Synergy Acquisition Corp.
Annual Financial Statements
December 31, 2012

Synergy Acquisition Corp.
Contents
Year Ended December 31, 2012

Grant Thornton

Independent Auditors' Report

Grant Thornton LLP
1701 Scotia Place 2
10060 Jasper Avenue NW
Edmonton, AB
T5J 3R8

T (780) 422-7114
F (780) 426-3208
www.GrantThornton.ca

To the Shareholders of
Synergy Acquisition Corp.

We have audited the accompanying financial statements of Synergy Acquisition Corp. which comprise the statements of financial position as at December 31, 2012 and December 31, 2011 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, 2012 and December 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 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. as at December 31, 2012 and December 31, 2011 and its financial performance and its cash flows for the years ended December 31, 2012 and December 31, 2011 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, 2012, the Corporation has incurred a net loss of $37,656 (December 31, 2011 - $45,936), has negative cash flow from operations of $37,322 (December 31, 2011 - $32,225), and as at December 31, 2012 had negative working capital of $888 (December 31, 2011 - $60,956) and an accumulated deficit of $5,494,656 (December 31, 2011 - $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, 2013

Chartered Accountants

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

Years Ended December 31		**2012**		2011
Expenses				
Corporate administration	**$**	**20,538**	$	29,345
Professional fees		**17,118**		16,591
		37,656		45,936
Net loss and comprehensive loss	**$**	**37,656**	$	45,936
Basic and diluted weighted average number of common shares outstanding		**3,120,222**		2,590,167
Basic and diluted loss per share	**$**	**(0.012)**	$	(0.018)

See accompanying notes to the financial statements.

Synergy Acquisition Corp.
Statements of Financial Position
(Canadian dollars)

	December 31, 2012	December 31, 2011
Assets		
Current		
Cash	**$ 25,766**	$ 5,864
GST receivable	**2,112**	2,189
	$ 27,878	$ 8,053
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 28,766**	$ 28,509
Due to related party (Note 5)	**-**	40,500
	28,766	69,009
Shareholders' Deficiency		
Share capital (Note 6)	**2,000,443**	1,902,719
Contributed surplus	**3,493,325**	3,493,325
Deficit	**(5,494,656)**	(5,457,000)
	(888)	(60,956)
	$ 27,878	$ 8,053

See accompanying notes to the financial statements.

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

	Common Shares		Contributed	Accumulated	Shareholders'
	Number	Amount	Surplus	Deficit	Deficiency
Balance at January 1, 2011	15,541,000	$ 1,902,719	$ 3,493,325	$ (5,411,064)	$ (15,020)
Share consolidation (Note 6)	(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)**

	Common Shares		Contributed	Accumulated	Shareholders'
	Number	Amount	Surplus	Deficit	Deficiency
Balance at January 1, 2012	2,590,167	$ 1,902,719	$ 3,493,325	$ (5,457,000)	$ (60,956)
Private placement (Note 6)	666,667	97,724	-	-	97,724
Net loss	-	-	-	(37,656)	(37,656)
December 31, 2012	**3,256,834**	**$ 2,000,443**	**$ 3,493,325**	**$ (5,494,656)**	**$ (888)**

See accompanying notes to the financial statements.

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

Years ended December 31	**2012**	2011
Cash provided by (used in)		
Operating		
Net loss	**$ (37,656)**	$ (45,936)
Change in non-cash operating working capital:		
GST receivable	**77**	(464)
Accounts payable and accrued liabilities	**257**	14,175
	(37,322)	(32,225)
Financing		
Issuance of share capital, net of issuance costs (Note 6)	**97,724**	-
Repayment to related party (Note 5)	**(40,500)**	30,500
	57,224	30,500
Increase (decrease) in cash	**19,902**	(1,725)
Cash		
Beginning of year	**5,864**	7,589
End of year	**$ 25,766**	$ 5,864

See accompanying notes to the financial statements

1. Nature of operations

Synergy Acquisition Corp. (the “Corporation” or “SAQ”) was incorporated under the Business Corporations Act (Alberta) on June 24, 2003.

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 an ongoing business, it is actively seeking opportunities. The Corporation’s registered office is 1500 Manulife Place, 10180 110 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 business. During the year ended December 31, 2012, the Corporation incurred a loss of $37,656 (December 31, 2011 - $45,936) and had negative cash flow from operations of $37,322 (December 31, 2011 - $32,225). In addition, the Corporation had negative working capital of $888 (December 31, 2011 - $60,956) and an accumulated deficit of $5,494,656 as at December 31, 2012 (December 31, 2011 - $5,457,000).

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 completing a private placement (Note 6) 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 used.

3. Basis of presentation

The Corporation is required to present the annual financial statements 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”).

The significant accounting policies that have been applied in the preparation of these financial statements are summarized in Note 4 below.

4. Summary of significant accounting policies

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.

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 is 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.

The weighted average number of shares outstanding for the comparative period has been adjusted for the share consolidation as if it occurred January 1, 2011.

Stock-based payments

The Corporation has a stock-based compensation plan, which is described in Note 6. 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.

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

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 to related parties are classified as other financial liabilities.

Cash is classified as loans and receivables.

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

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 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 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. The adoption of this standard is not expected to have a material impact on the Corporation's financial statements, unless a successful acquisition of a company or assets is completed.

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. Due to related party and related party transactions

	December 31, 2012	December 31, 2011
Opening balance	$ 40,500	$ 10,000
Settlement (a)	(40,500)	-
Advance (a)	-	30,500
Closing balance	$ -	$ 40,500

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) These balances represent advances (repayments) from (to) a company over which a director has control.

(b) For the year ended December 31, 2012, the Corporation received legal services of $3,414 (2011 – $4,591) from a company over which a director has significant influence.

(c) Included in accounts payable and accrued liabilities is $3,414 (2011 – $2,431) payable to a company over which a director has significant influence.

6. 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

Issued and outstanding common shares:	Number	Amount
Opening balance, January 1, 2011	15,541,000	$ 1,902,719
Share consolidation (i)	(12,950,833)	-
Closing balance, December 31, 2011	2,590,167	1,902,719
Private placement (ii)	666,667	97,724
Closing balance, December 30, 2012	3,256,834	$ 2,000,443

(i) 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 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.

(Canadian dollars)

6. Capital stock (cont'd)

(ii) On March 15, 2012, the Corporation 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 and Secretary of the Corporation. Gross proceeds were $100,000 less issuance costs of $2,276. The shares are subject to a TSX Venture Exchange hold period that expired on July 6, 2012.

b) 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.

No stock options were granted during the years ended December 31, 2012 and 2011.

7. Income taxes

The Corporation has unused non-capital income tax losses available for carry forward in Canada of $1,760,757 (December 31, 2011 - $1,722,646). 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, 2012	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
2012	38,111	2032
	$1,760,757	

(Canadian dollars)

8. Financial instruments

a) Fair values

The Corporation's financial instruments consist of cash and accounts payable and accrued liabilities, as well as 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.

9. 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, 2012, shareholders' deficiency was $888 (December 31, 2011 – $60,956). The Corporation is not subjected to capital requirements imposed by a regulator. 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 on-going analysis conducted by management. There has been no change to the management of capital in the year.

10. Authorization of financial statements

The financial statements for the year ended December 31, 2012 (including comparatives) were authorized for issue by the board of directors on April 25, 2013.

"***Don Caron***"	"***Jason Theiss***"
Don Caron, Director	Jason Theiss, Director