

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("**MD&A**") for VoodooVox Inc. ("**VoodooVox**" or the "**Company**") should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements, and the accompanying notes, as at and for the quarter ended March 31, 2013, which have been filed with certain securities regulatory authorities in Canada and may be accessed through the SEDAR website at www.sedar.com (under VoodooVox's profile). References in this MD&A to the Company's financial position and results of operations are presented on a consolidated basis and include the accounts of the Company and its wholly-owned subsidiaries, Call Genie (Ontario) Inc., VoodooVox USA Holdings, Inc. (formerly Call Genie (USA), Inc.), BTS Logic Europe ApS, Call Genie Europe B.V., and VoodooVox Limited (formerly PhoneSpots Limited). The Company's unaudited condensed interim consolidated financial statements, including the notes thereto, and the financial information presented in this MD&A have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All amounts are stated in Canadian currency unless otherwise indicated. This MD&A is dated May 30, 2013 and the information in this MD&A is current to May 29, 2013, unless otherwise noted. Whenever used in this MD&A, the term "**Common Shares**" means common shares in the capital of the Company.

The content of this MD&A has been approved by the board of directors of the Company (the "**Board**" or "**Board of Directors**"), on the recommendation of its Audit Committee.

In January 2012, the Company changed its name from "Call Genie Inc." to "VoodooVox Inc.", following the acquisition of a private Delaware corporation (engaged in the business of providing mobile advertising and analytics solutions) also named "VoodooVox, Inc." In this MD&A, that private Delaware corporation is referred to as "Old VoodooVox". In October 2011, the Company acquired the assets of UpSNAP Services LLC, which is referred to in this MD&A as "UpSnap".

Further information concerning the Company and its business and operations may be obtained from continuous disclosure materials filed by the Company from time-to-time with certain securities regulatory authorities in Canada. These continuous disclosure materials are available through the Company's website at www.voodoovox.com or through the SEDAR website at www.sedar.com (under VoodooVox's profile).

FORWARD LOOKING STATEMENTS AND DISCLAIMER

Certain information set out in this MD&A constitutes forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "hope", "plan", "continue", "estimate", "expect", "may", "will", "intend", "could", "might", "should", "scheduled", "believe" and similar expressions.

Forward-looking statements are based upon the opinions, expectations and estimates of management and, in some cases, information received from or disseminated by third parties, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. These factors include such things as the Company's current stage of development, the lack of a track record with respect to the generation of revenues from performance-based arrangements with customers, its reliance on third parties and third party technology, the existence of competition, the availability of external financing, the inherent risks associated with research and development activities and commercialization of emerging technologies (such as lack of market acceptance), timing of execution of various elements of the Company's business plan, the availability of human resources, the emergence of competing business models, new laws (domestic or foreign), lack of acceptance by customers, management's estimates of project requirements being incorrect, information received from third parties with respect to anticipated transaction volumes being incorrect, a lack of advertising sources for integration into the Company's platform, management's understanding of the competitive and regulatory environment being incorrect and the other risk factors noted below under the heading "Business Risks and Uncertainties". **Accordingly, readers should not place undue reliance upon the forward-looking information contained herein and the forward-looking statements contained in this MD&A should not be considered or interpreted as guarantees of future outcomes or results.**

The Company does not assume responsibility for the accuracy and completeness of the forward-looking statements set out in this MD&A and, subject to applicable securities laws, does not undertake any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances. VoodooVox's forward-looking statements are expressly qualified in their entirety by the foregoing cautionary statement.

EXECUTIVE SUMMARY

VoodooVox is engaged in the business of providing mobile advertising solutions to advertisers and publishers. The Company's technology, tools and services help publishers maximize their advertising revenues, acquire users and gain insight into their users. The Company offers advertisers significant audience reach, sophisticated targeting capabilities and the ability to deliver rich and engaging ad experiences to consumers on their mobile connected devices.

In 2011, VoodooVox identified market demand and commercialization opportunities to transform its legacy voice and data search solutions into a mobile advertising and analytics managed service. In order to achieve this transformation, the Company undertook a strategy of consolidating certain early providers of mobile advertising solutions by acquiring the assets and business operations of UpSnap in October 2011 and the assets and business operations of Old VoodooVox in January 2012.

The Company invested significant capital and effort in order to effect this business transformation. The acquisitions of UpSnap and Old VoodooVox resulted in redundancies in the consolidated Company's structure including redundant offices, employees and network and data center costs. During 2012 a major cost reduction program was initiated and costs were reduced across all aspects of the Company's operations.

The Company's loss for the quarter ended March 31, 2013 was \$1.7 million (or \$0.01 per share) compared to a loss of \$2.5 million (or \$0.1 per share) in 2012. Revenues for the quarter ended March 31, 2013 totaled \$0.8 million compared to \$1.0 million in 2012. Revenues from legacy voice and data search products totaled \$0.2 million compared to \$0.4 million in 2012 which accounted for the difference. The Company's operating loss for the quarter ended March 31, 2013 was \$1.0 million compared to a loss of \$2.0 million in 2012. The decrease was due to a reduction in labour and other operating costs resulting from the Company's restructuring efforts. For the quarter ended March 31, 2013 (as compared to 2012), labour costs decreased by \$1.0 million as the average number of employees was 24 compared to 48.

