 31, 2011, December 31, 2010 and January 1, 2010 and its financial performance and its cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 in the financial statements which indicates that for the year ended December 31, 2011, the Corporation has incurred a net loss of $45,936, has negative cash flow from operations of $32,225, and as at December 31, 2011 had negative working capital of $60,956 and an accumulated deficit of $5,457,000. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern.

Edmonton, Canada

Grant Thornton LLP

April 26, 2012

Chartered Accountants

Synergy Acquisition Corp.
Statements of Loss and Comprehensive Loss
(Canadian dollars)

Year Ended December 31		2011		2010 (Note 13)
Expenses				
Corporate administration	**$**	**29,345**	$	28,665
Professional fees		**16,591**		11,265
		45,936		39,930
Net loss and comprehensive loss	**$**	**45,936**	**$**	39,930
Basic and diluted weighted average number of common shares outstanding		**13,290,605**		32,178,500
Basic and diluted loss per share	**$**	**(0.003)**	$	(0.001)

See accompanying notes to the financial statements.

Synergy Acquisition Corp.

Statements of Financial Position

(Canadian dollars)

	December 31, 2011	December 31, 2010	January 1, 2010 (Note 13)
Assets			
Current			
Cash	**$ 5,864**	$ 7,589	$ 13,821
GST receivable	**2,189**	1,725	33,122
Due from related party (Note 7)	**-**	-	492,792
	8,053	9,314	539,735
Investment in subsidiary (Note 6)	**-**	-	1
	$ 8,053	$ 9,314	$ 539,736
Liabilities			
Current			
Accounts payable and accrued liabilities	**$ 28,509**	$ 14,334	$ 22,033
Due to related party (Note 7)	**40,500**	10,000	492,792
	69,009	24,334	514,825
Shareholders' (Deficiency) Equity			
Capital Stock (Note 8)	**1,902,719**	1,902,719	4,126,094
Contributed surplus	**3,493,325**	3,493,325	1,269,951
Deficit	**(5,457,000)**	(5,411,064)	(5,371,134)
	(60,956)	(15,020)	24,911
	$ 8,053	$ 9,314	$ 539,736

See accompanying notes to the financial statements.

Synergy Acquisition Corp.
Statements of Changes in Equity
(Canadian dollars)

	Common Shares Number	Common Shares Amount	Contributed Surplus	Accumulated Deficit	Shareholders' Equity (Deficiency)
Balance at January 1, 2010 (Note 13)	33,691,000	$ 4,126,094	$1,269,951	($5,371,134)	$ 24,911
Cancellation of common shares (Note 5)	(18,150,000)	(2,223,375)	2,223,374	-	-
Net loss	-	-	-	(39,930)	(39,930)
December 31, 2010 (Note 13)	**15,541,000**	**$ 1,902,719**	**$ 3,493,325**	**($5,411,064)**	**($15,020)**

	Common Shares Number	Common Shares Amount	Contributed Surplus	Accumulated Deficit	Shareholders' Deficiency
Balance at January 1, 2011	15,541,000	$ 1,902,719	$ 3,493,325	($5,411,064)	($15,020)
Share consolidation (Note 8)	(12,950,833)	-	-	-	-
Net loss	-	-	-	(45,936)	(45,936)
December 31, 2011	**2,590,167**	**$ 1,902,719**	**$ 3,493,325**	**($5,457,000)**	**($60,956)**

See accompanying notes to the financial statements.

Synergy Acquisition Corp.
Statements of Cash Flows
(Canadian dollars)

Year ended December 31	2011	2010 (Note 13)
Cash provided by (used in)		
Operating		
Net loss	**$ (45,936)**	$ (39,930)
Change in non-cash operating working capital:		
GST receivable	**(464)**	31,397
Accounts payable and accrued liabilities	**14,175**	(7,699)
	(32,225)	(16,232)
Financing		
Advances from related party (Note 7)	**30,500**	10,000
	30,500	10,000
Decrease in cash	**(1,725)**	(6,232)
Cash		
Beginning of year	**7,589**	13,821
End of year	**$ 5,864**	$ 7,589

Supplementary cash flow information:

Non-cash transactions:		
	$ nil	$ nil

See accompanying notes to the financial statements.

