Synergy Acquisition Corp.
First Quarter Interim Report
March 31, 2013 (unaudited)

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of Synergy Acquisition Corp. (the "Corporation") have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Synergy Acquisition Corp.
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First Quarter Ended March 31, 2013

Synergy Acquisition Corp.

Statements of Loss and Comprehensive Loss

(Unaudited – expressed Canadian dollars)

Three Month Period Ended March 31	2013	2012
Expenses		
Corporate administration	**3,353**	9,381
Net loss and comprehensive loss	**$ (3,353)**	$ (9,381)
Basic and diluted weighted average number of common shares outstanding	**3,256,834**	2,683,940
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)

Synergy Acquisition Corp.

Statements of Financial Position

(Unaudited – expressed in Canadian dollars)

	March 31, 2013	December 31, 2012
Assets		
Current		
Cash	**$ 9,424**	$ 25,766
GST receivable	**2,283**	2,112
	$ 11,707	$ 27,878
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 15,947**	$ 28,766
Shareholders' Deficiency		
Share capital (Note 6)	**2,000,443**	2,000,443
Contributed surplus	**3,493,325**	3,493,325
Deficit	**(5,498,009)**	(5,494,656)
	(4,240)	(888)
	$ 11,707	$ 27,878

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

	Common Shares Number	Common Shares Amount	Contributed Surplus	Accumulated Deficit	Shareholders' Deficiency
Balance at January 1, 2013	3,256,834	$ 2,000,443	$ 3,493,325	$ (5,494,656)	$ (888)
Net loss	-	-	-	(3,353)	(3,353)
March 31, 2013	**3,256,834**	**$ 2,000,443**	**$ 3,493,325**	**$ (5,498,009)**	**$ (4,240)**

	Common Shares Number	Common Shares Amount	Contributed Surplus	Accumulated Deficit	Shareholders' Deficiency
Balance at January 1, 2012	2,590,167	$ 1,902,719	$ 3,493,325	$ (5,457,000)	$ (60,956)
Private placement (Note 6)	533,333	77,724	-	-	77,724
Net loss	-	-	-	(9,381)	(9,381)
March 31, 2012	**3,123,500**	**$ 1,980,444**	**$ 3,493,325**	**$ (5,466,381)**	**$ (7,388)**

Synergy Acquisition Corp.
Statements of Cash Flows
(Unaudited – expressed in Canadian dollars)

Three Month Period Ended March 31	**2013**	2012
Cash provided by (used in)		
Operating		
Net loss	**$ (3,353)**	$ (9,381)
Change in non-cash operating working capital:		
GST receivable	**(170)**	(1,389)
Accounts payable and accrued liabilities	**(12,819)**	(2,976)
	(16,342)	(13,746)
Financing		
Issuance of share capital, net of issuance costs (Note 6)	**-**	77,724
	-	77,724
Increase (decrease) in cash	**(16,342)**	63,978
Cash		
Beginning of year	**25,766**	5,864
End of year	**$ 9,424**	$ 69,842

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”) 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. For the first quarter ended March 31, 2013, the Corporation incurred a loss of $3,353 (March 31, 2012 - $9,381) and had negative cash flow from operations of $16,342 (March 31, 2012 - $13,746). In addition, as at March 31, 2013, the Corporation had negative working capital of $4,240 (March 31, 2012 – positive working capital of $7,388) and an accumulated deficit of $5,498,009 (March 31, 2012 - $5,466,381).

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) 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 Interim 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.

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 (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 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.

5. Due to related party and related party transactions

	March 31, 2013	December 31, 2012
Opening balance	**$ -**	$ 40,500
Settlement (a)	**-**	(40,500)
Closing balance	**$ -**	$ -

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) This represents a repayment to a company over which a director has control.

(Unaudited – expressed in Canadian dollars)

5. Due to related party and related party transactions (cont'd)

(c) Included in accounts payable and accrued liabilities is $3,414 (2012 – $2,431) for legal services payable to a firm over which a director has significant influence. For the three months ended March 31, 2013 and 2012, the Corporation did not receive legal services from a firm 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, 2012	2,590,167	$ 1,902,719
Private placement (i)	(666,667)	$97,724
Closing balance, December 31, 2012 & March 31, 2013	3,256,834	$ 2,000,443

(i) On March 15, 2012, the Corporation closed a non-brokered private placement of 533,333 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, and Eric Sauze, Chief Financial Officer and Secretary of the Corporation. Gross proceeds were $80,000 less issuance costs of $2,276. The shares are subject to a TSX Venture Exchange hold period expiring on July 6, 2012.

An additional 133,333 shares were issued to David Tam, a director of the Corporation, from this private placement, for gross proceeds of $20,000. Mr. Tam's subscription funds were received April 12, 2012, therefore the shares were only issued at that time. The shares are subject to a TSX Venture Exchange hold period expiring 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 interim periods ended March 31, 2013 and 2012.

(Unaudited – expressed in Canadian dollars)

7. Income taxes

The Corporation has unused non-capital income tax losses available for carry forward in Canada of $1,760,757 (2012 - $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	

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 March 31, 2013, shareholders' deficiency was $4,240 (December 31, 2012 – $888). 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 interim period ended March 31, 2013 (including comparatives) were authorized for issue by the board of directors on May 27, 2013.

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