The Company achieved a significant reduction in fixed costs without reducing its revenue from mobile advertising and analytics. Management believes that the significant reduction in fixed costs will allow the company to leverage the success of its mobile advertising and analytics platform. The application of new capital will enable the Company to source new publishing inventory and advertising contracts and monetize secured advertising campaigns at a faster rate.

As at March 31, 2013, the Company had a cash balance of \$0.1 million. Cash flow used in operations was \$0.3 million for the quarter ended March 31, 2013, as compared to \$1.0 million used in operations in 2012.

The Company's future operations remain dependent upon its ability to: 1) raise additional funds; 2) realize transaction revenues from existing customer relationships; and 3) secure new customer relationships that provide the Company with adequate funds to cover expenditures projected for the remainder of 2013 (or a combination of the foregoing). In recent years, the Company has relied upon external debt financing to provide it with the working capital required to support ongoing operations.

The following table sets out selected financial and share information of the Company as at March 31, 2013, 2012 and 2011 and for the three month periods then ended:

KEY FINANCIAL METRICS in 000's (except share amounts)	2013	2012	2011
Cash and cash equivalents	\$ 62	\$ 243	\$ 2,746
Deferred revenue	\$ 278	\$ 267	\$ 2,844
Revenue	\$ 769	\$ 1,001	\$ 1,090
Operating loss	\$ (981)	\$ (1,978)	\$ (907)
Net loss	\$ (1,709)	\$ (2,458)	\$ (1,697)
Loss per share – basic and fully diluted	\$ (0.01)	\$ (0.01)	\$ (0.02)
Common Shares outstanding			
- Basic	213,362,121	187,600,274	89,850,241
- Fully diluted	292,505,121	256,522,274	161,791,814

BUSINESS STRATEGY

Our Goal and Strategy

VoodooVox is engaged in the business of providing mobile advertising solutions to advertisers and publishers. The Company offers advertisers significant audience reach, sophisticated targeting capabilities and the ability to deliver rich and engaging ad experiences to consumers on their mobile connected devices. The Company's technology, tools and services help publishers maximize their advertising revenues, acquire users and gain insight into their users.

Prior to 2011, VoodooVox was a global solutions provider of mobile voice and data search solutions that enabled companies to connect mobile consumers and local merchants. Initially, the Company developed a voice automated, location-based category search product that would, in response to caller-provided inputs, search for, identify and provide information concerning relevant local businesses. Through two acquisitions, the Company acquired technology for directory assistance products such as business name search and directory assistance agent workstation software as well as mobile content delivery, mobile advertising, and mobile campaign management products that identify and distribute to callers relevant mobile content information as well as mobile advertisements sourced from third parties. With the acquisition of these two entities, VoodooVox was in a position to provide multiple solutions to enable its customers to generate revenues from mobile voice and data searches for local merchants. The Company earned software license and maintenance fees, hosting fees and consulting fees from customers in traditional industries, such as wireless carriers, directory assistance providers and other companies that have significant wireless or wireline customer bases. The Company's products are available internationally in more than 11 countries and the Company's customers include some of the largest mobile carriers and merchant search providers in the world.

In 2011, VoodooVox identified market demand and commercialization opportunities to transform its legacy voice and data search solutions into a mobile advertising and mobile analytics managed service. In order to achieve this transformation, the Company undertook a strategy of consolidating certain early providers of mobile advertising solutions by acquiring the assets and business operations of UpSnap in October 2011 and the assets and business operations of Old VoodooVox in January 2012.

The Company's mobile advertising model is based on establishing long-term relationships with advertisers either directly or indirectly through advertising agencies and other media companies. VoodooVox enters into performance arrangements with advertisers, which typically include the signing of an insertion order. Each insertion order, which generally remains in effect for a limited time period and involves a limited budget, outlines the performance criteria under which VoodooVox earns a fee. The fees can be classified into two broad categories: CPM fees and CPA fees. Cost Per Thousand, or "CPM" fees, are earned based on simple insertion or display of the ad into any advertising inventory slot. No action is required by the consumer in order to earn this type of fee. Cost Per Action, or "CPA" fees, are earned when a consumer who hears or sees the ad takes a specific action. Performance criteria for CPA fees can include, but are not limited to, initiating a click-to-call phone call to a direct response call center, selecting an alternative merchant from a disconnected telephone number or providing additional merchant information.