1. Nature of operations

Synergy Acquisition Corp. (the "Corporation" or "SAQ") (formerly Neo Alliance Minerals Inc.) was incorporated under the Business Corporations Act (Alberta) on June 24, 2003.

Effective December 29, 2008, the shareholders approved a reorganization of the Corporation as outlined in Note 5.All regulatory approvals for the reorganization were received on December 1, 2010 (Note 11).

The Corporation changed its name from Neo Alliance Minerals Inc. to Synergy Acquisition Corp. effective December 16, 2010.

The Corporation is a public company listed on the NEX board of the TSX Venture Exchange, trading under the symbol SAQ.H. Although it does not currently have ongoing operations, it is actively seeking opportunities. The Corporation's registered office is 1500 Manulife Place, 10180 101 Street, Edmonton, Alberta, Canada T5J 4K1.

2. Going concern

These financial statements have been prepared assuming the Corporation will continue as a going concern. The going concern basis of presentation assumes the Corporation will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. During the year ended December 31, 2011, the Corporation incurred a loss of $45,936 (2010 - $39,930) and had negative cash flow from operations of $32,225 (2010 - $16,232). In addition, the Corporation had negative working capital of $60,955 and an accumulated deficit of $5,457,000 (2010 - $15,020) as at December 31, 2011.

The above factors raise significant doubt about the Corporation's ability to continue as a going concern. Although the Corporation does not require significant funds to continue current operations, management has taken actions to address these issues including recently completing a private placement (Note 14) and lending the Corporation funds to meet ongoing regulatory filings. The Corporation's ability to continue as a going concern is dependent upon its ability to acquire and or obtain additional financing to fund a positive cash flow acquisition.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses, and the classifications on the statement of financial position.

3. Basis of presentation

The Corporation is required to present the annual financial statements for the year ended December 31, 2011 in accordance with International Financial Reporting Standards ("IFRS").In conjunction with this, these financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").These financial statements present the Corporation's initial financial results of operations and financial position under IFRS as at and for the year ended December 31, 2011, including comparative amounts as at December 31, 2010 and for the year ended and as at January 1, 2010. These financial statements have been prepared in accordance with IFRS 1, "First-time Adoption of International Financial Reporting Standards" and with International Accounting Standard ("IAS") 1, "Presentation of Financial Statements".

The significant accounting policies that have been applied in the preparation of these financial statements are summarized in Note 4 below. These accounting policies have been used throughout all periods presented in these financial statements except where the Corporation has applied certain accounting policies and exemptions upon transition to IFRS.

4. Summary of significant accounting policies

First time adoption of IFRS

The Corporation has adopted IFRS on January 1, 2011 with a transition date of January 1, 2010.Under IFRS 1 "First Time Adoption of International Financial Reporting Standards", IFRS is applied retrospectively at the transition date with all adjustments to assets and liabilities as previously stated under Canadian generally accepted accounting principles ("GAAP") taken to retained earnings unless certain exemption are applied. The Corporation is not applying any exemptions on first-time adoption of IFRS, other than as identified in Note 13.

IFRS employs a conceptual framework that is similar to GAAP. The adoption of IFRS has no significant impact on the statements of financial position, statement of loss and comprehensive loss, statement of changes in equity and statement of cash flows as previously reported under GAAP.

Use of estimates

In preparing financial statements to conform with IFRS, management is required 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 the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes

The Corporation uses the liability method for determining income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between their respective carrying amounts and tax basis. Deferred tax assets and liabilities are measured based on enacted or substantively enacted tax rates and laws at the date of the financial statements for the years in which these temporary differences are expected to reverse.

4. Summary of significant accounting policies (cont'd)

In assessing whether the deferred tax assets are realizable, management considers whether it is probable that some portion or all of the deferred tax assets will be realized.

The ultimate realization of deferred tax assets depends upon the generation of future taxable income during the periods in which those temporary differences become deductible and tax losses are utilized.

Loss per share

Basic loss per share is computed by dividing net loss by the weighted average number of shares outstanding during the reporting period. Diluted loss per share are computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares from the assumed conversion of preferred shares and exercise of outstanding warrants and stock options, if dilutive. Basic and diluted loss per share is the same as the Corporation has no options, warrants or preferred shares issued.