In order to earn CPM or CPA fees, VoodooVox must source publishers who have places to insert advertisements ("Ad Traffic" or "leads"). The arrangements to purchase Ad Traffic can be either on a fixed fee or revenue share basis. Fixed fees have a higher risk/return profile as the amount paid to the publisher is fixed and VoodooVox's revenues vary based on the effectiveness of the ad campaigns. Alternatively, the publisher arrangements can be revenue share based where the publisher earns a percentage of the CPM or CPA fees earned by VoodooVox. This has lower risk to VoodooVox, but costs are potentially higher than a fixed fee. To date, VoodooVox has generally favored revenue share arrangements.

VoodooVox believes that the key to delivering an effective mobile advertising experience is providing publishers with highly relevant, targeted ads. To assist in sourcing these ads, VoodooVox relies on its analytics technology, which provides relevant demographic information about consumers who use the publishers' service. Increased knowledge and predictability regarding traffic sources generally translates into higher CPM rates and higher yield on CPA revenue sources.

VoodooVox believes that a smarter mobile advertising solution is not exclusively an audio ad, a text or graphic ad, or a video ad, but rather the combination of available communication tools to optimize a seamless consumer search, based upon relevance, mode and timing (a "multi-modal" advertising strategy). Smarter mobile advertising is also viewed as being transparent – advertising that is actually more of a solution to a consumer's problem (or need) versus an interruption or a nuisance.

In addition, VoodooVox expects that its legacy voice and data search solutions will continue to generate software license and maintenance fees, hosting fees and consulting services. Management believes the potential to expand and leverage existing long term relationships, with the cross selling of newly acquired technologies such as mobile analytics, presents additional growth opportunities for the Company.

Strategic Priorities and Progress

The following are the key strategic priorities established for the Company and the progress made by the Company to date in achieving those priorities.

Strategic Priority	Current Status
Secure additional financing	<ul style="list-style-type: none"> • In April and May, 2013, the Company issued a series of short term notes for aggregate proceeds of \$0.6 million. • In April 2013, the Company secured an engagement with a private placement agent for a transformational financing.
Acquire new advertisers and increase our share of advertising budgets	<ul style="list-style-type: none"> • Increased focus on direct agency account penetration and increased direct sales capabilities
Acquire new publishers and ad network relationships	<ul style="list-style-type: none"> • Increased focus on developing relationships with publisher networks and providing analytics capabilities
Innovate and launch new capabilities in mobile analytics	<ul style="list-style-type: none"> • Increased development in predictive and context aware analytics
Service legacy voice and data search solutions customers	<ul style="list-style-type: none"> • Solutions deployed in 11 countries; principally in Canada, the United States and Europe. • Providing maintenance and feature enhancement on existing relationships • Working to transition existing customers to new mobile advertising solutions

KEY PERFORMANCE DRIVERS

There are three key drivers that management currently monitors to gauge performance and the Company's ability to execute its business plan. Those drivers are summarized below:

1. New Advertiser Acquisitions:

Increase the number of direct advertising agencies that we service and the number of advertising campaigns that we capture.

2. New Publisher Relationships:

Increase the number of publishers we use, the number of leads we purchase from each publisher and decrease the price per lead.

3. New Analytics Capabilities:

Increase the yield on advertising campaigns by improving the capabilities of the analytics software in order to deliver relevant information to consumers.

CAPABILITY TO DELIVER

Leadership

Execution of the Company's business plan is, to a significant degree, dependent on the capabilities of its senior management. Executive leadership is a key component of the planning, organizing and delivery necessary to achieve success. The Company has an executive management team with over 100 combined years of industry specific experience in the technology field. The executive team is led by George Cooney, the Company's Chief Executive Officer. Mr. Cooney was hired in January 2013 to help the Company execute on opportunities available in the mobile advertising market. Mr. Cooney is a recognized business leader, entrepreneur, advisor and investor in the mobile marketing, communications, and Internet technology industries, with more than 30 years of experience helping build successful companies.

Mr. Cooney replaced Michael Durance, who took the position of Chief Strategic Executive and will lead strategic initiatives including M&A, strategic relationships, and capital markets initiatives as well as work directly with the Board on setting strategic direction for the Company. Mr. Durance was hired by VoodooVox in June 2005 and has over 25 years of industry experience.

Further information about the executive team and the Board of Directors is available on the Company's website at www.voodoovox.com.

Financing

On March 31, 2013, the Company had a cash balance of \$0.1 million. In April and May, 2013, the Company issued a series of short term notes for aggregate proceeds of \$0.6 million. The short term notes bear interest at a rate of 10% and mature on June 26, 2013.

On May 21, 2013, the Company announced that it entered into an agreement with an investment dealer in respect of a private placement offering. Closing of the offering is dependent upon obtaining the approval of the Company's shareholders of a proposed share consolidation, and obtaining the approval of the Company's debtholders of a proposed conversion of the Company's outstanding debentures. Management believes that this financing will dramatically transform the balance sheet and capital structure of the Company and provide it with the capital it needs to take advantage of the growth opportunities in the mobile advertising market.