Stock-based payments

The Corporation has a stock-based compensation plan, which is described in Note 8.The Corporation uses the fair value method of accounting for stock options. The fair value of an option grant is calculated using the Black-Scholes Option Pricing Model and recognized as compensation expense over the vesting period of those grants. A corresponding adjustment is recorded in contributed surplus. On the exercise of stock options, the proceeds received by the Corporation, together with the related amounts in contributed surplus are credited to share capital. Estimations are utilized in the determination of forfeitures and cancellations.

Financial Instruments

The Corporation classifies all financial assets as held-to-maturity, loans and receivables, held-for-trading or available-for-sale and all financial liabilities as held-for-trading or other. Financial instruments classified as held-for-trading are measured at fair value with changes in fair value recognized in profit or loss. Financial assets classified as held-to-maturity or as loans and receivables and financial liabilities not classified as held-for-trading are initially recognized at fair value and subsequently measured at amortized cost. Available-for-sale financial assets are measured at fair value with changes in fair value recognized in other comprehensive income.

The Corporation has made the following classifications:

Accounts payable and other liabilities, as well as due from and due to related parties are classified as other financial liabilities.

Cash is classified as loans and receivables.

4. Summary of significant accounting policies (cont'd)

Recent pronouncements not yet effective and that have not been adopted early

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective as at the date of authorization of these financial statements and determined that the following may have an impact on the Corporation:

The Corporation will be required to adopt IFRS 9 – Financial Instruments as of January 1, 2015. The new standard was issued as part of the IASB plan to replace IAS 39 – Financial Instruments with a more robust set of standards for the reporting of financial instruments. The adoption of this standard is not expected to have a material impact on the Corporation's financial statements.

The Corporation will be required to adopt IFRS 10 – Consolidated Financial Statements which supersedes IAS 27 – Consolidated and Separate Financial Statements and SIC 12 – Consolidation – Special Purpose Entities as of January 1, 2013. The standard revises the definition of control together with accompanying guidance to identify an interest in a subsidiary. The basic requirements and mechanics of consolidation and accounting for non-controlling interests and change in control remain the same. The Corporation has not yet assessed the impact of this standard on the Corporation's financial statements.

The Corporation will be required to adopt IFRS 13 – Fair Value Measurement as of January 1, 2013. The new standard does not affect which items are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. Management has not yet assessed the impact of this new standard on the Corporation's financial statements.

The Corporation will be required to adopt the Amendments to IAS 1 – Presentation of Financial Statements as of January 1, 2013. The Amendments require the Corporation to group items presented in other comprehensive income into those that, in accordance with other IFRSs, will not be reclassified subsequently into profit or loss, and those that will be reclassified subsequently to profit or loss when specific conditions are met. The Corporation expects that this will change the presentation of items in other comprehensive income, but the adoption of this standard amendment will not have a material impact on the Corporation's financial statements.

(Canadian dollars)

5. Reorganization

Effective December 29, 2008, the shareholders of the Corporation approved a reorganization agreement (the "Transaction"), providing for the sale by the Corporation of its subsidiaries to a former shareholder. The sale of its subsidiaries was satisfied by the cancellation of 18,150,000 common shares of the Corporation owned by a former shareholder along with all current and future obligations, including property and other obligations and any liabilities of whatsoever type.

Despite pending approvals as at December 31, 2008, management determined that the Corporation had lost control and significant influence over its subsidiaries immediately following the Transaction, and therefore had utilized the cost method to account for its subsidiaries.

On July 23, 2009, the Corporation received conditional approval for the Transaction from the TSX Venture Exchange pending a full or partial revocation of the cease trade order from certain Canadian securities commissions. The full revocation order was received on December 1, 2010 and the Transaction was thus completed.

As part of the Transaction, the Corporation acquired and cancelled 18,150,000 common shares of the Corporation. As the cost to acquire such shares was below their average cost, the cost was allocated to share capital (Note 8) in an amount equal to the average cost of the shares and credited to contributed surplus .The amount allocated to the share capital account was based on the historical average cost per share of $0.12 as at December 1, 2010, the date the revocation order was received. The cost to acquire the shares was $1, the value of the subsidiaries sold.