Notwithstanding these financings, the Company's future operations remain dependent upon its ability to: 1) raise additional funds; 2) realize transaction revenues from existing customer relationships; and 3) secure new customer relationships that provide the Company with adequate funds to cover expenditures projected for 2013 (or a combination of the foregoing). If the Company does not generate sufficient funds from existing or new customer relationships and it is unable to raise additional financing, the Company will have to consider strategic alternatives, which may include, among other things, exploring the monetization of certain intangible assets, modification of planned operating expenditures, or the sale of the Company. **In recent years, the Company has relied upon external debt financing to provide it with the working capital required to support ongoing operations.**

Productive Capacity

The Company's business model is premised on its ability to generate recurring revenues without a proportional increase in expenses for staff salaries and benefits. To that end, the Company builds its application software using a product model rather than building individual customized solutions. Management of VoodooVox believes that the Company has adequate human resources to deliver all projects currently scheduled.

RESULTS OF OPERATIONS

Overall

The Company's loss for the quarter ended March 31, 2013 was \$1.7 million (or \$0.01 per share) compared to a loss of \$2.5 million (or \$0.01 per share) in 2012. Revenues for the quarter ended March 31, 2013 totaled \$0.8 million compared to \$1.0 million in 2012. The decrease in revenues is primarily attributable to the Company's transition from its legacy voice and data search solutions business to its cloud-based mobile advertising and analytics platform. The Company's operating loss for the quarter ended March 31, 2013 was \$1.0 million compared to a loss of \$2.0 million in 2012. The decrease was primarily due to a reduction in labour and other operating costs resulting from the Company's restructuring efforts. For the quarter ended March 31, 2013 (as compared to 2012), labour costs decreased by \$1.0 million as the average number of employees was 24 compared to 48.

Revenues

Revenues for the quarter ended March 31, 2013 totaled \$0.8 million compared to \$1.0 million in 2012. Revenues decreased \$0.1 million in North America and \$0.1 million in Europe and the rest of the world. The following table sets out additional information concerning revenue by product line for the quarter ended March 31, 2013 and 2011.

In 000's	2013	2012	Variance	% change
Mobile Advertising	548	584	(36)	(6%)
Voice and Data Search	221	417	(196)	(47%)
Total	769	1,001	(232)	(23%)

The decrease in revenues is primarily attributable to the Company's transition from its former solution based business model to its cloud-based mobile advertising and analytics platform.

Deferred revenue at March 31, 2013 was \$0.3 million, compared to \$0.1 million at December 31, 2012. All of the deferred revenue reported at March 31, 2013 was recorded as a current liability in accordance with IFRS.

Operating Costs

Operating costs for the quarter ended March 31, 2013 (as compared to 2012) decreased to \$1.8 million from \$3.0 million. The decrease was primarily due to a reduction in labour and other operating costs resulting from the Company's restructuring efforts.

Network and Publisher Costs

Network and publisher costs consist of non-labour costs directly incurred by the Company to provide hosted services and to acquire traffic (places to insert advertisements) from publishers. This includes network, data and operating charges required to support revenue generating services. Network and publisher costs for the quarter ended March 31, 2013 totaled \$0.3 million, unchanged from 2012.

Labour Costs

Labour costs consist of employee salaries, employee benefits, amounts paid to consultants and stock option compensation expense. For the quarter ended March 31, 2013, labour costs were \$0.8 million compared to \$1.8 million in 2012. The decrease was primarily due to the Company's restructuring efforts. The average number of employees for the quarter ended March 31, 2013 was 24 compared to 48 in 2012.

Other Operating Costs

Other operating costs consist primarily of facility costs, professional services, telephone expenses, travel, and costs associated with operating as a public issuer. Other operating costs for the quarter ended March 31, 2013 totaled \$0.4 million compared to \$0.6 million in 2012. The decrease was primarily due to a reduction in facility costs resulting from the Company's restructuring efforts.

Amortization

Amortization expense for the quarter ended March 31, 2013 was \$0.3 million, unchanged from 2012. A decrease in the Company's amortization on property and equipment was offset by an increase in amortization on intellectual property resulting from the acquisitions of UpSnap and Old VoodooVox.

Operating Loss

The Company's operating loss for the quarter ended March 31, 2013 was \$1.0 million compared to a loss of \$2.0 million in 2012. The decrease was primarily due to a reduction in labour and facility costs resulting from the Company's restructuring efforts.

Interest and Accretion Expense

Interest and accretion expense for the quarter ended March 31, 2013 was \$0.6 million compared to \$0.5 million in 2012. The increase is due to a higher balance of outstanding debentures.

Net Loss

The Company's loss for the quarter ended March 31, 2013 was \$1.7 million (or \$0.01 per share) compared to a loss of \$2.5 million (or \$0.01 per share) in 2012.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected financial information of the Company for the quarters indicated.

(000's, except per share amounts)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013
Revenue	\$2,100	\$2,009	\$1,004	\$1,001	\$1,323	\$889	\$775	\$769
Expenses								
Network and data costs	59	53	155	300	320	308	321	291
Labour costs	1,059	1,090	1,135	1,779	1,468	1,106	1,018	823
Other operating costs	567	527	616	595	633	1,006	823	375
Acquisition earn out	-	-	-	-	-	-	313	-
Amortization	238	231	241	305	303	293	288	261
	1,923	1,901	2,147	2,979	2,724	2,713	2,751	1,750
Operating Loss	177	108	(1,143)	(1,978)	(1,401)	(1,824)	(1,987)	(981)
Other income/(expense)								
Interest income (expense)	(732)	(754)	(803)	(480)	(493)	(518)	(562)	(556)
Gain (loss) on sale of investment	-	-	-	-	100	(75)	63	(172)
Loss from debt conversion incentive program	-	-	(8,565)	-	-	-	-	-
Loss on impairment of goodwill	-	-	-	-	-	-	(2,211)	-
Loss on impairment of intangible assets	-	-	-	-	-	-	(104)	-
Gain on settlement of debt	-	-	-	-	-	-	76	-
Income tax (expense)	249	(1)	3	-	-	236	(236)	-
Net loss for the period	(306)	(647)	(10,508)	(2,458)	(1,794)	(2,181)	(4,719)	(1,709)
Basic and diluted loss per share	\$(0.00)	\$(0.01)	\$(0.11)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.03)	\$(0.01)

FINANCIAL CONDITION

The following table sets out selected information concerning the Company's financial position as at March 31, 2013 and December 31, 2012.

Selected data on financial position in 000's	2013	2012
Cash and cash equivalents	\$ 62	\$ 19
Working capital	\$ (2,970)	\$ (2,260)
Total assets	\$ 3,600	\$ 4,039
Total long-term liabilities	\$ 11,485	\$ 10,952
Total liabilities	\$ 15,422	\$ 14,357
Shareholders' equity	\$ (11,822)	\$ (10,318)

Cash and Cash Equivalents

At March 31, 2013, the Company's cash and cash equivalents amounted to approximately \$0.1 million compared with \$0.1 million at December 31, 2012.

Assets

The Company's total asset base as at March 31, 2012 was \$3.6 million compared to \$4.0 million at December 31, 2012. Long-term assets, consisting primarily of capital assets, goodwill, and intangibles, decreased from \$2.9 million at December 31, 2012 to \$2.6 million as at December 31, 2012, primarily due to the amortization of the Company's intangible assets.

Working Capital

Working capital represents the Company's current assets less its current liabilities. At March 31, 2013, the Company had a working capital deficit of \$3.0 million compared to a working capital deficit of \$2.3 million at December 31, 2012. Included in the working capital deficit is \$0.6 million of debentures that are scheduled to mature prior to March 31, 2014 compared to \$0.3 million at December 31, 2012.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The reported financial position of the Company presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company has incurred losses totaling \$92.1 million since the Company commenced operations in 2000. As of March 31, 2013, the Company had a working capital deficit of \$3.0 million and a cash balance of \$0.1 million.

The Company's ability to continue operations remains dependent upon its ability to: 1) raise additional funds; 2) realize transaction revenues from existing customer relationships; and 3) secure new customer relationships that provide the Company with adequate funds to cover expenditures projected for 2013 (or a combination of the foregoing). If the Company does not generate sufficient funds from existing or new customer relationships and is unable to raise additional financing, the Company will have to consider strategic alternatives, which may include, among other things, exploring the monetization of certain intangible assets, modification of planned operating expenditures, or the sale of the Company. In recent years, the Company has relied upon external debt financing to provide it with the working capital required to support ongoing operations.

OUTSTANDING SHARE DATA

The Company's outstanding share capital consists of Common Shares. The Company is authorized to issue an unlimited number of Common Shares. At March 31, 2013, 213,362,121 Common Shares were outstanding compared to 202,017,514 Common Shares outstanding at December 31, 2012. The increase was due to the issuance of 7,571,688 Common Shares for settlement of debt, the issuance of 1,595,000 for a debenture guarantee, the issuance of 305,965 Common Shares under the Company's employee share purchase plan, the issuance of 1,324,704 Common Shares under a rent agreement, the issuance of 47,250 Common Shares in connection with the issuance of new debentures and the issuance of 500,000 Common Shares under an advisory agreement with Wolverton Securities Ltd.