6. Investment in subsidiary

	December 31, 2011	December 31, 2010	January 1, 2010
Opening Balance	**$ -**	$ 1	$ 1
Sale of investment following approval of the Transaction (Note 5)	**-**	(1)	-
Closing Balance	**$ -**	$ -	$ 1

(Canadian dollars)

7. Due from (to) related party and related party transactions

	December 31, 2011	December 31, 2010	January 1, 2010
Opening Balance	**$ -**	$ 492,792	$ 492,792
Settlement (a)	**-**	(492,792)	-
Closing Balance	**$ -**	$ -	$ 492,792

	December 31, 2011	December 31, 2010	January 1, 2010
Opening Balance	**$ (10,000)**	$ (492,792)	$ (492,792)
Settlement (b)	**-**	492,792	-
Advance (c)	**(30,500)**	(10,000)	-
Closing Balance	**$ (40,500)**	$ (10,000)	$ (492,792)

The related party transactions are conducted on the terms and conditions agreed to by the related parties and are recorded at their exchange amounts.

(a) The $492,792 “Due from related parties” represents intercompany loans from the Corporation to two related parties. These loans were repaid with the related party payable of $492,792 following the receipt of the December 1, 2010 revocation order.

(b)This loan was made by a former shareholder directly to the Corporation who, in turn, invested the funds into its subsidiaries. This obligation formed part of the Transaction described in Note 5, therefore once the December 1, 2010 revocation order was received, this loan was repaid with the related party receivable of $492,792.

(c)These balances represent advances from a company over which a director has significant influence.

(d)For the year ended December 31, 2011 the Corporation received legal services of $4,591 (2010 – $1,065) from a company over which a director has significant influence.

(e)Included in accounts payable and accrued liabilities is $2,431 (2010 – $2,600) payable to a company over which a director has significant influence.

8. Capital stock

a) Share Capital

Authorized:
Unlimited number of common shares, without par value
Unlimited number of preferred shares, without par value, issuable in series

b) Share consolidation

On May 12, 2011, the Corporation received approval from the TSX Venture Exchange to complete a consolidation of its outstanding shares on the basis of one post-consolidation common share for every six pre-consolidation shares held (“Consolidation”) in accordance with the approvals received from its shareholders at the annual and special meeting of shareholders held on February 8, 2011.The 15,541,000 pre-consolidation common shares of the Corporation outstanding immediately prior to the Consolidation were reduced to 2,590,167 post-consolidation common shares of the Corporation.

c) Share purchase warrants

As at December 31, 2011 there were Nil (December 31, 2010 & January 1, 2010 – Nil) warrants outstanding.

d) Stock options to employees and directors

The Corporation has established a stock option plan for its directors, executive officers, employees, and other key personnel. The Board of Directors may designate which directors, officers, employees and other key personnel of the Corporation are to be granted stock options. The expiry date, vesting terms and exercise price of any stock option granted are determined by the Board of Directors at the time of the grant, subject to regulatory requirements .An option granted under the stock option plan may vest at such times as the Board of Directors of the Corporation may determine at the time of granting, subject to the rules of any stock exchange or other regulatory body having jurisdiction. Stock options are not assignable. Provision is made for accelerated vesting in certain circumstances and early termination in the event of death or cessation of employment. The exercise price of each stock option is set to be not lower than the lowest exercise price permitted by any exchange and with a maximum term of not longer than five years from the date of grant.

To date, stock options vested with one third becoming exercisable after 6 months of the grant, one third after 12 months, and one third after 18 months. The options became fully exercisable after 18 months. No stock options were granted during the years ended December 31, 2011 and 2010.

(Canadian dollars)

8. Capital stock (cont'd)

A summary of the status of the Corporation's stock option plan for the periods presented and changes during the periods ended on those dates follows:

	Number of stock options	Weighted average exercise price $
Outstanding and exercisable, January 1, 2010	700,000	0.20
Forfeited, March 15, 2010	(700,000)	0.20
Outstanding and exercisable, December 31, 2010 and 2011	nil	0.20

9. Income taxes

The Corporation has unused non-capital income tax losses available for carry forward in Canada of $1,722,646 (December 31, 2010 - $1,676,712, January 1, 2010 - $1,143,990).The benefit of these losses has not been recognized in these financial statements. These losses are available to reduce taxable income in Canada in future periods and may be carried forward for 20 years for non-capital losses and indefinitely for capital losses. These losses expire as follows:

Year of loss	As at Dec 31, 2010	Expiry
2005	91,346	2025
2006	919,509	2026
2007	567,970	2027
2008	32,972	2028
2009	24,984	2029
2010	39,931	2030
2011	45,934	2031
	$ 1,722,646	

10. Financial instruments

a) Fair values

The Corporation's financial instruments consist of cash and accounts payable and accrued liabilities, as well as due from and due to related parties. The fair values of these financial instruments approximate their carrying values due to their short-term maturity.

b) Liquidity Risk

The Corporation's exposure to liquidity risk is dependent on the ability to raise funds to meet purchase commitments and to sustain operations. The Corporation monitors its liquidity risk by managing working capital and cash flows.

11. Cease trade order and trading reinstatement

On May 7, 2007, the Corporation received a cease trade order issued by the Alberta Securities Commission ("ASC") and on May 9, 2007, the Corporation received a cease trade order issued by the British Columbia Securities Commission ("BCSC") for failure to file its financial statements and Management's Discussion and Analysis for the year ended December 31, 2006 on a timely basis. The Corporation subsequently filed the December 31, 2006 financial statements and management's discussion and analysis ("MD&A") on September 5, 2007. On September 28, 2009, the ASC issued a variation of cease trade order for the sole purpose of allowing the Corporation to enter into an agreement to effect the Transaction (Note 5). On February 24, 2010, the Corporation applied to the ASC and BCSC for the full revocation order. Effective December 1, 2010, both cease trade orders were revoked and on December 20, 2010, the Corporation was reinstated and resumed trading on the NEX board of the TSX Venture Exchange.

12. Capital management

The Corporation manages its capital to safeguard the Corporation's ability to continue as a going concern and to preserve financial flexibility in order to fund growth and expansionary opportunities that may arise. The Corporation defines capital as its shareholders' deficiency. As at December 31, 2011, shareholders' deficiency was $60,955 (December 31, 2010 –$15,020, January 1, 2010 – shareholders' equity $24,911). The Corporation is not subjected to capital requirements imposed by a regulator. Other than the related party advance, the Corporation does not have debt and is not subject to any debt covenant provisions or externally imposed capital requirements. Prudent cash management is augmented by ongoing analysis conducted by management. There has been no change to the management of capital in the year.

13. First time adoption of IFRS

As disclosed in Note 3, these financial statements comprise the Corporation's first annual financial statements prepared in accordance with IFRS 1, "First time adoption of International Financial Reporting Standards" and IAS 1 "Presentation of Financial Statements" .The Corporation previously prepared its interim and annual consolidated financial statements in accordance with GAAP. The date of transition from GAAP to IFRS was January 1, 2010.

The financial statements presented for the years ended December 31, 2011 and December 31, 2010, and the statements of financial position at January 1, 2010 and December 31, 2010 have all been prepared using the Corporation's IFRS accounting policies as presented in Note 4 above.

The Corporation has applied IFRS 1 – First time adoption of International Financial Reporting Standards in preparing these first annual IFRS financial statements. There were no effects of the transition on equity, total comprehensive income, and reported cash flows.

The Corporation has elected not to apply IFRS 2 – Share-based Payments to equity instruments granted to employees and non-employees that vested on or before the date of transition. This includes equity instruments granted under the reverse asset acquisition which occurred on March 29, 2006.

14. Events after the reporting period

On March 15, 2012, the Corporation announced it had closed a non-brokered private placement of 666,667 common shares of the Corporation at the price of $0.15 per common share to Don Caron, the Chairman and a director of the Corporation, David Tam, a director of the Corporation and Eric Sauze, Chief Financial Officer of the Corporation. The shares are subject to a TSX Venture Exchange hold period expiring on July 6, 2012.

The Corporation intends to use the proceeds from the sale of the common shares for general working capital.

15. Authorization of financial statements

The financial statements for the year ended December 31, 2011 (including comparatives) were approved by the board of directors on April 24, 2012.

"***Don Caron***" "***Jason Theiss***"

Don Caron, Director Jason Theiss, Director