As at March 31, 2013, the Company had 31,355,000 (29,260,000 at December 31, 2012) stock options outstanding with a weighted average exercise price of \$0.06 and 25,241,000 (23,216,000 at December 31, 2012) share purchase warrants outstanding with an average exercise price of \$0.07. Under various tranches of convertible debentures distributed by the Company, holders are entitled to convert the outstanding principal amount of their debentures and accrued interest into Common Shares at a conversion prices ranging from \$0.50 to \$0.10 per share, subject to anti-dilution adjustments. If the aggregate principal amount of the debentures distributed in 2009 and still outstanding at March 31, 2013 were to be fully converted, at the \$0.50 conversion price, an additional 4,700,000 Common Shares would be issued. If the aggregate principal amount of the debentures distributed in 2010 and still outstanding at March 31, 2013 were to be fully converted, at the \$0.10 conversion price, an additional 3,500,000 Common Shares would be issued. If the aggregate principal amount of the debentures distributed in 2012 were to be fully converted, at the \$0.25 conversion price, an additional 10,720,000 Common Shares would be issued. In addition, if the broker warrants distributed in connection with the convertible debenture financings concluded in 2010 and 2011 were fully exercised, an additional 3,647,000 Common Shares would be issued and outstanding. Accordingly, the number of issued and issuable shares on a fully diluted basis was 292,505,121 at March 31, 2013, compared to 277,060,514 at December 31, 2012.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

The following table sets out certain information concerning VoodooVox's contractual obligations, including payments due for each of the next three years and thereafter.

Contractual Obligations as at December 31, 2012	Payments Due by Period in 000's				
	Total	2013	2014	2015	After 3 years
Accounts payable and accrued liabilities	2,216	2,216	-	-	-
Interest on debentures	689	102	436	151	-
Debentures	10,934	234	3,355	6,878	467
Operating leases	328	246	82	-	-
Total contractual obligations	14,167	2,798	3,873	7,029	467

The Company did not have any "off-balance sheet" arrangements as of March 31, 2013. The Company did not have any commitments for capital expenditures as of March 31, 2013 nor any financing sources arranged, but not yet used.

RELATED PARTY TRANSACTIONS

During the quarter ended March 31, 2013, the Company completed \$5.3 million in debt financings. Performance by the Company of its obligations under the applicable debentures is secured, in part, by personal assets owned by a former director. A committee of independent Board members determined that it would be appropriate for the Company to provide compensation to the director for the provision of this additional security and formulated recommendations in that regard for further consideration by the full Board of Directors. The Board of Directors approved the transfer of 218,333 common shares of a private company that VoodooVox had received in the fourth quarter of 2011 and 405,000 Common Shares of VoodooVox to the former director and committed to provide an additional 1,595,000 Common Shares of VoodooVox. These additional shares were issued in 2013, along with an additional 275,000 common shares of that private company.

OUTLOOK

In January 2012, the VoodooVox initiated a rebranding of the Company as "VoodooVox - Smarter Mobile Advertising". The amount of revenue generated from the Smarter Mobile Advertising platform will depend, to a significant degree, on the Company's ability to source relevant traffic and ads that prompt consumers to act in a manner that generates a measurable sales lead to a merchant. Mobile Advertising arrangements with customers are determined based on the number and type of leads generated. In addition, the Company's analytics solutions acquired from Old VoodooVox generate revenues based on the number of monthly subscribers licensed to use this solution. Due to the nature of performance based revenues, variability of potential results, and the uncertainty of consumer adoption, the Company is not providing any financial guidance at this time with respect to future periods.

BUSINESS RISKS AND UNCERTAINTIES

The business of the Company is subject to numerous risk factors, including those more particularly described below. An investment in or ownership of Common Shares should be considered highly speculative due to the nature of the Company's business, its current stage of development and the potential requirement for additional financing.

Substantial Capital Requirements; Liquidity; Going Concern

Because of the costs associated with further development of VoodooVox's technology and business, and the fact that VoodooVox's ability to generate revenue will depend on a variety of factors (including the ability of VoodooVox to meet its development schedule and consumer and merchant acceptance of VoodooVox technologies), additional funds are required to support VoodooVox's business. VoodooVox has accumulated a substantial deficit and currently has a significant working capital deficiency. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Additional funds (whether through additional equity financing, debt financing or other sources) may not be available (at all or on terms acceptable to VoodooVox) or may result in significant dilution to VoodooVox shareholders or significant interest obligations. The inability to obtain additional funds in the short term will have a material adverse effect on VoodooVox's business, results of operations, and financial condition and could result in the Company ceasing operations.

No Record of Profit

VoodooVox has incurred significant losses to date, and there can be no assurance that the future business activities of VoodooVox will be profitable. Since its organization, VoodooVox has incurred costs to develop and enhance its technology, to establish strategic relationships, to acquire complementary technologies and to build administrative support systems. VoodooVox has incurred negative operational cash flow to date. VoodooVox incurred losses from operations of \$1.7 million for the quarter ended March 31, 2013, \$11.2 million for the year ended December 31, 2012, \$13.2 million for the year ended December 31, 2011, \$8.6 million for the year ended December 31, 2010, \$12.4 million for the year ended December 31, 2009, \$20.5 million for the year ended December 31, 2008, \$12.6 million for the year ended December 31, 2007, and \$6.5 million for the year ended December 31, 2006. VoodooVox's ability to operate profitably and generate positive cash-flow in the future will be affected by a variety of factors (including its ability to further develop and test its technology on schedule and on budget, the pace at which it secures additional customers, the time and expense required for the roll-out of its products, its success in marketing its solutions and services to consumers and merchants, the intensity of the competition experienced by VoodooVox and the availability of additional capital to pursue its business plan, including development of new solutions and services). An inability to generate sufficient funds from operations will have a material adverse affect on VoodooVox's business, results of operations and financial condition.

Developing Market

VoodooVox is engaged in the development and marketing of solutions and services that are relatively new and, as such, the primary market for VoodooVox's solutions and services is underdeveloped and continues to evolve. As is typical in the case of a new evolving industry segment, the demand for the Company's solutions and services is subject to a high level of uncertainty. If the markets for the VoodooVox solutions and services fail to develop, develop more slowly than expected or become saturated with competitors, or if the Company's solutions and services do not achieve and maintain market acceptance, the Company's business, results of operations and financial condition will be materially adversely affected.

Current Enterprise Value assigned by the Market; Liquidity

The actions of all stakeholders in the business may be adversely affected by the current market capitalization of the Company. These stakeholders include customers, potential customers, competitors, channel delivery counterparties, technology counterparties, and current or prospective employees. These stakeholders may ascribe a higher business risk to the Company due to its relatively low market capitalization, and any perception of higher risks may have a material adverse effect on VoodooVox's business, results and financial condition.

Third Party Technology

In providing its solutions and services, VoodooVox is, and will continue to be, dependent on technologies and infrastructure that are beyond VoodooVox's control, including landline and cellular telephone networks, directory databases and speech recognition and text-to-speech applications. There can be no assurance that if weaknesses or errors in third party software or hardware are detected, VoodooVox will be able to correct or compensate for such weaknesses or errors. If VoodooVox is unable to address weaknesses or errors and the Company's solutions and services are therefore unable to meet consumer or merchant needs or expectations, VoodooVox's business, results of operations and financial condition will be materially adversely affected. In addition, there can be no assurance that the Company will continue to have access to required third-party technology on terms acceptable to VoodooVox. If VoodooVox is unable to obtain third party technology on acceptable terms, VoodooVox's business, results of operations and financial condition will be materially adversely affected.

Rapid Technological Change

The technology industry is subject to rapid change, and the inability of VoodooVox to adapt to such change may have an adverse affect on VoodooVox's business, results of operations and financial condition. The effect of new developments and technological changes on the business sector in which VoodooVox is active cannot be predicted. Such developments would include, but are not limited to, change in how mobile advertising is delivered by advertisers and transacted with potential consumers, declining paid directory assistance transactions and resulting advertising opportunities arising on a global basis, a change in the success rate on the application of analytics in advertising, consumer backlash resulting from the collection and use of demographic intelligence, clients' ability to execute and industry consolidation. VoodooVox's failure to adapt to any of the above could have a material adverse effect on VoodooVox's business, results of operations and financial condition.

Competition

VoodooVox is subject to competition from other organizations (many of which have substantially greater human and financial resources) and there can be no assurance that VoodooVox will be able to compete effectively in its target markets. Technologies exist that are competitive with the Company's product suite. Certain organizations with substantially greater financial and human resources than the Company have active research and development initiatives involving the development and implementation of voice search capabilities, workstation applications, call analytics and ad network arrangements. The inability of VoodooVox to preserve existing customers and secure additional customers due to competitive technologies will have a material adverse effect on VoodooVox's business, results of operations and financial condition.

In addition, advances in communications technology as well as changes in the marketplace and the regulatory environment are constantly occurring and any such change could have a material adverse effect on VoodooVox.

Need for Research and Development

To achieve its business objectives and obtain market share and profitability, VoodooVox will need to continually research, develop and refine the Company's various technologies. Many factors may limit VoodooVox's ability to develop and refine required technologies or to create, acquire or negotiate access to new technologies. VoodooVox may also be exposed to marketplace resistance to new technology and services. Any failure of VoodooVox to develop new technologies or refine its existing technologies, or offer new solutions and services could have a material adverse effect on VoodooVox's business, results of operations and financial condition.

Defects and Liability

The hardware and software utilized to deliver the Company's solutions and services is complex and sophisticated and may contain design defects or software errors that are difficult to detect and correct. There can be no assurance that the Company's technologies will be free from errors or defects, or, if discovered, that VoodooVox will be able to successfully correct such errors in a timely manner or at all. Errors or failures in the Company's technologies could result in loss of or delay in market acceptance of the Company's solutions and services and correcting such errors and failures could require significant expenditures. Because of the competitive nature of the marketplace in which the Company's product suite is delivered, the reputational harm resulting from errors and failures could be very damaging to VoodooVox. The consequences of such errors and failures could have a material adverse effect on VoodooVox's businesses, results of operations and financial condition.

Patents and Other Intellectual Property

While VoodooVox has applied for patents for certain elements of its technology, there can be no assurance that such applications will result in the granting of patent protection. Competitors may have filed patent applications or hold issued patents relating to services or processes competitive with those of VoodooVox. Any patents covering elements of the VoodooVox technology granted to third parties (or the inability of VoodooVox to successfully challenge such patents) may impair VoodooVox's ability to do business in a particular area including in key markets. Others may independently develop similar services or duplicate unpatented elements of the Company's technologies.

VoodooVox's success will be largely dependent upon its ability to protect its proprietary technologies. VoodooVox relies upon copyrights, trademarks and trade secrets to protect its intellectual property. Where appropriate, VoodooVox also enters into non-disclosure agreements with persons to whom it reveals proprietary information. Any failure or inability on the part of VoodooVox to protect its intellectual property could have a material adverse effect on VoodooVox's business, results of operations and financial condition.

VoodooVox may be required to engage in litigation in the future to enforce or protect its intellectual property rights or to defend against claims of invalidity and VoodooVox may incur substantial costs as a result. Any claims or litigation initiated by VoodooVox to protect its intellectual property could result in significant expense to VoodooVox and diversion of the efforts of VoodooVox's technical and management resources, whether or not the claims or litigation are determined in favor of VoodooVox.

Ability to Manage Growth

Responding to consumer and merchant demands, expansion into other geographical markets and targeted growth in VoodooVox's business has placed, and is likely to continue to place, significant strains on VoodooVox's administrative and operational resources and increased demands on its management, internal systems, procedures and controls. If VoodooVox experiences rapid acceptance of its solutions and services, the need to manage such growth will add to the demands on VoodooVox's management, resources, systems, procedures and controls. There can be no assurance that VoodooVox's administrative infrastructure, systems, procedures and controls will be adequate to support VoodooVox's operations or that VoodooVox's officers and personnel will be able to manage any significant expansion of operations. If VoodooVox is unable to manage growth effectively, VoodooVox's business, operating results and financial condition will be materially adversely affected.

Personnel Resources

VoodooVox is (and will continue to be) reliant upon its management and technical personnel in all aspects of its business, including to anticipate and address consumer and merchant demands in areas such as software development, customer service, marketing, finance, strategic planning and management. There can be no assurance that qualified management or technical personnel will be available to VoodooVox in the future. The loss of services of any of the Company's management or technical personnel could have a material adverse effect on its business, results of operations and financial condition.

Potential Fluctuations in Quarterly Operating Results

VoodooVox expects to be exposed to significant fluctuations in quarterly operating results caused by many factors, including changes in the demand for the Company's solutions and services, the introduction of competing technologies, market acceptance of enhancements to the Company's solutions and services, delays in the introduction of enhancements to the Company's solutions and services, changes in VoodooVox's pricing policies or those of its competitors, the mix of solutions and services sold, foreign currency exchange rates and general economic conditions. Such fluctuations could have a material adverse effect on VoodooVox's business, results of operations and financial condition.

Risk of Industry Consolidation

VoodooVox's customers include carriers, telecommunication providers, yellow pages providers, directory assistance providers, publishers, publisher aggregators, advertisers, advertising aggregators, agencies, directory data providers, mobile application and service providers, ad networks, in-call media, and search engines. Each of these industries is characterized by constant change, restructuring and consolidation. As a result, VoodooVox may have established working relationships with one such customer undermined by a business combination or other transaction with another business in the marketplace. This could have a material adverse effect on VoodooVox's business, results of operations and financial conditions.

Government Regulation

The marketplace within which VoodooVox operates is in constant flux in relation to government regulation. Areas being regulated include regulation relating to call handling, privacy, and opt-in requirements for mobile application. Regulation is also being considered for use and application of consumer demographic information for mobile advertising purposes and other areas impacting on mobile advertising. The consequences of such regulation or changes to such regulation could have a material adverse effect on VoodooVox's business, results of operations and financial condition.

Costs Associated with Compliance with Securities Laws

VoodooVox is a publicly traded corporation and is subject to all of the obligations imposed on "reporting issuers" under applicable securities laws and all of the obligations applicable to a listed company under stock exchange rules. Direct and indirect costs associated with public company status have increased in recent years and regulatory initiatives under consideration may further increase the costs of being public in Canada and could have a material adverse effect on VoodooVox's business, results of operations and financial condition. If VoodooVox is unable to generate significant revenues from business operations, the cost of complying with applicable regulatory requirements will represent a significant financial burden to VoodooVox and may have a material adverse effect on VoodooVox's business, results of operations and financial condition.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's unaudited condensed interim consolidated financial statements as at and for the quarter ended March 31, 2013 were prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). Please refer to Note 2 of the Company's unaudited condensed interim consolidated financial statements for a detailed discussion regarding the significant accounting policies relied upon in the preparation of the financial statements, the application of critical estimates and judgements in the preparation of the financial statements and recent accounting pronouncements.